

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

Page 1 of 4

HOUSTON District

The Texas Department of Transportation (department) and the seven counties in the Houston area in which SH 99 (Grand Parkway) is located have been proceeding with the development of the Grand Parkway from SH 146 in Galveston County to SH 146 in Chambers County.

In accordance with the requirements of Transportation Code §228.0111 and the policies included in Minute Order 111410, the department and the seven counties entered into a Market Valuation Waiver Agreement, effective March 25, 2009, in which the parties agreed on the terms and conditions for the development, construction, and operation of the Grand Parkway, agreed to waive the development of a market valuation of the Grand Parkway, and agreed to certain other provisions applicable to the development, construction, and operation of the Grand Parkway. Each of the counties subsequently elected to exercise its option to develop, construct, and operate the portion of the Grand Parkway located within the territory of the county.

By resolution and order adopted on July 13, 2010, Chambers County withdrew its previous election to exercise that option, effectively choosing to not exercise its option, and providing for the reversion to the department of the right to develop, construct, and operate that portion of the Grand Parkway. In Minute Order 112528, the Texas Transportation Commission (commission) approved the department's determination to exercise its option to develop, finance, construct, and operate the portion of the Grand Parkway in Chambers County.

On January 11, 2011, the Harris County Commissioners Court rescinded its September 15, 2009 action to exercise the county's option, effectively choosing to not exercise its option, and providing for the reversion to the department of the right to develop, construct, and operate that portion of the Grand Parkway. In Minute Order 112558, the commission approved the department's determination to exercise its option to develop, finance, construct, and operate the portion of the Grand Parkway in Harris County.

On June 20, 2011, the Montgomery County Commissioners Court rescinded its September 14, 2009 action to exercise the county's option, effectively choosing to not exercise its option, and providing for the reversion to the department of the right to develop, construct, and operate that portion of the Grand Parkway. In Minute Order 112725, the commission approved the department's determination to exercise its option to develop, finance, construct, and operate the portion of the Grand Parkway in Montgomery County.

In Harris County, the department has been proceeding since 2011 with the construction of a Grand Parkway toll project comprising (1) an overpass at I-10 West and related highway improvements from north of Kingsland Boulevard to north of Colonial Parkway in Harris County (Segment D construction) and (2) three highway improvement projects identified as Segment E that will extend Grand Parkway from north of Colonial Parkway to south of US 290 in Harris County (Segment E construction), using the department's traditional design-bid-build method of constructing highway improvement projects on the state highway system (Segment D construction and Segment E construction are referred to as the 2011 project).

In Harris and Montgomery counties, the department has been proceeding with the development of a toll project that will extend Grand Parkway from east of US 290 in Harris County to west of US 59 in Montgomery County, identified as Segments F-1, F-2, and G (2012 project), using a design-build comprehensive development agreement (CDA) in accordance with Subchapter E,

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

Page 2 of 4

HOUSTON District

Chapter 223, Transportation Code, which prescribes the process by which the department may enter into a CDA with a private entity that provides for the design, construction, maintenance or operation of a toll project on the state highway system. On September 27, 2012, the commission selected the proposer who submitted the best value proposal to develop, design, construct, and maintain the 2012 project using the CDA.

In Minute Order 113046, dated March 29, 2012, the commission adopted a resolution creating the Grand Parkway Transportation Corporation (GPTC) pursuant to Title 43, Texas Administrative Code, §15.95, approving its certificate of formation and bylaws and appointing the initial directors. The commission adopted 43 TAC §15.95 to establish procedures applicable to toll project corporations created under Transportation Code, Chapter 431 (chapter 431) in entering into contracts with or on behalf of the commission in connection with the funding and development of toll projects (toll project corporation rules).

GPTC is authorized to assist and act on behalf of the commission in the development, financing, design, construction, reconstruction, expansion, operation and/or maintenance of the Grand Parkway toll project in fulfillment of the purposes of chapter 431, including promoting and developing public transportation facilities and systems by new and alternative means, reducing burdens and demands on the limited funds available to the commission, and increasing the effectiveness and efficiency of the commission.

The department and the GPTC have been working together to identify an approach to provide for the funding and development of Segments D, E, F-1, F-2 and G of the Grand Parkway in Harris and Montgomery counties and to provide funding for Grand Parkway pre-development costs of undeveloped segments in other counties.

The department and the GPTC are working to define (1) the responsibilities of GPTC to pay the costs of (a) financing, constructing, operating and maintaining the Grand Parkway segments developed as the 2012 project using the CDA and Segments D and E in Harris County and (b) funding certain pre-development costs of other portions of the Grand Parkway, and (2) the assistance to be provided to the GPTC by the department in the form of (a) personnel, consultant advice and contractual support, (b) assignment of revenues from completed segments of the Grand Parkway, and (c) financial assistance.

The allocation of responsibilities between GPTC and the department and the assistance to be provided to the GPTC by the department, other than the financial assistance, will be reflected in a project agreement being negotiated between the parties.

Transportation Code §222.103 authorizes the department to participate, by spending money from any available source, in the acquisition, construction, maintenance, or operation of a toll facility of a public or private entity on terms and conditions established by the commission.

On July 10, 2012, the GPTC's board of directors authorized the submission of an application for financial assistance under Transportation Code §222.103 for the costs of design, construction, acquisition of right of way, operation and maintenance and major maintenance of the 2012 project segments, costs of operation and maintenance of the portions of Segments D and E in Harris County, and pre-development costs of other portions of the Grand Parkway.

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

Page 3 of 4

HOUSTON District

The GPTC plan of finance described in the application for financial assistance contemplates that the commission will assign to GPTC the toll revenues from operation of Segments F-1, F-2, and G of the Grand Parkway, and from operation of the portions of Segments D and E in Harris County, subject to satisfaction by the GPTC of all requirements for final approval of financial assistance by the commission and the project agreement having been executed by the parties.

In Minute Order 113202, dated July 26 2012, the commission granted preliminary approval of a toll equity loan in an aggregate amount in nominal dollars no greater than the facility costs associated with Segments F-1, F-2, and G of the Grand Parkway and the maintenance, operation and major maintenance costs of Segments F-1, F-2, and G of the Grand Parkway, together with operation and maintenance costs of Segments D and E in Harris County, incurred or reasonably expected to be incurred over 52 years, under mutually approved projections and including a commercially reasonable contingency for design and construction cost overruns, eligible to be paid from the state highway fund under applicable law, and which may only include costs for (1) design and construction, including costs of acquiring right of way, and the identified and permitted pre-development costs of other portions of the Grand Parkway, (2) operations and maintenance costs of the 2012 project segments and Segments D and E in Harris County, and (3) major maintenance. On September 17, 2012, the board of directors of the GPTC approved a modification of the project for which financial assistance is being requested from the commission to include the facility costs associated with Segments D (from north of Kingsland Boulevard to north of Colonial Parkway in Harris County), E, F-1, F-2, and G of the Grand Parkway and the maintenance, operation and major maintenance costs of Segment D in Harris County and Segments E, F-1, F-2 and G, and identified and permitted pre-development costs of other portions of the Grand Parkway, as determined under mutually approved projections and including a commercially reasonable contingency for design and construction costs overruns that are eligible to be paid from the state highway fund under applicable law, and are incurred or reasonably expected to be incurred over 52 years.

NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by the Grand Parkway Transportation Corporation meets the requirements of the commission and, accordingly, the commission grants final approval of financial assistance for Segment D in Harris County and Segments E, F-1, F-2 and G, and identified and permitted pre-development costs of other portions of the Grand Parkway, in an aggregate amount in nominal dollars not to exceed \$9,600,000,000, and authorizes the executive director of the department to enter into the toll equity loan agreement with the Grand Parkway Transportation Corporation for the Grand Parkway project as described above, the form of which is attached as Exhibit A to this order, with such changes as the executive director may approve.

IT IS FURTHER ORDERED that the revenues of the portion of Segment D in Harris County and Segments E, F-1, F-2, and G of the Grand Parkway are assigned to the Grand Parkway Transportation Corporation upon execution by the department and the Grand Parkway Transportation Corporation of the project agreement.

IT IS FURTHER ORDERED that the Grand Parkway Transportation Corporation perform any function authorized by Subchapters A-C of chapter 431 and perform any function not specified by chapter 431, but necessary to develop, finance, refinance, design, construct, reconstruct, expand, toll, operate and/or maintain the Grand Parkway including the issuance of one or more series of public securities; collecting and enforcing tolls or causing such; execution of any agreements with the department or any other parties necessary in connection with the plan of finance for Grand Parkway

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

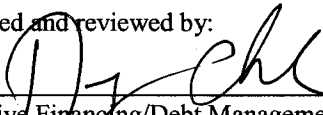
Page 4 of 4

HOUSTON District

or other matters related to the tolling, and other agreements and loans with the department pursuant to Transportation Code, Section 222.103; and any other matters related thereto.

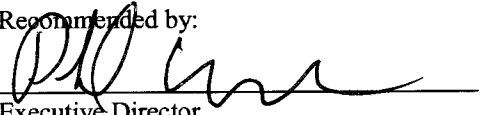
IT IS FURTHER ORDERED that the executive director or his designee is authorized and directed to execute all ancillary agreements, instruments and certificates necessary to effect the delivery of the toll equity loan agreement and the purposes of this order.

Submitted and reviewed by:



Innovative Financing/Debt Management Officer

Recommended by:



Executive Director

113279 SEP 27 12

Minute
Number

Date
Passed

TOLL EQUITY LOAN AGREEMENT

dated as of [_____, 20__]

between

Grand Parkway Transportation Corporation, as Borrower,

and

Texas Department of Transportation, as TxDOT,

relating to

STATE HIGHWAY 99 (GRAND PARKWAY) PROJECT

TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITIONS.....	2
Section 1.01 Certain Defined Terms.....	2
Section 1.02 Certain Interpretations	10
ARTICLE II. AMOUNT AND TERMS OF THE TOLL EQUITY LOAN COMMITMENT.....	10
Section 2.01 Establishing the Toll Equity Loan Commitment	10
Section 2.02 Term of the Toll Equity Loan Commitment	11
Section 2.03 Toll Equity Loan	11
Section 2.04 Repayment of Principal of and Interest on Toll Equity Loan; Interest on Excess Advances.....	12
Section 2.05 Prepayment	12
Section 2.06 Release of Toll Equity Loan Commitment; Fee	12
Section 2.07 Place and Manner of Payments.....	13
Section 2.08 Obligations Absolute	13
Section 2.09 Security	14
Section 2.10 Pledge and Assignment to Trustee.....	14
Section 2.11 Cancellation of Toll Equity Loan Note by TxDOT	14
ARTICLE III. CONDITIONS OF ESTABLISHING TOLL EQUITY LOAN COMMITMENT.....	15
Section 3.01 Condition Precedent to Establishment of the Toll Equity Loan Commitment	15
Section 3.02 Additional Conditions Precedent	17
ARTICLE IV. REPRESENTATIONS AND WARRANTIES.....	17
Section 4.01 Representations and Warranties of the Borrower	17
Section 4.02 Representations and Warranties of TxDOT.....	21
ARTICLE V. COVENANTS OF THE BORROWER.....	23
Section 5.01 Operations	23
Section 5.02 Reporting and Cooperation.....	25
Section 5.03 Trust Agreement Funds.....	28
Section 5.04 Assets and Interests.....	29
Section 5.05 Compliance, Insurance and Other Agreements	29

TABLE OF CONTENTS
(continued)

	Page
Section 5.06 Project Debt; Refunding of TELA Project Debt; Additional Debt.....	31
Section 5.07 Miscellaneous	32
Section 5.08 Covenants to Remain In Effect.....	34
ARTICLE VI. EVENTS OF DEFAULT BY THE BORROWER.....	34
Section 6.01 Events of Default	34
Section 6.02 Remedies upon an Event of Default	37
Section 6.03 Waiver of Event of Default.....	38
Section 6.04 Waivers; Consents	38
Section 6.05 No Waiver; Remedies Cumulative	38
Section 6.06 No Set-Off.....	38
ARTICLE VII. COVENANTS AND EVENTS OF DEFAULT BY TXDOT.....	38
Section 7.01 Legal Opinions.....	38
Section 7.02 Advance Funds.....	38
Section 7.03 Continuing Disclosure	39
Section 7.04 Builders’ Liens.....	39
Section 7.05 Remedies Upon An Event of Default by TxDOT.....	39
Section 7.06 Failure to Fund Advances Due to Non-Appropriation	39
Section 7.07 Obligations Not a Debt of TxDOT	40
ARTICLE VIII. MISCELLANEOUS	40
Section 8.01 Notices	40
Section 8.02 Binding Effect; Successors and Assigns.....	41
Section 8.03 Survival of Representations, Warranties and Covenants.....	41
Section 8.04 Counterparts.....	41
Section 8.05 Costs and Expenses.....	42
Section 8.06 Amendments	42
Section 8.07 No Waiver.....	42
Section 8.08 Severability; Interest Limitation	42
Section 8.09 Conflicts.....	43
Section 8.10 Governing Law; Jurisdiction; Waivers	43

TABLE OF CONTENTS
(continued)

	Page
Section 8.11 Limited Obligation; No Personal Liability	43
Section 8.12 Offering Documents for Additional Debt	44

Schedules:

Schedule 1	Project Documents
Schedule 2	Additional Transaction Documents
Schedule 3.01(f)	Governmental Approvals

Appendices:

Appendix A	Form of Toll Equity Loan Note
Appendix B	Schedule of Maximum Available Annual Amounts
Appendix C	Form of Certificate of Borrower Re Advances
Appendix D	Project Budget
Appendix E	Form of Certificate of Borrower Re Satisfaction of Section 3.02 Conditions

TOLL EQUITY LOAN AGREEMENT

This TOLL EQUITY LOAN AGREEMENT (this “Agreement”), dated as of [_____, 201_] (the “Effective Date”) is made by and between the Grand Parkway Transportation Corporation (the “Borrower”) and the Texas Transportation Commission, acting by and through the Texas Department of Transportation (“TxDOT”), and constitutes a credit agreement under Chapter 1371, Texas Government Code.

PRELIMINARY STATEMENTS:

(1) On March 29, 2009, TxDOT and the counties of Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, and Montgomery (the “Counties”) entered into the Market Valuation Waiver Agreement for SH 99 (Grand Parkway) (the “Market Valuation Waiver Agreement”).

(2) Under prior Texas Transportation Code, Section 228.0111, TxDOT and the local toll project entity, the Harris County Toll Road Authority (“HCTRA”), agreed that the Grand Parkway should be developed, constructed, operated and expanded as a toll highway on the terms and conditions set forth in the Market Valuation Waiver Agreement, and by agreement, waived the statutory requirement to prepare a market valuation based on the terms and conditions set forth therein.

(3) The Commission adopted Minute Order No. 113046 on March 29, 2012, which authorized the creation of the Borrower for the purpose of acting on behalf of the Commission to develop, finance, refinance, design, construct, reconstruct, expand, operate, or maintain the Grand Parkway, including execution of contracts with TxDOT or a developer, and borrowing money.

(4) On [_____, 20__], the Borrower and TxDOT entered into a Project Agreement for Segments D, E, F-1, F-2 and G of State Highway 99 (Grand Parkway) Harris and Montgomery County Segments, as amended (the “Project Agreement”), which Project Agreement assigns certain rights and responsibilities with respect to the development, construction, operation, maintenance and financing of Segments E, F-1, F-2 and G of the Grand Parkway and the portion of Segment D of the Grand Parkway located in Harris County (each such segment or portion of a segment referred to herein respectively as “Segment E”, “Segment F-1”, “Segment F-2”, “Segment G” and “Segment D”, and collectively, the “Segments”) and the pre-development of possible extensions or expansions of the System (collectively, the “Project”).

(5) In order to provide financing for a portion of the Project and to reimburse TxDOT for certain costs incurred for the Project pursuant to the Project Agreement, the Borrower intends to issue, pursuant to a certain Trust Agreement, to be dated on or prior to the Closing Date, between the Trustee (as defined herein) and the Borrower (said Trust Agreement and any amendments or supplements thereto, the “Trust Agreement”), one or more series of the Borrower’s Toll Equity Loan Supported Obligations and its Non-Toll Equity Loan Supported Obligations.

(6) To provide support for the Borrower’s efforts to develop, construct, operate, maintain and provide financing for the Project, TxDOT has agreed to establish a toll equity loan

commitment in favor of the Trustee on the Borrower's behalf (the "Toll Equity Loan Commitment") in accordance with the terms of this Agreement.

(7) TxDOT is entering into this Agreement pursuant to the provisions of Section 222.103, Texas Transportation Code.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including the covenants, terms and conditions hereinafter appearing and in order to induce TxDOT to establish the Toll Equity Loan Commitment, the parties agree as follows:

ARTICLE I. **DEFINITIONS**

Section 1.01 Certain Defined Terms. Capitalized terms used in this Agreement shall have the meanings set forth in this Section 1.01 below (such meanings to be equally applicable to both the singular and plural forms of the terms defined). All other capitalized terms to the extent not otherwise defined herein shall have the respective meanings given to them in the Trust Agreement or the Project Agreement, as applicable. In the event of any conflict in definitions between the Trust Agreement and the Project Agreement, the terms contained in the Trust Agreement shall control.

"Agreement" means this Toll Equity Loan Agreement and any amendments or supplements hereto in accordance with the terms hereof.

"Annual Budget" has the meaning set forth in the Trust Agreement.

"Bankruptcy Event" means (a) commencement by a Person of any case or other proceeding (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or seeking to make a general assignment for the benefit of its creditors; or (b) commencement against such Person of any case or other proceeding of a nature referred to in clause (a) above that (i) results in the entry of an order for relief or any such adjudication or appointment or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (c) commencement against such Person of any case or other proceeding seeking issuance of a warrant of attachment, execution or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (d) such Person shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b) or (c) above; or (e) such Person shall admit in writing its inability to pay its debts as they become due.

"Base Price Index" means the CPI for August, 2013.

“Bond Purchase Contract” means one or more Bond Purchase Contracts between the Borrower and the initial purchaser(s) of the Project Debt.

“Borrower” means Grand Parkway Transportation Corporation.

“Borrower’s Accountant” means any nationally recognized accounting firm reasonably acceptable to TxDOT.

“Capital Maintenance Agreement” means the Capital Maintenance Agreement (Segments F-1, F-2 and G of SH 99 Project) bearing contract No. [_____] between TxDOT and the Capital Maintenance Contractor and assigned by TxDOT to the Borrower.

“Capital Maintenance Contractor” means [_____], or its successor or assign, in its capacity as the company with primary responsibility to provide major maintenance for Segments F-1, F-2 and G under the Capital Maintenance Agreement.

“Closing Date” means the date on which the initial Project Debt is issued, authenticated and delivered in accordance with the Trust Agreement.

“Corporation Representative” means the [_____] of the Borrower or such other individuals designated by the Borrower to perform the duties of the Corporation Representative under this Agreement.

“CPI” means the Consumer Price Index based on All Urban Consumers (CPI-U) applicable to the South Urban area, published by the Bureau of Labor Statistics of the United States Department of Labor or any successor agency thereto, or any other measure thereafter employed by said Bureau or agency in lieu of such index that measures the cost of living in such geographic area.

“Default” means each event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

“Design-Build Contract” means the Design/Build Development Agreement (Segments F-1, F-2 and G of SH 99 Project) bearing contract No. [_____] between TxDOT and the Design-Build Contractor and assigned by TxDOT to the Borrower.

“Design-Build Contractor” means [_____], or its successor or assign, in its capacity as the company with primary responsibility to provide design and construction services under the Design-Build Contract.

“Direct Agreement” means, with respect to any contract entered into by a third-party contractor and TxDOT with respect to the design, construction, operation or maintenance of any Segment, the agreement, assignment, acknowledgment, consent or other instrument entered into between the Borrower and the applicable third-party contractor with respect to such contract and the assignment of certain of TxDOT's rights and obligations thereunder to the Borrower.

“Draw Period” means each 12-month period (September 1 to August 31) set forth in Appendix B attached hereto.

“Effective Date” has the meaning set forth in the preamble to this Agreement.

“Eligible Costs” means amounts expended or incurred, or reasonably anticipated to be expended or incurred, by the Borrower for Project Costs, Major Maintenance Expenses and Operating Expenses.

“Environmental Claim” means any notice, claim or demand (collectively, a “claim”) by any Person alleging or asserting liability for investigatory costs, cleanup or other remedial costs, legal costs, environmental consulting costs, governmental response costs, damages to natural resources or other property, personal injuries, fines or penalties related to (a) the presence, or release into the environment, of any Hazardous Substance located within the right of way or emanating from the right of way relating to the construction, operation or maintenance of the Project, whether or not owned by the Person against whom such claim is made, or (b) any violation of, or alleged violation of, or liability arising under any Environmental laws that relate to the construction, operation or maintenance of the Project. The term “Environmental Claim” shall include, without limitation, any claim by any Person or Government Authority for investigation, enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any Environmental laws, and any claim by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief under any Environmental laws that relate to construction, operation or maintenance of the Project.

“Environmental laws” means any laws as modified and supplemented and in effect from time to time regulating or imposing liability or standards of conduct concerning or relating to the regulation, use or protection of human health or other living organisms, the environment, Hazardous Substances or natural resources related to the environment, or may at any time hereafter be, in effect, including, by way of example and not limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601 et seq., the Resource Conservation and Recovery Act, 42 USC 6901 et seq., the Federal Clean Water Act, 33 USC Section 1351 et seq., the Occupational Safety and Health Act, 29 USC Section 651 et seq., as currently in force or as hereafter amended. Further, without limiting any of the forgoing, Environmental laws as used in this Agreement shall also include all “Environmental Laws” as that term is defined in the Design-Build Contract.

“Estimated Date of Completion” means for any Segment, the estimated Service Commencement Date of the Segment.

“Event of Default” (a) with respect to the Borrower, has the meaning assigned to that term in Section 6.01 of this Agreement, and (b) with respect to TxDOT, has the meaning assigned to that term in Section 7.05 of this Agreement.

“Finance Documents” means each of the Trust Agreement, the Project Debt, this Agreement and the Master Custodial Agreement.

“Financial Model” means the financial model prepared by the Borrower as of the date specified in Section 3.01(b) hereof and delivered to TxDOT as provided in Section 3.01(b) hereof that contains the details of the proposed Project Debt, the Project Budget, the Maximum

Available Annual Amount and the Maximum Available Aggregate Amount, as updated after the Pricing Date from time to time in accordance with Section 5.02(b) hereof.

“Fiscal Year” means, presently, each 12-month period ending August 31, or any other period agreed to by the Borrower and TxDOT as the Fiscal Year for the Project.

“Future Offering Document” means any offering document delivered in connection with the sale and delivery of any Refunding Bonds.

“Generally Accepted Accounting Principles” or “GAAP” means those principles of accounting promulgated by the Financial Accounting Standards Board, the Governmental Accounting Standards Board or the standards of the Office of Management and Budget Circular A-133, Audits of States, Local Government and Non-profit Organizations, as applicable, or which have other substantial authoritative support and are applicable in the circumstances as of the date of a report, as such principles are from time to time supplemented and amended or such other accounting principles as the Commission and TxDOT may be required to employ from time to time pursuant to State law or regulation.

“Governmental Approval” means all authorizations, covenants, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Government Authority, including to the extent required under Environmental laws.

“Government Authority” means any court, federal, state or local government, department, commission, board, bureau, agency or other regulatory or governmental authority.

“Hazardous Substances” means but is not limited to, any solid, liquid, gas, odor, heat, sound, vibration, radiation or other substance or emission which is at the time of the application of this definition, or could be considered as a public health matter, a contaminant, pollutant, dangerous substance, toxic substance, hazardous waste, solid waste, hazardous material or hazardous substance which is or becomes regulated by applicable Environmental laws or which is classified as “hazardous” or “toxic,” a “pollutant” or a “contaminant” or words of similar import under applicable Environmental laws (including but not limited to gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls, asbestos and urea formaldehyde foam insulation and naturally asbestos-containing soils or sulfidic geological materials).

“HCTRA” shall have the meaning given to such term in paragraph (2) of the Preliminary Statements hereto.

“Insurance Consultant” means any qualified insurance consultant of the Borrower hired in accordance with the Trust Agreement.

“Interest Rate” means for any day, the fixed rate per annum equal to the ten-year “Aaa (pure)” rate provided by Municipal Market Data and published in The Bond Buyer under the caption “Municipal Market Data General Obligation Yields”, plus 100 basis points; *provided, however*, if the ten year “Aaa (pure)” rate is no longer provided by Municipal Market Data, the rate to be used in its place shall be that rate which most closely replicates such rate, as agreed to by the Borrower and TxDOT; *provided further, however*, that the Interest Rate shall never exceed the Maximum Rate.

“Major Maintenance Expenses” means the reasonable and necessary expenses (but excluding non-cash expenses such as depreciation, depletion and amortization) of repair and maintenance of the Project that do not occur at annual or shorter periods, as determined by the Borrower, including, without limiting the generality of the foregoing, periodic roadway resurfacing and repair, replacement of toll collection, vehicle identification, toll integration and video enforcement equipment, and all administrative and engineering expenses relating to the repair and maintenance of the Project and any other maintenance expenses required to be paid by the Borrower, *provided, however*, that Major Maintenance Expenses shall exclude Operating Expenses.

“Master Custodial Agreement” means that certain Master Lockbox and Custodial Account Agreement dated as of November 9, 2007 between TxDOT and The Bank of New York Mellon Trust Company, N.A., as Custodian, as may be amended from time to time, under which the Borrower is a beneficiary with respect to the deposit and transfer of Revenues.

“Material Adverse Effect” means a material adverse effect on (i) the operations or financial condition of the Project, (ii) the authority or ability of the Borrower to perform any of its obligations under this Agreement, any Transaction Document or any Project Document, or (iii) the validity or enforceability against the Borrower of this Agreement, any Transaction Document or any Project Document.

“Maturity Date” means each date on which a principal amount of the TELA Project Debt is due and payable.

“Maximum Available Aggregate Amount” means the maximum amount of funds available to the Borrower in the form of advances under the Toll Equity Loan Commitment in accordance with the terms of this Agreement and as set forth in Section 2.01 hereof.

“Maximum Available Annual Amount” means the maximum amount of funds available to the Borrower in the form of advances under the Toll Equity Loan Commitment in any given Draw Period in accordance with the terms of this Agreement and as set forth in Appendix B attached hereto.

“Maximum Permitted Amount” means debt service payments associated with the TELA Project Debt for the applicable period for which an advance is requested, plus Operating Expenses and Major Maintenance Expenses up to the amounts for the applicable period as set forth in the Project Budget, but minus balances available in the Trust Agreement Funds for the payment of capitalized interest on any TELA Project Debt for the applicable period to the extent that a portion of a requested advance is to be used to pay interest on such TELA Project Debt, minus any deposit of Revenues into the applicable Debt Service Fund that are available to pay principal of or interest on TELA Project Debt, and minus any available amounts in the Junior Operations and Maintenance Fund, Operation and Maintenance Reserve Fund, Major Maintenance Fund, Rate Stabilization Fund and Grand Parkway Project Enhancement Fund.

“Maximum Rate” means the maximum net effective interest rate permitted by applicable law to be paid on obligations issued or incurred by the Borrower in the exercise of its borrowing

powers as prescribed in Chapter 1204, Texas Government Code, or any successor statute, determined on the basis of a weighted average interest cost for all advances.

“Note Issuance Date” means the date the Toll Equity Loan Note is issued by the Borrower after satisfaction of the requirements set forth in Section 3.01 hereof.

“Note Maturity Date” means for the principal amount of each advance under the Toll Equity Loan Commitment the date which is 40 years after the Note Issuance Date.

“Official Statement” means the Official Statement, relating to the Project Debt, together with any supplements thereto.

“Operating Expenses” means all reasonable current expenses incurred and paid or payable by the Borrower in relation to the Project, including without limitation costs for operation, maintenance and repair, consumables, payments under any lease or rental payments properly considered to be operating expenses, payments pursuant to the agreements for the management, operation and maintenance of the Project, taxes, premiums payable on any insurance, payments for oversight services, all administrative, engineering and policing costs, costs for any security, toll collection and enforcement expenses, fees and expenses of the Trustee, the Paying Agent, the Traffic Consultants, the General Engineering Consultants, the Insurance Consultant, legal and accounting expenses, and any other reasonable expense paid for the operations and maintenance of the Project; *provided, however*, that Operating Expenses shall not include Major Maintenance Expenses, Debt Service Requirements, the redemption price of any Bond, and any non-cash charges, such as depreciation, amortization or other bookkeeping entries of a similar nature.

“Person” means any individual, joint venture, corporation, company, voluntary association, partnership, limited liability company, trust, joint stock company, unincorporated organization, association, government, or any agency, instrumentality, or political subdivision thereof, or any other form of entity.

“Preliminary Official Statement” means the Preliminary Official Statement, relating to the Project Debt, together with any supplements thereto.

“Pricing Date” means the date of the execution of the Bond Purchase Contract.

“Project” shall have the meaning given to such term in paragraph (4) of the Preliminary Statements hereto.

“Project Agreement” shall have the meaning given to such term in paragraph (4) of the Preliminary Statements hereto.

“Project Budget” means the amounts estimated to be spent in each year for Project Costs, Operating Expenses and Major Maintenance Expenses, mutually approved by the Borrower and TxDOT as of the Effective Date as set forth in Appendix D attached hereto and as amended by mutual agreement by the Borrower and TxDOT within ninety (90) days of Substantial Completion for the last Segment of the Project to achieve Substantial Completion.

“Project Costs” means Costs for construction of the Project, including certain costs related to the pre-development of possible extensions and expansions of the System and any payments to HCTRA for reimbursement of costs incurred with respect to the Project; *provided, however*, that with respect to Segment D, Project Costs shall be limited to Costs for construction under CSJ 3510-05-018.

“Project Debt” means the Toll Equity Loan Note and one or more series of the Borrower's Toll Equity Loan Supported Obligations and Non-Toll Equity Loan Supported Obligations issued with respect to the Project.

“Project Documents” means, the list of contracts set forth in Schedule 1 to this Agreement, which schedule may be amended from time to time upon mutual agreement by the Borrower and TxDOT.

“Refunding Bonds” means any bond issued to redeem or defease, in whole or in part, the outstanding principal amount of any TELA Project Debt where the interest on and principal of such refunding bonds are eligible to be paid from advances under the Toll Equity Loan Commitment.

“Revenues” means all “Revenues of the System” as defined in the Trust Agreement.

“Segment D” shall have the meaning given to such term in paragraph (4) of the Preliminary Statements hereto.

“Segment E” shall have the meaning given to such term in paragraph (4) of the Preliminary Statements hereto.

“Segment F-1” shall have the meaning given to such term in paragraph (4) of the Preliminary Statements hereto.

“Segments F-2” shall have the meaning given to such term in paragraph (4) of the Preliminary Statements hereto.

“Segment G” shall have the meaning given to such term in paragraph (4) of the Preliminary Statements hereto.

“Segments” shall have the meaning given to such term in paragraph (4) of the Preliminary Statements hereto.

“Service Commencement Date” means, for each of the Segments, the respective date on which such Segment is open for normal and continuous operations and use by the traveling public; *provided*, that for purposes of this Agreement, for any Segment for which such date has occurred prior to the Effective Date, the Service Commencement Date shall be the Effective Date.

“Substantial Completion” means, for each Segment, the date on which the Borrower has completed or caused the completion of all acquisition, equipping and construction of such Segment, in accordance with the requirements of the Project Documents or other applicable

documents, such that it is in a condition that can be used for normal and safe vehicular travel in all lanes and at all points of entry and exit, and for any tolled Segment or portion of a Segment, with a fully operable electronic toll collection system meeting the technical standards of the Project Documents or other applicable documents.

“System” means the certain portions of the Grand Parkway Project (as defined in the Trust Agreement) designated by the Texas Transportation Commission as the Grand Parkway System, initially the Project, and any System Segment, and together with any 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 Texas Transportation Commission.

“System Debt” means the Project Debt and any bond, note or other evidence of indebtedness secured by Revenues and/or amounts held in any fund or account and pledged under the Trust Agreement.

“TELA Project Debt” means as of any date, the Borrower's Toll Equity Loan Supported Obligations issued with respect to the Project, including any Refunding Bonds incurred as of such date and as permitted in this Agreement.

“Term” means the period of time between the Effective Date and the Termination Date.

“Termination Date” means the earlier of (i) the final Maturity Date of the TELA Project Debt or (ii) the date of the defeasance or refunding in whole of the TELA Project Debt, the effect of which is to terminate the Toll Equity Loan Commitment.

“Toll Equity Loan” means the aggregate outstanding amount of all advances drawn under the Toll Equity Loan Commitment, as provided in this Agreement.

“Toll Equity Loan Commitment” means the obligation on the part of TxDOT to make advances of funds available to the Trustee on behalf of the Borrower as provided in Section 2.01 hereof, subject to the requirements of this Agreement.

“Toll Equity Loan Commitment Establishment Date” means the date on which the Toll Equity Loan Commitment is established in favor of the Trustee on behalf of the Borrower as described in Section 2.01 hereof.

“Toll Equity Loan Note” means the promissory note executed by the Borrower in favor of TxDOT evidencing the Toll Equity Loan, substantially in the form of Appendix A attached hereto.

“Toll Rate Schedule” shall have the meaning assigned thereto in the Trust Agreement.

“Transaction Document” means each of (a) the Finance Documents, (b) any Direct Agreement, (c) the Design-Build Contract, (d) the Capital Maintenance Agreement, (e) the Project Agreement and (d) the list of documents mutually approved by the Borrower and TxDOT as of the Effective Date as set forth in Schedule 2 attached hereto.

“Trust Agreement” has the meaning assigned to that term in paragraph (5) of the Preliminary Statements hereto and includes any supplements or amendments thereto.

“Trust Agreement Funds” means the funds and accounts created and established pursuant to the Trust Agreement and as further described in the Trust Agreement.

“Trust Estate” shall have the meaning assigned to such term in the Trust Agreement.

“Trustee” means a nationally recognized trust company designated by the Borrower as trustee under the Trust Agreement and reasonably acceptable to TxDOT and shall include any successor entity thereto.

“Trustee Request” has the meaning assigned to that term in Section 2.03 hereof.

Section 1.02 Certain Interpretations.

(a) Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

(b) Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistently applied, except as otherwise stated herein.

(c) Assignments. In this Agreement, where the terms “assignment agreement”, “assignment” or “assignee” are used in relation to the obligations of the Borrower or TxDOT under any Transaction Document or Project Document, the term “assignment” or “assignment agreement” shall mean any document evidencing the transfer of certain TxDOT obligations under such Transaction Document or Project Document (as applicable) with respect to the Project to the Borrower, and “assignee” shall mean the applicable role of the Borrower as obligated under each of such documents evidencing such transfer.

ARTICLE II.

AMOUNT AND TERMS OF THE TOLL EQUITY LOAN COMMITMENT

Section 2.01 Establishing the Toll Equity Loan Commitment. Upon fulfillment of all of the applicable conditions precedent set forth in Section 3.01 hereof (the “Toll Equity Loan Commitment Establishment Date”), TxDOT shall establish the Toll Equity Loan Commitment. The Toll Equity Loan Commitment shall not exceed in total principal amount \$9,600,000,000 (the “Maximum Available Aggregate Amount”) and no advance thereunder shall cause the aggregate principal amount of all advances: (i) in any of the Draw Periods as set forth in Appendix B attached hereto to exceed the Maximum Available Annual Amount applicable to any of such Draw Periods and (ii) taking into account such advance and all prior advances, to exceed the aggregate amount of Eligible Costs. Any advance thereunder shall additionally be subject to the limitations as set forth in Section 2.03 hereof.

Section 2.02 Term of the Toll Equity Loan Commitment. Once established pursuant to Section 2.01 hereof, the Toll Equity Loan Commitment shall remain in effect until the Termination Date. No extension of the Toll Equity Loan Commitment beyond the Termination Date shall be permitted without prior written consent from TxDOT.

Section 2.03 Toll Equity Loan. After TxDOT receives a request from the Trustee as provided in the Trust Agreement in the form of [Exhibit D] to the Trust Agreement (each, a “Trustee Request”), TxDOT shall make a corresponding advance under the Toll Equity Loan Commitment to the Borrower by 2:00 p.m. on the third Business Day after receipt of the Trustee Request, the proceeds of which shall be deposited with the Trustee in the fund or account held under the Trust Agreement as identified in such Trustee Request; *provided* that in no event shall the amount of the advance exceed (i) the Maximum Permitted Amount, (ii) when added to other amounts advanced under the Toll Equity Loan Commitment during the current Draw Period, the Maximum Available Annual Amount for such Draw Period and (iii) when taking into account such advance and all prior advances, the aggregate amount of Eligible Costs. The Borrower shall deliver to TxDOT a certificate in the form of Appendix C attached hereto on the same day as any such Trustee Request, provided that TxDOT’s obligation to make any advance shall not be conditioned on receipt of such Borrower’s certificate. Each advance under the Toll Equity Loan Commitment shall be evidenced in the Toll Equity Loan Note which shall set forth the date of the advance, the principal amount, Interest Rate and Note Maturity Date therefor. TxDOT shall make such advances under the Toll Equity Loan Commitment from time to time during the Term of the Toll Equity Loan Commitment Period up to the Maximum Available Aggregate Amount starting on the date the Toll Equity Loan Note is delivered to TxDOT, but not to exceed with any advance, taking into account all prior advances, the aggregate amount of Eligible Costs. If the principal amount of advances under the Toll Equity Loan Commitment made in a given Draw Period is less than the Maximum Available Annual Amount for such Draw Period (or if no Toll Equity Loans have been made in such Draw Period), the difference shall not be carried forward and may not be applied to increase the amount available to be advanced in any future Draw Period. Each advance under the Toll Equity Loan Commitment shall bear interest on the principal amount of such advance from the date of such advance to the date on which such advance and the interest thereon are repaid in full at a rate per annum equal to the Interest Rate in effect on the day such advance is made.

TxDOT may rely on the certificate, in the form of Appendix C attached hereto, as to compliance with the limitations on advances as set forth in this Section 2.03; *provided* that within thirty (30) days of any advance under the Toll Equity Loan Commitment, TxDOT shall have the right to request and the Borrower shall provide written documentation, including copies of invoices, reports or notices from the Trustee, any vendor or supplier of goods or services to the Project or others, in support of the need for the advance and the use of the proceeds of advances.

Any advances under the Toll Equity Loan Commitment relating to amounts anticipated to be expended or incurred by the Borrower must be accompanied by documentation or other evidence demonstrating to the reasonable satisfaction of TxDOT that such amounts are reasonably likely to be expended or incurred; *provided* that, amounts in the Project Budget shall be considered to be amounts reasonably anticipated to be expended or incurred.

Proceeds of advances under the Toll Equity Loan Commitment shall be used to pay or reimburse for Project Costs, Major Maintenance Expenses and Operating Expenses in accordance with applicable state and federal laws, including the cost principles established in OMB Circular A-87 that specify that costs must be allowable, reasonable and allocable to the Project.

Section 2.04 Repayment of Principal of and Interest on Toll Equity Loan; Interest on Excess Advances. The Borrower shall make payments of principal and interest to TxDOT according to the provisions of this Agreement, the Trust Agreement and the Toll Equity Loan Note. Interest on the Toll Equity Loan shall be paid on the first Business Day of each month from amounts available therefore in the Subordinate Tier Payment Fund.

The Borrower shall, without discretion, return or direct the Trustee to return to TxDOT any amounts included in an advance under the Toll Equity Loan Commitment that are in excess of the Maximum Permitted Amount for an advance, the Maximum Available Annual Amount for a Draw Period or the Maximum Available Aggregate Amount immediately upon becoming aware of such amounts, and any such amount returned to TxDOT shall reduce the amount of principal of the Toll Equity Loan Note. The Borrower shall pay interest on any such amount commencing on the date of the applicable advance under the Toll Equity Loan Commitment at the Interest Rate applicable to such advance until the date on which such amount is returned to the Trustee.

Section 2.05 Prepayment.

(a) **Voluntary Prepayment.** The Borrower may prepay any amount of principal of the Toll Equity Loan, without premium or penalty, upon at least two Business Days' notice to TxDOT specifying the date and amount of prepayment. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, unless such notice is revoked by the Borrower on or prior to the prepayment date specified therein. Upon such prepayment, unpaid amounts of interest and principal shall continue unaffected and the Toll Equity Loan Note shall be adjusted to reflect the amount of principal prepaid.

(b) **Mandatory Prepayment.** The principal amount of the Toll Equity Loan shall be prepaid prior to maturity on the first Business Day of each month in the order in which advances under the Toll Equity Loan Commitment were made, but solely from and to the extent of funds available therefor held in the Subordinate Tier Payment Fund created and maintained pursuant to the Trust Agreement.

Section 2.06 Release of Toll Equity Loan Commitment; Fee. TxDOT's obligation to establish and maintain the Toll Equity Loan Commitment and make any advances thereunder will terminate upon the receipt of notice from the Borrower that a refunding, payment or legal defeasance of all of the outstanding principal amount of and any unpaid interest on the TELA Project Debt has occurred.

On the first day of the Fiscal Year following the 10th anniversary of the Effective Date and on the first day of each Fiscal Year thereafter, the Borrower shall pay to TxDOT, from

unencumbered amounts on deposit in the Grand Parkway Project Enhancement Fund, a non-refundable amount equal to three percent of that Fiscal Year's Maximum Available Annual Amount. Failure to pay such amounts shall not constitute a default under this Agreement, unless sufficient unencumbered funds are on deposit in the Grand Parkway Project Enhancement Fund to make such payment; *provided* that in any event any accrued unpaid amounts shall be due and payable in full on the Termination Date. If payment is not made on the first day of the applicable Fiscal Year, the unpaid amount shall bear interest from such date to the date on which such amount and the interest thereon are repaid in full at a rate per annum equal to the Interest Rate in effect on the first day of the applicable Fiscal Year. The amount of interest on any such amount which is not paid as of [_____ 1] and [_____ 1] of each year shall be compounded semi-annually and shall bear interest at the same rate applicable to such amount. Payments received under this paragraph shall be applied in an order of priority based on when the amount payable arose, with amounts payable arising earlier having priority over amounts payable arising later.

TxDOT will apply the payments it receives under the immediately preceding paragraph in accordance with the Market Valuation Waiver Agreement.

Section 2.07 Place and Manner of Payments. All payments by the Borrower to TxDOT under this Agreement shall be made in lawful currency of the United States by wire transfer in immediately available funds on or prior to 2:00 p.m. on the date such payment is due, to the following account:

Texas Comptroller of Public Accounts
ABA Number: 114900164
Account Name: Texas Comptroller of Public Accounts
Account Number: 463600001
Attention: 601-Texas Department of Transportation, Chema Sanchez,
Diana Ruiz, and Coleta Dille
Reference: Grand Parkway Transportation Corporation, SH 99

or as TxDOT may otherwise stipulate by notice to the Borrower. Any such payments received after 2:00 p.m. on any day will be deemed to have been received on the next succeeding Business Day. If any payment becomes due and payable on a day other than a Business Day, unless sooner paid such payment shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension. TxDOT acknowledges and agrees that any such payments may be made by the Trustee on behalf of the Borrower from funds on deposit under the Trust Agreement.

Section 2.08 Obligations Absolute. Subject to Section 8.11 hereof, the obligations of the Borrower under this Article II shall be absolute, unconditional and irrevocable, shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including without limitation, the following circumstances: (i) any lack of validity or enforceability of any Finance Documents or any other agreement or document relating thereto; (ii) any amendment or waiver of or any consent to or departure from any Finance Documents or any agreement or document relating thereto; or (iii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against the Trustee (or any Person for

whom the Trustee may be acting), TxDOT, or any other Person, whether in connection with this Agreement, the transactions described herein or any unrelated transaction.

Section 2.09 Security.

(a) Security Under the Trust Agreement. Amounts payable under the Toll Equity Loan Agreement and the Toll Equity Loan Note are special obligations of the Borrower payable from and secured solely by the funds pledged therefor pursuant to the Trust Agreement. The Toll Equity Loan Note and all other payment obligations of the Borrower owed to TxDOT under this Agreement constitute Subordinate Tier Obligations under the Trust Agreement. Revenues shall be transmitted to the Trustee and used along with the other amounts held in the funds and accounts established under the Trust Agreement in accordance with the provisions of the Trust Agreement.

(b) No Termination of the Trust Agreement. The Trust Agreement shall not terminate or be discharged until all sums owing hereunder are paid in full unless and until all such amounts are deemed paid and satisfied and the Toll Equity Loan Note is cancelled by TxDOT in its sole discretion in accordance with Section 2.11 of this Agreement.

Section 2.10 Pledge and Assignment to Trustee.

(a) TxDOT consents to the pledge and assignment to the Trustee of, and the grant to the Trustee of a lien on and security interest in, all of the Borrower's right, title and interest in, to and under this Agreement, pursuant to the terms and conditions of the Trust Agreement, as collateral security for all of the obligations secured or purported to be secured by the Trust Agreement.

(b) TxDOT agrees that as a result of the pledge and assignment referred to in clause (a) above, the Trustee shall have the full right and power, in the exercise of the Trustee's rights and remedies under the Trust Agreement, to enforce directly against TxDOT all obligations of TxDOT under this Agreement, to exercise all other rights and remedies of the Borrower hereunder and to make all demands and requests and give all notices required or permitted to be made by the Borrower or the Trustee hereunder.

Section 2.11 Cancellation of Toll Equity Loan Note by TxDOT. If, at any time, payment or legal defeasance of all of the outstanding principal amount of and any unpaid interest on the System Debt other than the Toll Equity Loan Note has occurred such that the Toll Equity Loan Note is the only System Debt outstanding under the Trust Agreement, TxDOT shall have the right, in its sole discretion to the extent permitted by law, to cancel the Toll Equity Loan Note and to deem all obligations of the Borrower under the Toll Equity Loan or otherwise owed by the Borrower to TxDOT under this Agreement to be paid and satisfied in full by providing written notice thereof to the Borrower and the Trustee, which notice shall set forth the date for such cancellation and satisfaction.

ARTICLE III.
CONDITIONS OF ESTABLISHING TOLL EQUITY LOAN COMMITMENT

Section 3.01 Condition Precedent to Establishment of the Toll Equity Loan Commitment. The obligation of TxDOT to establish the Toll Equity Loan Commitment is subject to the condition precedent that TxDOT shall have received from, or on behalf of, the Borrower, (and with respect to subsection (f), TxDOT shall have provided to the Borrower) on or before the Toll Equity Loan Commitment Establishment Date, the following, each in form and substance satisfactory to TxDOT (and on the Closing Date TxDOT shall deliver to the Borrower a certificate that all conditions precedent to the establishment of the Toll Equity Loan Commitment have been satisfied or expressly waived):

(a) Documents to Be Delivered. Either an original or a copy of each of the following documents to be delivered on or before the Pricing Date or the Closing Date (as indicated below):

(i) this Agreement (on the Pricing Date);

(ii) each other Finance Document, together with any exhibit or schedule thereto and any document entered into in accordance therewith (on or before the Closing Date);

(iii) each of the other Transaction Documents, together with any exhibit or schedule thereto and any document entered into in accordance therewith or in order to support the obligations of any party thereunder (on or before the Pricing Date);

(iv) documentation evidencing the obligations of the Borrower to make all payments incurred under agreements between TxDOT and third parties in respect of the Project (on or before the Closing Date); and

(v) the Preliminary Official Statement (before the Pricing Date) and the Official Statement (on or before the Closing Date);

each of which shall have been duly authorized, executed and delivered by the parties thereto, and, except for the Preliminary Official Statement and the Official Statement, shall be in full force and effect as of the required date and, to the extent that a copy is provided, accompanied by a certificate by an authorized officer of the Borrower certifying as of the Toll Equity Loan Commitment Establishment Date that each such copy that is delivered to TxDOT is a true, complete and correct copy thereof, as amended as of the Toll Equity Loan Commitment Establishment Date.

(b) Financial Model. On the Pricing Date, an electronic copy of the Financial Model, demonstrating, among other matters, that (x) the payment of principal of and interest on the Project Debt (other than interest to be paid from proceeds of the Project Debt), plus the Project Budget amounts for Project Costs, Operating Expenses and Major Maintenance Expenses (other than Project Costs if and to the extent paid from proceeds of the Project Debt), and required deposits into the Junior Operations and

Maintenance Fund, any applicable Debt Service Fund, the Operation and Maintenance Reserve Fund, the Grand Parkway Project Enhancement Fund, the Major Maintenance Fund and the Rate Stabilization Fund, and after adjustment for amounts scheduled to be available to pay any of such costs or expenses held in the Junior Operations and Maintenance Fund, any applicable Debt Service Fund, the Operation and Maintenance Reserve Fund, the Grand Parkway Project Enhancement Fund, the Major Maintenance Fund and the Rate Stabilization Fund do not exceed 100% of the projected Revenues in any year and (y) at no time will there be an advance anticipated to be required under the Toll Equity Loan Commitment.

(c) Insurance Report. On or before the Closing Date, a report prepared by the Insurance Consultant to the effect that all insurance required to be maintained by the Borrower under Section 5.05(f) of this Agreement is in effect, the premiums due thereon have been paid (if applicable), and that such policies or self-insurance otherwise conform with the requirements specified in this Agreement.

(d) Opinions. On or before the Closing Date, legal opinions from general counsel for the Borrower, reliance letters regarding legal opinions from general counsel for the Design-Build Contractor, each in form and substance acceptable to TxDOT, and such additional legal opinions, reliance letters or certificates and other documents as TxDOT may reasonably request.

(e) Authorization and Authority. On or before the Closing Date, in relation to each of the Borrower and the Design-Build Contractor, an original or a copy certified by an authorized officer of the relevant Person to be true, complete and correct of (i) the authorizing resolutions of its board of directors, general partners, or managing member or manager, as applicable, authorizing the transactions contemplated hereunder and under the Transaction Documents to which such Person is or is intended to be a party and in the case of the Borrower, designating the Corporation Representative, together with a certificate that no such authorization has been amended or revoked. In relation to the Borrower, on or before the Closing Date (i) an incumbency certificate of the Borrower, and (ii) such financial information regarding the Borrower as determined to be acceptable in the sole discretion of TxDOT.

(f) Governmental Approvals. On or before the Closing Date, TxDOT shall have provided a copy of each Governmental Approval listed in Schedule 3.01(f) attached hereto, together with a certificate by a TxDOT representative certifying as of the Toll Equity Loan Commitment Establishment Date that such schedule of Governmental Approvals sets forth all Governmental Approvals that are necessary for the work that is to be performed under the Design Build Contract as of the Toll Equity Loan Commitment Establishment Date.

(g) Consultant Reports. On or before the Closing Date, copies of the following, each in form and substance satisfactory to TxDOT:

(i) a final report of the Traffic Consultant with respect to the Project dated not earlier than ninety (90) days before the Pricing Date;

(ii) a final report of the General Engineering Consultant dated not earlier than ninety (90) days before the Pricing Date concluding, among other things, that the Project Budget for Project Costs and the time frames to achieve Substantial Completion of each Segment of the Project are reasonable, subject to such conditions that are customary for such reports.

Section 3.02 Additional Conditions Precedent. The obligation of TxDOT to establish the Toll Equity Loan Commitment shall be subject to the satisfaction or waiver by TxDOT of the following additional conditions precedent; *provided* that, the Borrower shall be deemed to have satisfied the conditions set forth in this Section 3.02(a) to (d) (and as to (d) only as to the Borrower) to the extent they have been certified in writing by the Corporation Representative in a certificate in the form attached hereto as Appendix E:

(a) Bond Purchase Contract. All conditions precedent to the occurrence of the Closing Date (as defined in the Bond Purchase Contract) under the Bond Purchase Contract shall have been satisfied or waived by the initial purchaser(s), other than any conditions solely requiring the satisfaction of all conditions to the establishment of the Toll Equity Loan Commitment.

(b) Representations and Warranties. The representations and warranties given by the Borrower herein shall be true and correct in all material respects on and as of the Toll Equity Loan Commitment Establishment Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date.

(c) No Default or Event of Default. No Default with respect to the Borrower shall have occurred and be continuing or shall occur as a result of the establishment of the Toll Equity Loan Commitment, and no Event of Default with respect to the Borrower shall have occurred or shall occur as a result of the establishment of the Toll Equity Loan Commitment.

(d) No Material Adverse Effect. No event, development or circumstance shall have occurred or shall have become known to TxDOT or to the Borrower that has had or could reasonably be expected to have a Material Adverse Effect on the Project.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

Section 4.01 Representations and Warranties of the Borrower. The Borrower represents and warrants as of the date hereof and as of the Toll Equity Loan Commitment Establishment Date (except to the extent that any representation and warranty set forth below specifically refers to an earlier or specified date, in which case such representation and warranty shall be as of such earlier or specified date) as follows:

(a) The Borrower has the requisite power and authority; has obtained all Governmental Approvals; and has taken all actions necessary to (1) enter into, deliver and perform its obligations under each Transaction Document to which it is a party (or

the assignment agreement for those Transaction Documents for which it is an assignee) and the transactions contemplated hereby and thereby, and (2) carry out its activities as now conducted and as proposed to be conducted immediately following execution and delivery of this Agreement, the Finance Documents and the other Transaction Documents.

(b) The Borrower has duly authorized the execution and delivery of each Transaction Document to which it is a party (or the assignment agreement for those Transaction Documents for which it is an assignee), the performance of its obligations hereunder and the incurrence of the debt made available to it under each Finance Document. The authorization has not been repealed, revoked, rescinded or amended and is in full force and effect.

(c) The execution and delivery by the Borrower of each Transaction Document to which it is a party (or the assignment agreement for those Transaction Documents for which it is an assignee), and the compliance with the terms and conditions of the Transaction Documents (or any such assignment agreement) will not, in any material respect, (1) violate any existing law applicable to it or (2) result in default under the Trust Agreement, or any mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which any of its assets are subject.

(d) Except as disclosed, there is no litigation at law or in equity or any proceeding before any Government Authority involving the Borrower pending or, to the best knowledge of the Borrower, threatened, that could reasonably be expected to have a material adverse effect on the operations or financial condition of the Borrower.

(e) The execution and delivery by the Borrower of each Transaction Document to which it is a party (or the assignment agreement for those Transaction Documents for which it is an assignee), the performance by the Borrower of its obligations hereunder and under the Transaction Documents and the consummation of the transactions herein and therein contemplated do not and will not in any material respect conflict with, or constitute a material breach or result in a material violation of the Borrower's statutory authority, any agreement or other instrument to which the Borrower is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or Government Authority having jurisdiction over the Borrower or its property and will not result in or require the creation or imposition of any security interest in any of the Borrower's property or the Trust Estate other than the security interests created pursuant to the Trust Agreement.

(f) The Borrower has obtained or caused to be obtained all Governmental Approvals that (1) are required to be obtained by the Borrower as a condition precedent to the execution and delivery of each Transaction Document to which it is a party (or the assignment agreement for those Transaction Documents for which it is an assignee), or (2) are required for the operation of the System or the performance by the Borrower of its obligations under any Transaction Document to which it is a party or an assignee or for the grant by the Borrower of the security interest

under the Trust Agreement and all such Governmental Approvals are in full force and effect.

(g) The Borrower will fully and faithfully perform all the duties and obligations which it has covenanted and agreed in the Trust Agreement.

(h) Each Transaction Document to which it is a party or assignee, assuming due authorization, execution and delivery thereof by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with the terms thereof, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws or judicial action affecting the enforcement of creditors' rights generally and the application of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(i) No Default or Event of Default with respect to the Borrower has occurred and is continuing, no "Event of Default" (as defined in the Trust Agreement) has occurred and is continuing, no event has occurred that would be (with the expiry of any applicable grace period, the giving of notice or the making of any determination under the Trust Agreement or any combination of them) a default under the Trust Agreement, and no material default on the part of the Borrower under the Project Agreement has occurred and is continuing.

(j) The Borrower does not have any System Debt other than the Project Debt.

(k) To the actual knowledge of the Borrower, all insurance required to be maintained as of the date hereof by the Design-Build Contractor pursuant to the Design-Build Contract has been obtained and is in full force and effect.

(l) The Trust Agreement including the right of the Trustee to retain Revenues is effective to create and perfect a legally valid and enforceable interest in the Borrower's rights in the Revenues.

(m) Each Project Document to which the Borrower is a party or an assignee is in full force and effect and the Borrower is not in default under any of such agreements or contracts, and to the actual knowledge of the Borrower, no third party to any of such agreements or contracts is in default thereunder, except as, in either case, could not reasonably be expected to have a Material Adverse Effect.

(n) True and complete copies of all Transaction Documents to which the Borrower is a party (and the assignment agreement for those Transaction Documents for which it is an assignee) have been delivered to TxDOT, and the Borrower is not party to any other material Project-related agreements, except for any Project Document to which the Borrower is a party.

(o) The Borrower (i) has provided or made available to TxDOT copies of all material environmental due diligence reports or analyses prepared by it or on its

behalf and (ii) has obtained all environmental permits required to be obtained by it with respect to the Project and all such permits are in full force and effect, except, in each case, for any environmental permits (x) where the failure to obtain such environmental permits could not reasonably be expected to have a Material Adverse Effect, or (y) which are not required at the current state of development of the Project.

(p) None of the information in any agreement, document, certificate, exhibit, financial statement, book, record, material or report or other written information furnished by the Borrower, when taken as a whole, contained any untrue statement of material fact or omitted to state a material fact necessary in order to make the statements contained therein not materially misleading; *provided*, that the Borrower does not represent as to the accuracy of the information provided by TxDOT or the statements made in the reports by the General Engineering Consultant, the Traffic Consultant or any other advisor or consultant providing services to the Project; and *provided further*, that no representation or warranty is made as to any forecasts, projections, opinions or other forward looking statements and the Borrower only makes representations regarding such information to its actual knowledge.

(q) The Borrower has no actual knowledge of any builders' liens or analogous claims for payments which are overdue with respect to work or services to be performed or materials supplied in connection with the System, which claim has not been fully satisfied, and, if registered, duly discharged or vacated, unless there is a bona fide dispute and adequate security as required by law or ruling of a court has been posted.

(r) Since the date of the formation of Borrower, no event, other than transactions contemplated by this Agreement and the Transaction Documents, has occurred that could reasonably be expected to have a Material Adverse Effect or that could reasonably be expected to have a material adverse effect on the operations or financial condition of the Borrower. Since the date of the Project Agreement, there has been no change to the nature, scope or any other aspect of the Project pursuant to any requirement or instruction of any Government Authority of which the Borrower has received actual notice.

(s) The Borrower has not received any communications from, nor is aware of any proceeding by, any Government Authority that could reasonably be expected to result in (i) termination or revocation of the Borrower's right and authority to operate the System or (ii) a Material Adverse Effect.

(t) To the actual knowledge of the Borrower without inquiry or investigation, no Bankruptcy Event has occurred or is continuing with respect to the Design-Build Contractor or the Capital Maintenance Contractor.

(u) To the actual knowledge of the Borrower, the development and construction of the System is being carried out in compliance in all material respects with all Environmental laws and, to the actual knowledge of the Borrower, there are no Environmental Claims with respect to the System, except to the extent that noncompliance with such claims could not reasonably be expected to give rise to a

Material Adverse Effect. To the Borrower's actual knowledge (x) there are no Hazardous Substances on the System, the presence of which Hazardous Substance would cause the Borrower to be in material violation of any applicable laws and (y) it has no current liability on its part, whether contingent or otherwise, arising out of or resulting from the release or discharge on or to the System of any Hazardous Substance, except to the extent such liability could not reasonably be expected to give rise to a Material Adverse Effect.

(v) All insurance required to be maintained by the Borrower as of the date hereof pursuant to the requirements set forth in this Agreement, the Trust Agreement and the Project Agreement, as applicable, has been obtained and is in full force and effect. All premiums due and payable (if any) in connection therewith have been paid and such insurance complies in full with the insurance required to be maintained by the Borrower pursuant to Section 5.05(f) of this Agreement, the Trust Agreement and the Project Agreement, as applicable.

(w) There are no disputes under any Transaction Document that could reasonably be expected to have a Material Adverse Effect.

(x) The Official Statement as of its date and as of the Closing Date, did not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent such statements and facts (i) relate to the Borrower or the Project or the System or (ii) are otherwise known, following reasonably diligent inquiry, to the Borrower; *provided*, that (x) this representation does not apply to any information in the Official Statement regarding TxDOT, the traffic and revenue study report and the engineer's report, and (y) this representation does not apply to any extent to the section thereof entitled "Tax Matters".

Section 4.02 Representations and Warranties of TxDOT. TxDOT represents and warrants as of the date hereof, the Toll Equity Loan Commitment Establishment Date and as of each advance under the Toll Equity Loan Commitment (except to the extent that any representation and warranty set forth below specifically refers to an earlier or specified date, in which case such representation and warranty shall be as of such earlier or specified date) as follows:

(a) TxDOT has all requisite power and authority to establish the Toll Equity Loan Commitment, to make advances to the Borrower under the Toll Equity Loan Commitment and to perform any and all of its obligations under the Transaction Documents to which it is a party.

(b) The Transaction Documents to which TxDOT is a party have been duly authorized, executed and delivered by TxDOT, and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute legal, valid and binding obligations of TxDOT, enforceable against TxDOT in accordance with their terms except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws or judicial action affecting the enforcement of creditors' rights generally and the application of general principles of

equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(c) TxDOT has obtained or caused to be obtained all Governmental Approvals that are required in connection with TxDOT's execution and delivery of this Agreement or the performance of TxDOT's obligations under the Transaction Documents to which it is a party (and any assignment agreement with respect thereto between TxDOT and the Borrower) or for the development, construction, operation and maintenance of the System by the Borrower.

(d) Except as disclosed, there is no litigation at law or in equity or any proceeding before any Government Authority involving TxDOT pending, or, to the best knowledge of TxDOT, threatened, that could reasonably be expected to materially affect the performance of its obligations under the Transaction Documents to which it is a party (or any assignment agreement with respect thereto between TxDOT and the Borrower).

(e) The officer of TxDOT executing this Agreement and the Transaction Documents to which TxDOT is a party (or any assignment agreement with respect thereto between TxDOT and the Borrower) is duly and properly in office and fully authorized to execute the same on behalf of TxDOT.

(f) None of the information in any agreement, document, certificate, exhibit, financial statement or other information furnished by TxDOT, when taken as a whole, contained any untrue statement of material fact or omitted to state a material fact necessary in order to make the statements contained therein not materially misleading.

(g) The statements describing TxDOT and its activities in Appendix B—"The Texas Department of Transportation and the State Highway Fund" in the Official Statement as of its date and as of the Closing Date, did not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading.

(h) No material default by TxDOT under the Project Agreement has occurred.

(i) TxDOT is not aware of any builders' liens or analogous claims for payments which are overdue with respect to work or services to be performed or materials supplied in connection with the portions of the System for which TxDOT is responsible either under the terms of the Project Agreement or otherwise, which claim has not been fully satisfied, and, if registered, duly discharged or vacated, unless there is a bona fide dispute and adequate security as required by law or ruling of a court has been posted.

(j) To the best knowledge of TxDOT, all insurance required to be maintained as of the date hereof by the Design-Build Contractor pursuant to the Design-Build Contract has been obtained and is in full force and effect.

(k) Each Project Document to which TxDOT is a party (and any assignment agreement with respect thereto between TxDOT and the Borrower) is in full force and effect and TxDOT is not in default under any of such agreements or contracts, and to the actual knowledge of TxDOT, no third party to any of such agreements or contracts is in material default thereunder, except as, in either case, could not reasonably be expected to have a material adverse effect on the System.

(l) TxDOT (i) has provided or made available to the Borrower copies of all material environmental due diligence reports or analyses prepared by it or on its behalf and (ii) has obtained all environmental permits required to be obtained by it with respect to the Project and all such permits are in full force and effect, except, in each case, for any environmental permits (x) where the failure to obtain such environmental permits could not reasonably be expected to have a Material Adverse Effect, or (y) which are not required at the current state of development of the Project.

(m) To the actual knowledge of TxDOT without inquiry or investigation, no Bankruptcy Event has occurred or is continuing with respect to the Design-Build Contractor or the Capital Maintenance Contractor.

(n) To the best knowledge of TxDOT, the development and construction of the System is being carried out in compliance in all material respects with all Environmental laws and, to the best knowledge of TxDOT, there are no Environmental Claims with respect to the System, except to the extent that noncompliance with such claims could not reasonably be expected to give rise to a Material Adverse Effect. To TxDOT's actual knowledge (x) there are no Hazardous Substances on the System, the presence of which Hazardous Substance would cause TxDOT to be in material violation of any applicable laws and (y) it has no current liability on its part, whether contingent or otherwise, arising out of or resulting from the release or discharge on or to the System of any Hazardous Substance, except to the extent such liability could not reasonably be expected to give rise to a Material Adverse Effect.

ARTICLE V. COVENANTS OF THE BORROWER

Until the Termination Date, subject to Section 5.08 hereof, the Borrower shall comply with the following:

Section 5.01 Operations.

(a) Operation and Maintenance. The Borrower shall maintain and operate the System in an efficient and economical manner and at all times maintain the same in good repair, working order and in sound operating condition and in accordance with the Project Agreement and any applicable Project Document and in compliance in all material respects with applicable laws and Governmental Approvals and make all necessary repairs, renewals and replacements, in each case, in accordance in all material respects with the Project Agreement and any applicable Project Document and in

compliance in all material respects with applicable laws and the terms of the insurance required under Section 5.05(f) hereof.

(b) Quarterly Report of Operating Expenses, Maintenance Costs and Revenues. The Borrower shall deliver to TxDOT a quarterly report with respect to each fiscal quarter of the Borrower at times to be agreed upon by the Borrower and TxDOT, which reports will show (i) the operating data for the System for the previous quarter and for the year to date, including total Revenues, total Operating Expenses incurred, total Major Maintenance Expenses incurred and all other costs and expenses incurred with respect to the System that are payable out of Revenues pursuant to the Trust Agreement, (ii) the variances of 5% or more for such periods between (1) the actual Revenues and the projected Revenues set forth in the Annual Budget; (2) the actual Revenues and the Maximum Available Annual Amount; and (3) the actual Operating Expenses and Major Maintenance Expenses incurred and all other costs and expenses incurred with respect to the System that are payable out of Revenues and the projected amounts set forth in the Annual Budget and in the Project Budget, together with a brief narrative explanation of the reasons for any such variance, (iii) reports on quarterly traffic and average toll figures, and (iv) if an Event of Default with respect to the Borrower exists, such other operating and traffic information as TxDOT may reasonably request.

(c) Annual Budget. The covenants of the Borrower set forth in Section [505] of the Trust Agreement are incorporated herein as covenants from the Borrower to TxDOT for the sole benefit of TxDOT. TxDOT has relied on such section in executing this Agreement and no amendment to any such covenant in the Trust Agreement shall amend, alter or supplement the covenant set forth in this subsection (c) without prior written approval by TxDOT. The Borrower shall submit to TxDOT for its review and comment a copy of any preliminary budget created by the Borrower and any amendments, supplements or modifications thereto and, promptly upon adoption thereof, the Borrower shall submit to TxDOT the Annual Budget or any amended or supplemented Annual Budget adopted by the Borrower.

(i) At any time during the Fiscal Year TxDOT shall have the right to conduct an audit of the Borrower's compliance with the requirements of this Agreement and the Trust Agreement as they relate to the Annual Budget (or any preliminary budget if an Annual Budget has not been adopted by the Borrower). If the results of the audit conclude that the Borrower is not in compliance with the requirements of this Agreement relating to the operation, maintenance and improvement of the Project, the auditor will provide to TxDOT and Borrower a detailed explanation of why the Borrower is not in compliance and TxDOT shall have a period of forty-five (45) days after receipt of such explanation to notify the Borrower that, in TxDOT's reasonable opinion, the Annual Budget that was the subject of the audit does not substantially comply with the requirements of this Agreement or the Trust Agreement and shall specify in reasonable detail the reasons for such notification; if no such notification in accordance with the foregoing is provided within the time period specified above, then the Annual Budget shall be deemed to substantially comply with the requirements of this Agreement and the Trust Agreement.

(ii) Subject to this Section 5.01(c) and the Trust Agreement, the Borrower shall operate the Project substantially in accordance with the Annual Budget. The Borrower shall have the right to make expenditures in respect of Operating Expenses and Major Maintenance Expenses in accordance with the Trust Agreement without any consent or approval of TxDOT.

Section 5.02 Reporting and Cooperation.

(a) Accounts, Books and Records and Financial Reporting. The covenants of the Borrower set forth in Section [709] of the Trust Agreement are incorporated herein as covenants from the Borrower to TxDOT for the sole benefit of TxDOT. TxDOT has relied on such section in executing this Agreement and no amendment to any such covenant in the Trust Agreement shall amend, alter or supplement the covenant set forth in this subsection (a) without prior written approval by TxDOT.

(i) The Borrower shall provide to TxDOT copies of any reports, financial statements, and any other documents created in accordance with Section [709] of the Trust Agreement and all records maintained pursuant thereto shall be open to inspection by TxDOT. The Borrower further covenants that, upon request, it will provide copies of the current Toll Rate Schedule to TxDOT.

(ii) The Borrower shall provide or cause to be provided to TxDOT copies of any periodic statements regarding Trust Agreement Fund balances and transfers, as well as the investment of any amounts deposited in the Trust Agreement Funds, from the Trustee.

(iii) If required by TxDOT, the Borrower shall employ the Borrower's Accountant to audit its annual financial statements and shall provide copies of any such audited financial statements to TxDOT. In the event that the Borrower's Accountant should at any time cease to be its independent public accountant for any reason, the Borrower shall as soon as practicable appoint, and thereafter maintain, as its accountants, a nationally recognized firm reasonably acceptable to TxDOT. Concurrent with such appointment, the Borrower shall authorize such accountants to communicate directly with TxDOT and to respond within a reasonable period of time to queries of TxDOT regarding the Borrower's accounts and operations in connection with the exercise by TxDOT of its rights to review the books, records and papers of the Borrower as set forth in Section 5.02(e) below and to receive and review the audited financial statements as set forth in this subclause (iii).

(iv) The Borrower shall retain all work papers and reports for a minimum of 4 years from the date of the audit reports referred to in Sections 5.02(a)(iii) hereof, unless TxDOT notifies the Borrower in writing to extend the retention period for a reasonable additional period. Audit work papers shall be available to TxDOT to the extent available to the Borrower at any time during the retention period. The Borrower shall retain all original System (including the Project)

files, records, accounts and supporting documents until the later of the Termination Date or the date all amounts due and payable under the Toll Equity Loan Note and this Agreement have been repaid, or for the period of time required by applicable federal and state law, if longer, unless relieved of this requirement by TxDOT in writing.

(b) Covenants Regarding Toll Rate Schedule, Traffic Consultant, Uniformity of Tolls and Free Passage.

(i) The covenants of the Borrower set forth in Sections [501 and 502] of the Trust Agreement are incorporated herein as covenants from the Borrower to TxDOT for the sole benefit of TxDOT. TxDOT has relied on such sections in executing this Agreement and no amendment to any such covenant in the Trust Agreement shall amend, alter or supplement the covenant set forth in this subsection (b) without prior written approval by TxDOT.

(ii) In the event the Traffic Consultant is engaged pursuant to Section [501] of the Trust Agreement or a new traffic and revenue study is delivered for the System, the Borrower shall prepare an updated Financial Model incorporating such updated Revenue projections and indicating the amount, date and use of any expected advances under the Toll Equity Loan Commitment and the dates of payment of principal of and interest on such advances in any Fiscal Year.

(c) Consultant Reports.

(i) The Borrower covenants that it will employ the General Engineering Consultant in accordance with the provisions of Section [704] of the Trust Agreement, and will cause the General Engineering Consultant to do all tasks required to be performed by the General Engineering Consultant pursuant to Sections [504, 407 and 408] of the Trust Agreement.

(ii) The Borrower shall provide or cause to be provided to TxDOT in a timely manner copies of all reports, recommendations, findings or other documents prepared by the General Engineering Consultant in relation to the System.

(d) Cooperation with Consultants. The Borrower shall (i) cooperate in all reasonable respects with all consultants retained by TxDOT in connection with the transactions contemplated by the Transaction Documents, (ii) provide each consultant with all information reasonably requested and reasonably required by such consultant in connection with the performance of its obligations under the Transaction Documents, and (iii) consult with TxDOT regarding the reports of each consultant as reasonably requested by TxDOT.

(e) Access to the Project. The Borrower shall give TxDOT and its consultants and representatives access to the System (including the Project) and all books, records and accounts related to the Project and the System, at any reasonable time as may be requested, during official business hours and in a manner that cannot reasonably be expected materially to interfere with or disrupt the performance by the

Borrower or any other party of its obligations with respect to the construction and operation of the Project or the System, and permit the Trustee and TxDOT and their consultants and representatives to examine and make abstracts from any of its books, accounts and records relating to the Project or the System and to make copies and memoranda thereof, to discuss the Project or the System and the business, accounts, operations, properties and financial and other conditions of the Borrower as, in any case, related to the Project or the System, including, without limitation, the allocation of the costs of the operation, maintenance and improvement of the Project or the System, with officers and employees of the Borrower and with the Borrower's Accountant and to witness the performance and other tests conducted pursuant to any Project Document, as applicable. The Borrower shall have the right to participate in any discussions with the Borrower's Accountant. Notwithstanding anything herein to the contrary, the Borrower shall offer all reasonable assistance to such Persons in connection with any such visit. Upon the occurrence and during the continuance of an Event of Default or a Default with respect to the Borrower, if the Trustee or TxDOT requests that any of its consultants or representatives be permitted to make such visit, the reasonable fees and expenses of the Trustee, TxDOT, and their consultants and representatives in connection with such visit shall be paid for by the Borrower. The Borrower shall not be required to give any of TxDOT's consultants or representatives access to the Project or any books, records or accounts related to the Project unless TxDOT provides to the Borrower a confidentiality and non-disclosure agreement in form and substance reasonably acceptable to the Borrower that is either: (1) executed by such consultant or representative, or (2) is a requirement of the consultant's engagement agreement with TxDOT that is agreed to by the consultant on behalf of all employees and representatives of the consultant, and TxDOT shall not provide to such consultant or representative any such books, records or accounts until such confidentiality and non-disclosure agreement is executed by such consultant or representative. TxDOT shall ensure that each of its employees is bound to keep all of the books, records and accounts related to the Project confidential and shall enforce any such obligation against its employees. TxDOT shall enforce the provisions of any confidentiality and non-disclosure agreement executed by TxDOT's consultants and representatives in connection with their access to the Project and their inspection of all books and records and other information related to the Project as provided in this Section 5.02(e), and TxDOT and its employees, consultants and representatives shall, except as otherwise permitted under this Section 5.02(e), keep all information obtained through such access and inspection confidential. Nothing contained herein shall preclude TxDOT or one of its employees, consultants or representatives from producing or otherwise disclosing any information obtained through such access and inspection under compulsion of court order or subpoena, as required in connection with a judicial, administrative or regulatory proceeding in which it or an officer, director, employee or affiliate is involved, as required pursuant to inquiry or demand by a regulatory authority having jurisdiction over it or its affiliates or as otherwise required by law, including the Texas Public Information Act, Chapter 552 of the Government Code. TxDOT and/or each consultant or representative shall notify Borrower in the event of receipt of any request, subpoena, court order or other requirement to disclose any part of such information in connection with a legal, regulatory or other proceeding. For purposes of this Section, any information obtained through such access and inspection shall not be

considered confidential if such information: (1) is lawfully in the public domain at the time it is transmitted or later becomes part of the public domain without fault of TxDOT or its employees, consultants or representatives; (2) has been independently developed by TxDOT or its employees, consultants or representatives without violation of this Section 5.02(e); (3) is independently known to TxDOT or its employees, consultants or representatives at the time of receipt through no unlawful act of TxDOT or its employees, consultants or representatives; (4) is disclosed by TxDOT or its employees, consultants or representatives with the prior written approval of the Borrower; or (5) becomes known to TxDOT or its employees, consultants or representatives from a source other than the Borrower, which source is (A) not subject to any restriction on disclosure or (B) not known by TxDOT or its employees, consultants or representatives to be bound by a confidentiality obligation directly or indirectly to the Borrower or TxDOT or to otherwise be in breach of any legal or contractual obligation not to disclose such information.

(f) Continuing Disclosure Reports and Notices. The Borrower shall give TxDOT copies of all annual financial reports and reportable events notices submitted by Borrower in connection with its compliance with any continuing disclosure undertaking entered into with respect to the System Debt as required under Rule 15c2-12 adopted by the Securities and Exchange Commission.

(g) Replacement of Consultants. If at any time the General Engineering Consultant, the Traffic Consultant, the Insurance Consultant or Borrower's Accountant should resign or the Borrower desires to remove any or all of such consultants, Borrower shall, as soon as practical and in compliance with applicable laws and Borrower's policies, appoint a successor consultant in accordance with this Agreement and the Trust Agreement, as applicable, and TxDOT shall have the right to approve of the successor consultant, which approval shall not be unreasonably withheld.

(h) Biennial Reports. Not less than sixty (60) days prior to each date that is a deadline for submission of any legislative appropriation request for the State (or at such other time as TxDOT may reasonably require), the Borrower shall provide, or cause to be provided, to TxDOT a report indicating for the next fiscal biennium the amount, date and use of any expected advances under the Toll Equity Loan Commitment and the expected dates of payment of principal of and interest on such advances.

Section 5.03 Trust Agreement Funds.

(a) Establishment and Maintenance.

(i) The Borrower shall not maintain or permit to be maintained any funds or accounts other than the Trust Agreement Funds and any other funds or accounts permitted under the Trust Agreement.

(ii) The Borrower shall fund, maintain, and make use of the Trust Agreement Funds and any other funds or accounts permitted under the Trust Agreement in accordance with the terms and conditions set forth in the Trust Agreement.

(b) **Payment of Revenues to the Revenue Fund.** The Borrower at all times shall maintain arrangements satisfactory to TxDOT, subject to the provisions of the Master Custodial Agreement and the Trust Agreement, to ensure that all Revenues (excepting investment earnings on amounts on deposit in the Trust Agreement Funds) are collected and deposited to the Revenue Fund daily, to the extent practicable either directly or indirectly through payment mechanisms reasonably satisfactory to TxDOT.

Section 5.04 Assets and Interests.

(a) **Sale or Encumbrance of Interests; Permitted Sale; Transfer.** The covenants of the Borrower set forth in Sections [710 and 711] of the Trust Agreement are incorporated herein as covenants from the Borrower to TxDOT for the sole benefit of TxDOT. TxDOT has relied on such sections in executing this Agreement and no amendment to any such covenant in the Trust Agreement shall amend, alter or supplement the covenant set forth in this subsection (a) without prior written approval by TxDOT.

(b) **Builders' Liens.** The Borrower shall use commercially reasonable efforts to cause the Design-Build Contractor to comply with all applicable builders' lien legislation and to pay or cause to be paid when due all claims and demands of contractors, subcontractors, laborers, suppliers of material, builders, workmen and others which, if unpaid, might result in the creation of a builders' lien, prior claim, legal pledge or analogous claim against the Project or any part thereof or on the revenue, income or profits arising therefrom, unless there is a bona fide dispute and adequate security has been posted.

Section 5.05 Compliance, Insurance and Other Agreements.

(a) **Compliance with Law.** The Borrower shall comply with all laws (including, without limitation, Environmental laws) relating to the System Debt, the System, the organization and operation of the Borrower and the subject matter of any Finance Document.

(b) **Approvals; Governmental Authorizations.** At all times, the Borrower shall obtain on a timely basis and thereafter maintain in full force and effect all Governmental Approvals necessary (a) for the use, operation and maintenance of the System, and (b) to comply with its obligations under the Transaction Documents and Project Documents, except in either case where the failure to obtain or maintain any such Governmental Approval could not reasonably be expected to have a Material Adverse Effect.

(c) **Transaction Documents; Project Documents.**

(i) The Borrower shall (A) perform and observe in all material respects all of its covenants and its other obligations contained in each Transaction Document to which it is a party or an assignee and (B) use reasonable efforts to enforce against any other party thereto each material covenant or obligation of such party in each Transaction Document in accordance with its terms.

(ii) The Borrower shall not terminate, or allow to expire (other than in accordance with its terms), or assign, or amend or modify, or waive timely performance by any other party of material covenants under, any Transaction Document, provided that:

(A) any such termination, amendment, modification or waiver shall be permitted if such termination, amendment, modification or waiver could not reasonably be expected to result in a Material Adverse Effect; and

(B) any such termination, amendment, modification or waiver shall be permitted if it is approved in writing by TxDOT, such approval not to be unreasonably withheld.

(iii) If the Design-Build Contract or any other Project Document, or any counterparty to the Design-Build Contract or a Project Document, is replaced, to the extent that there was a Direct Agreement related to the Design-Build Contract or to such Project Document prior to such replacement, the Borrower shall enter into a new (or amended and restated, as the case may be) Direct Agreement with any third party to such Project Document or Design-Build Contract, as applicable, in form and substance reasonably satisfactory to TxDOT.

(iv) If a Bankruptcy Event with respect to the Design-Build Contractor should occur, Borrower shall take (to the extent such rights are available to it), or shall use its best efforts to cause TxDOT to take, any and all actions provided under the Design-Build Contract and available under the proceedings relating to the Bankruptcy Event that are reasonably required to minimize any suspension or delay in the construction of the Project, including, without limitation, enforcing the Design-Build Contract against the Design-Build Contractor, seeking a replacement design-build contractor that will assume the obligations of the Design-Build Contractor under the Design-Build Contract or entering into a new design-build contract with the consent of TxDOT, which consent shall not be unreasonably withheld. Borrower will give TxDOT copies of any notices received or given by Borrower in connection with such Bankruptcy Event, and TxDOT shall have the opportunity to participate in any meetings, proceedings, settlements, or other activities relating to such Bankruptcy Event.

(d) Use of Proceeds and Amounts Remaining in the Construction Fund After Completion of the Project. The Borrower shall not cause any proceeds of the TELA Project Debt or any Toll Equity Loan to be expended for any purpose other than pursuant to the Trust Agreement and this Agreement. Any amounts remaining in the [Series 20__ Construction Account of the Construction Fund] held by the Trustee under the Trust Agreement after submission to the Trustee by the Borrower of a final completion certificate with regard to construction of the Project shall be applied in accordance with the Trust Agreement.

(e) Tolling System. The Borrower shall ensure that, on or prior to the Service Commencement Date for any tolled Segment or portion of a Segment, all electronic tolling system hardware necessary to operate such Segment or portion thereof (if any) in compliance with the requirements of the applicable Project Documents (if any), or any other applicable requirements, will be installed and operational.

(f) Insurance. The covenants of the Borrower set forth in Sections [705 and 706] of the Trust Agreement with respect to insurance for the System are incorporated herein as covenants from the Borrower to TxDOT for the sole benefit of TxDOT. TxDOT has relied on such sections in executing this Agreement and no amendment to any such covenant in the Trust Agreement shall amend, alter or supplement the covenant set forth in this subsection (f) without prior written approval by TxDOT. All records related to such covenants shall be open for inspection by TxDOT and copies of any opinions, certifications, reports, records, filings or other documents prepared by the Insurance Consultant or any other Person in relation to insurance for the System shall be provided to TxDOT in a timely manner.

(g) Further Assurances and Corrective Instruments. The Borrower agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements to the Trust Agreement and such further instruments as may reasonably be required for carrying out the expressed intention of the Trust Agreement and this Agreement and as may be necessary or desirable for assuring, conveying, granting, assigning, securing and confirming the security interests (whether now existing or hereafter arising) granted by or on behalf of the Borrower to the Trustee, pursuant to the Trust Agreement, or intended so to be granted pursuant to the Trust Agreement, or which the Borrower may become bound to grant, and the subject of each such security interest is and will be free and clear of any other security interest thereon or with respect thereto prior to, or of equal rank with the security interests created by the Trust Agreement, other than liens entitled to priority as a matter of Law, this Agreement or the Trust 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 security interests granted pursuant to the Trust Agreement and all the rights of the Trustee under the Trust Agreement against all claims and demands of all Persons whomsoever.

Section 5.06 Project Debt; Refunding of TELA Project Debt; Additional Debt.

(a) Project Debt. The Borrower shall issue all of the initial Project Debt on the Closing Date and in compliance with the terms and conditions of the Trust Agreement. The Borrower shall deposit proceeds of the Project Debt with the Trustee in an amount sufficient, after taking into account amounts required to be deposited by the Borrower from sources other than Project Debt, to pay for (i) Project Costs as set forth in the Project Budget and (ii) all amounts required to be deposited in Trust Agreement Funds.

(b) Refunding of TELA Project Debt.

(i) All potential refundings of TELA Project Debt will be subject to the approval of TxDOT so long as the Toll Equity Loan Commitment will not be terminated in conjunction with such refunding or any amount due and payable under the Toll Equity Loan Note would be outstanding after the issuance of such refunding obligations.

(ii) Unless expressly approved by TxDOT, no refunding transaction involving TELA Project Debt that extends the final maturity of the initial TELA Project Debt beyond its original final Maturity Date shall be permitted so long as the Toll Equity Loan Commitment will not be terminated in conjunction with such refunding or any amount due and payable under the Toll Equity Loan Note would be outstanding after the issuance of the refunding obligations.

(c) Additional Debt. So long as the Toll Equity Loan Commitment will not be terminated in conjunction with, or any amount due and payable under the Toll Equity Loan Note would be outstanding after, the issuance of additional obligations secured by the Trust Agreement or by Revenues (other than Refunding Bonds under the circumstances described in Section 5.06(b) hereof), no such issuance shall be permitted without prior written approval from TxDOT, and all such debt is subject to the requirements set forth in the Trust Agreement.

Section 5.07 Miscellaneous.

(a) Payment of Lawful Claims. The Borrower shall, from moneys available therefor in the Trust Estate or other legally available moneys, pay or cause to be discharged, or make adequate provision to satisfy and discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Trust Estate; *provided, however*, that nothing in this Section 5.07 shall require the Borrower to pay or cause to be discharged, or make provision for, any such lien or charge the validity of which is being contested in good faith by appropriate legal proceedings.

(b) Corporation Representatives. Whenever under the provisions of this Agreement or the Trust Agreement the approval of the Borrower is required or the Borrower is required to take some action at another party's request, such approval or such request shall be given for the Borrower by a Corporation Representative.

(c) Notices. The Borrower shall promptly, and in any event within ten Business Days after it acquires notice or obtains actual knowledge thereof, give TxDOT notice of any of or, with respect to (vi), (vii), (x) and (xiii) below, copies of, the following, setting forth reasonable details of any event under (i) to (v), (viii), (ix), (xi) or (xii) below (and the Borrower shall concurrently provide to the General Engineering Consultant a copy of any such notice or copy, to the extent the applicable event occurs during the period that the Project is under construction):

(i) any "Event of Default" as defined in the Trust Agreement or any event which, given notice or the passage of time or both, would constitute an "Event of Default" as defined in the Trust Agreement;

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

(iii) any proposal to suspend or abandon the Project;

(iv) any material default or event of default under any Transaction Document;

(v) any material default or event of default under any Project Document;

(vi) the unavailability of any required insurance on commercially available terms;

(vii) any material notices given under the Trust Agreement or a Project Document by the Borrower or received by the Borrower under the Trust Agreement or a Project Document from any party thereto;

(viii) copies of construction progress reports to the extent such reports are received by the Borrower pursuant to any Project Document and to the extent such reports are required to be delivered under the applicable Project Document;

(ix) any (A) written notice to the Borrower indicating that any material Governmental Approval with respect to the Project will not be granted or renewed, or will not be granted or renewed in time to allow continued operation of the Project in compliance with all material laws, or will be granted or renewed on terms materially more burdensome than proposed, or will be terminated, revoked or suspended and (B) casualty, damage or loss to the Project, whether or not insured, through fire, theft, other hazard or casualty insurance in excess of \$5,000,000 (as such amount shall be adjusted annually after the Closing Date in proportion to any increase or decrease in the CPI over the Base Price Index) for any one casualty or loss or in the aggregate in any Fiscal Year;

(x) any cancellation, notice of threatened or potential cancellation or material change in the terms, coverage or amounts of any insurance required to be maintained under the Trust Agreement or any claim under any insurance policy;

(xi) any written notice of the occurrence of any event giving rise (or that could reasonably be expected to give rise) to a material claim under any insurance required to be maintained under the Trust Agreement, with copies of any

material documents relating thereto (including copies of any such claim) in the possession or control of the Borrower;

(xii) any notice of any event of default or termination or cancellation given by or received by the Borrower under any Project Document, or any request received by the Borrower for any material amendment of, supplement to or other modification of any Project Document, or any event, circumstance or occurrence actually known to the Borrower that might lead the Borrower or any other party thereto to terminate the Project Document;

(xiii) any event of force majeure (howsoever described) under a Project Document or any other event entitling the contractor under such Project Document to suspend performance of any obligation thereunder, but solely to the extent the Borrower has actual knowledge of any such event; or

(xiv) any notice of the occurrence of Substantial Completion with respect to any Segment.

(d) Calculation of CPI Changes. Annually, within thirty (30) days after each September 1, commencing September 1, 2014, the Borrower shall calculate the increase or decrease in the CPI over the Base Price Index as of such September 1, and shall notify TxDOT of the amount of such increase or decrease. Such calculation shall be binding absent manifest error.

(e) Eligible Costs Obligations of the Borrower. The Borrower hereby agrees and acknowledges that Eligible Costs must be obligations of the Borrower and the Borrower shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such agreements or other instruments (including amendments or supplements to the Project Agreement) as may reasonably be required for carrying out the expressed intention of this Agreement that the payment of all Eligible Costs be obligations of the Borrower and as may be necessary or desirable for assuring, conveying, granting, assigning, securing and confirming that all obligations to pay Eligible Costs (whether now existing or hereafter arising) will be legal, valid and binding obligations of the Borrower, and all corporate action on the part of the Borrower to that end shall be duly and validly taken at such times.

Section 5.08 Covenants to Remain In Effect. If at the final Note Maturity Date of the Toll Equity Loan Note, amounts due thereunder remain unpaid, the provisions of this Article V, as applicable, shall remain in effect until such time as all amounts owing have been paid.

ARTICLE VI.

EVENTS OF DEFAULT BY THE BORROWER

Section 6.01 Events of Default. The occurrence of any of the following events shall be an “Event of Default” hereunder:

(a) Failure by the Borrower to pay, from funds available therefor under the Trust Agreement, when due any amount payable under the Toll Equity Loan Note.

(b) Failure by the Borrower to make (i) any payment, to the extent funds are available under the Trust Agreement, to TxDOT or as otherwise required to be paid from funds available under the Trust Agreement or any other legally available source of funds of the Borrower as required under this Agreement, except as set forth in Section 6.01(a) hereof, within ten Business Days from the date on which it was due, or (ii) any payment required to be paid under any TELA Project Debt of the Borrower; *provided, however*, that any failure pursuant to this subclause (ii) shall not constitute an Event of Default if the failure to make such payment results from a failure by TxDOT to advance funds in accordance with the provisions of this Agreement.

(c) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement or under any TELA Project Debt, other than as referred to in Section 6.01(a), (b) or (m) hereof, for a period of ninety (90) days after the earlier of (i) the Borrower acquiring actual knowledge of such occurrence or (ii) notice specifying such failure and requesting that it be remedied shall have been given to the Borrower by TxDOT, unless TxDOT shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the Borrower shall be entitled to a further extension of time reasonably necessary to remedy such failure so long as corrective action is instituted by the Borrower within the applicable period and is diligently pursued until such failure is corrected.

(d) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to this Agreement or any other Finance Documents shall prove to have been false or misleading in any material respect when made and, if such misrepresentation is capable of being cured, such misrepresentation has not been cured within ninety (90) days after the earlier of (i) the Borrower acquiring actual knowledge of such failure and (ii) the Borrower receiving notice from TxDOT of such failure.

(e) the Borrower shall fail to perform or observe any material covenant, agreement or obligation under any Project Document to which it is a party or an assignee (unless such failure could not reasonably be expected to have a Material Adverse Effect), and the Borrower shall have failed to cure such failure or to obtain an effective written waiver thereof within the earlier of (A) ninety (90) days after receipt of notice thereof from TxDOT and (B) any applicable grace period relating to such covenant, agreement or obligation; *provided, however*, that with respect to this subsection (e), if such cure or waiver cannot reasonably be obtained within the applicable period, the Borrower shall be entitled to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until such failure is corrected.

(f) One or more judgments for the payment of money in an aggregate amount in excess of \$10,000,000 (as such amount shall be adjusted annually after the Closing Date in proportion to any increase or decrease in the CPI over the Base Price Index) shall be rendered against (i) the Revenues, the Project or the System and the same shall remain undischarged for a period of ninety (90) 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 the Revenues, the Project or the System to enforce any such judgment or the amount of such judgment is not adequately covered by insurance or a performance bond, or (ii) the Borrower and the same shall remain undischarged for a period of ninety (90) consecutive days during which execution shall not be effectively stayed, to the extent that it is reasonably likely to have a Material Adverse Effect 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 or the amount of such judgment is not adequately covered by insurance or a performance bond, to the extent that it is reasonably likely to have a Material Adverse Effect.

(g) The Project Agreement shall expire or be terminated (whether by reason of a default thereunder or by mutual agreement of the parties thereto or otherwise), or for any reason shall cease to be in full force and effect.

(h) The Borrower fails to obtain, renew, maintain or comply with all material Governmental Approvals, as and when required by it, in connection with the Project or the entering into of any Finance Document, any Transaction Document or any Project Document to which the Borrower is a party or an assignee, and such failure could reasonably be expected to have a Material Adverse Effect; unless such failure is remedied within ninety (90) days after TxDOT gives notice thereof to the Borrower, or such longer period as TxDOT may allow.

(i) The Trust Agreement ceases, except in accordance with its terms, to be effective to grant a perfected security interest on the collateral described therein (other than on an immaterial portion thereof).

(j) The Borrower fails to operate and maintain the Project in accordance with the Project Agreement and such failure could reasonably be expected to have a Material Adverse Effect; unless such failure is remedied within ninety (90) days after TxDOT gives notice thereof to the Borrower, *provided, however*, that if said default is such that it cannot by its nature with due diligence be cured within the said 90-day period but can be cured, it shall not constitute an Event of Default if curative action is commenced by the Borrower within said 90-day period and diligently pursued until the default is cured.

(k) With respect to any Segment for which Substantial Completion has not occurred as of the Effective Date, Substantial Completion for any of such Segments has not occurred by the date that is twelve months after the Estimated Date of Completion (taking into account force majeure) for such Segment.

(l) Any insurance required under Section 5.05(f) hereof is not, or ceases to be maintained as required or such insurance is avoided or any insurer avoids, suspends or otherwise reduces its liability under any policy (if any) relating to any such insurance or any insurer of any insurance is not bound, or ceases to be bound, to meet its obligations in full under any such insurance, and any such event could reasonably be expected to have a Material Adverse Effect, unless (i) such insurance is (prior to its cessation) replaced by insurance on substantially similar terms (including self-insurance), and in form and substance and with insurers (if applicable) as recommended by the Insurance Consultant, or (ii) the risks covered by such insurance are uninsurable or such insurance is reasonably determined by the Insurance Consultant to be not commercially available in the insurance market at reasonable rates, and the Borrower has agreed to the means by which the risk should be managed as recommended by the Insurance Consultant.

(m) After the start of construction and prior to Substantial Completion of a Segment, the construction of that Segment is abandoned, which could reasonably be expected to have a Material Adverse Effect; *provided* that, for the purposes of this Section 6.01(m), abandonment of the construction of a Segment is deemed to have occurred if no significant construction (taking into account the construction schedule and permitted delay as a result of force majeure) is carried out without reasonable cause, for a continuous period of ninety (90) days.

(n) The operation or maintenance of the Project or any material part thereof is suspended or abandoned; *provided* that, for the purposes of this Section 6.01(n), suspension or abandonment of the Project is deemed to have occurred after the first Service Commencement Date for any Segment, if the Borrower fails, without reasonable cause, to operate the Project (taking into account force majeure) for a continuous period of ninety (90) days.

(o) The occurrence of an “Event of Default” under and as defined in the Trust Agreement.

Section 6.02 Remedies upon an Event of Default.

Upon or after the occurrence of an Event of Default under Section 6.01 hereof, TxDOT may, without prior notice, unless otherwise specified in this Section 6.02, demand or presentment, and to the extent permitted by applicable law, do any or all of the following:

(a) have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income and other records of the Borrower relating to the Project or the System, including, without limitation, any such accounts, data and income and other records concerning the costs of operating and maintaining the Borrower’s system which are allocated to the operation and maintenance of the Project or the System or payable from Revenues or other amounts held in the Trust Agreement Funds, during regular working hours of the Borrower if necessary in the opinion of TxDOT;

(b) by suit, action or proceeding in equity, enjoin any acts or things that are unlawful or the violation of any rights of TxDOT and the Trustee;

(c) seek an action in mandamus against the Borrower and/or seek the appointment of a receiver;

(d) exercise, or cause to be exercised, any and all such remedies as it may have under this Agreement, the other Finance Documents or any other document or at law or in equity.

Section 6.03 Waiver of Event of Default. Subject to Section 6.04 hereof, either party may at any time in its discretion waive any Event of Default by the other party hereunder and its consequences, and in case of any such waiver or in case any proceeding taken by the non-defaulting party on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Borrower and TxDOT shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder respectively, but no such waiver shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 6.04 Waivers; Consents. No waiver of, or consent with respect to, any provision of this Agreement or the other Finance Documents by TxDOT shall in any event be effective unless the same shall be in writing and signed by TxDOT, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 6.05 No Waiver; Remedies Cumulative. No failure on the part of TxDOT to exercise, and no delay in exercising, any right hereunder or under the other Finance Documents shall operate as a waiver thereof; and no single or partial exercise by TxDOT of any right hereunder or under the other Finance Documents shall preclude any other or further exercise thereof or the exercise of any other right. To the extent permitted by applicable law, the remedies herein and in the other Finance Documents provided are cumulative and not exclusive of any remedies available under any other document or at law or in equity.

Section 6.06 No Set-Off. Neither party shall set off or apply any balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys at any time held against indebtedness at any time owing by the other party.

ARTICLE VII.

COVENANTS AND EVENTS OF DEFAULT BY TXDOT

Section 7.01 Legal Opinions. On or before the Closing Date, TxDOT shall deliver to the Borrower a legal opinion from TxDOT's counsel in form and substance reasonably satisfactory to the initial purchaser(s) under the Bond Purchase Contract.

Section 7.02 Advance Funds. Upon the delivery of a Trustee Request, TxDOT shall, from money appropriated by the Texas State Legislature in a manner that would allow its use for this purpose, advance the funds specified in the Trustee Request within three Business Days of the delivery of such request; *provided, however,* that no such advance shall (i) exceed the

Maximum Permitted Amount, (ii) cause the aggregate amount of the advances made for such Draw Period to exceed the Maximum Available Annual Amount, (iii) cause the aggregate amount of all advances to exceed the Maximum Available Aggregate Amount, or (iv) cause the aggregate amount of all advances to exceed the aggregate amount of Eligible Costs. TxDOT covenants that it will submit a request in accordance with applicable law to obtain an appropriation from the Texas Legislature to fulfill its obligation to make advances under the Toll Equity Loan Commitment as provided in this Agreement, but not to exceed the Maximum Available Annual Amount for the Draw Periods included in the legislative request.

Section 7.03 Continuing Disclosure. Prior to or concurrently with the issuance of the Project Debt and any Refunding Bonds, TxDOT shall execute a continuing disclosure undertaking in a form reasonably acceptable to TxDOT, the Borrower and the purchasers of such debt in order to enable the Borrower to comply with its continuing disclosure undertaking relating to such debt as required under Rule 15c2-12 of the Securities Exchange Commission.

Section 7.04 Builders' Liens. TxDOT shall use commercially reasonable efforts to cause all contractors to comply with all applicable builders' lien legislation and to pay or cause to be paid when due all claims and demands of contractors, subcontractors, laborers, suppliers of material, builders, workmen and others which, if unpaid, might result in the creation of a builders' lien, prior claim, legal pledge or analogous claim against the Project or any part thereof or on the revenue, income or profits arising therefrom, unless there is a bona fide dispute and adequate security has been posted.

Section 7.05 Remedies Upon An Event of Default by TxDOT. Upon TxDOT's failure (i) to honor a request by the Trustee for an advance under the Toll Equity Loan Commitment which complies with all the requirements of this Agreement if funds have been appropriated to TxDOT by the Texas State Legislature in a manner that would allow its use for such purpose, (ii) to satisfy its obligations under the continuing disclosure undertaking described in Section 7.03 hereof, or (iii) to observe and perform its covenant in Section 7.04 hereof (each of (i), (ii) and (iii) constituting an "Event of Default" with respect to TxDOT), Borrower may, without prior notice, demand or presentment, and to the extent permitted by applicable law, do any or all of the following:

- (a) by suit, action or proceeding in equity, enjoin any acts or things which are unlawful or the violation of any rights of Borrower and the Trustee; and
- (b) seek an action in mandamus against TxDOT.

Section 7.06 Failure to Fund Advances Due to Non-Appropriation.

(a) Failure to honor a request by the Trustee for an advance under the Toll Equity Loan Commitment due solely to the fact that funds have not been appropriated to TxDOT by the Texas State Legislature in a manner that would allow its use for such purpose shall not constitute an Event of Default with respect to TxDOT under this Agreement.

(b) In the event that TxDOT has failed to honor a request by the Trustee for an advance under the Toll Equity Loan Commitment due solely to the fact

that funds had not been appropriated to TxDOT by the Texas State Legislature in a manner that would allow its use for such purpose, TxDOT shall have no obligation to fund such request on any date subsequent to such failure.

Section 7.07 Obligations Not a Debt of TxDOT. The obligations of TxDOT under this Agreement do not create a debt of TxDOT, the Commission, the State of Texas, or any other agency or political subdivision of the State of Texas under any provision of the Texas State Constitution.

**ARTICLE VIII.
MISCELLANEOUS**

Section 8.01 Notices. All notices and other communications provided for hereunder shall be in writing and sent by United States certified or registered mail, return receipt requested, private delivery service, or by email or facsimile (provided that the sender receives confirmation of receipt of the email or facsimile by email or facsimile or confirms the email or facsimile by sending an original copy by certified or registered mail or private delivery service within two (2) Business Days after transmission) addressed as follows:

If to the Borrower: Grand Parkway Transportation Corporation
 125 E. 11th Street
 Austin, Texas 78701
 Attn: President
 Fax: [_____]
 Email: [_____]

With a copy to: Grand Parkway Transportation Corporation
 c/o Texas Department of Transportation
 125 E. 11th Street
 Austin, Texas 78701
 Attn: Director of Special Projects Division
 Fax: [_____]
 Email: [_____]

If to the Trustee: As provided in the Trust Agreement

If to TxDOT: Texas Department of Transportation
 125 E. 11th Street
 Austin, Texas 78701-2483
 Attn: Chief Planning and Projects Officer
 Fax: 512-463-0283
 Email: [_____]

With a copy to: Texas Department of Transportation
125 E. 11th Street
Austin, Texas 78701-2483
Attention: Innovative Financing/Debt Management Officer
Fax: [_____]
Email: [_____]

Texas Department of Transportation
125 E. 11th Street
Austin, Texas 78701-2483
Attn: General Counsel
Fax: 512-475-3070
Email: [_____]

The Borrower, the Trustee or TxDOT may change the address to which notices to it are to be sent by notice given to the other persons listed in this Section 8.01.

All notices shall, when mailed or given by private delivery service, be effective on the date indicated on the return or delivery receipt, respectively, and all notices given by email or facsimile shall be effective when received if confirmation of receipt, by email or facsimile, is received by the sender the same business day. If confirmation of receipt of email or facsimile notices is not received the same business day, the notices shall be effective when confirmation is received, or on the date indicated on the return or delivery receipt if the facsimile or email notices have been confirmed by mailing or private delivery service, whichever is earlier. Whenever in this Agreement the giving of notice is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 8.02 Binding Effect; Successors and Assigns. This Agreement shall become effective when it shall have been executed by the Borrower and TxDOT and thereafter shall be binding upon and inure to the benefit of the Borrower and TxDOT and their respective successors and assigns. The Borrower shall not have the right to assign its rights hereunder or any interest herein other than to the Trustee, without the prior written consent of TxDOT. TxDOT shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the Borrower and confirmation from each rating agency then rating the TELA Project Debt that any such assignment will not negatively affect the then current ratings on the TELA Project Debt.

Section 8.03 Survival of Representations, Warranties and Covenants. All representations, warranties and covenants made by the Borrower herein and in any document delivered pursuant hereto shall survive the delivery of this Agreement and any advances under the Toll Equity Loan Commitment.

Section 8.04 Counterparts. The execution and delivery hereof by the parties hereto shall constitute a contract between them for the uses and purposes herein set forth, and this Agreement

may be executed in any number of counterparts, with each executed counterpart constituting an original and all counterparts together constituting one agreement.

Section 8.05 Costs and Expenses.

(a) The Borrower agrees to pay on demand all reasonable, documented out-of-pocket costs and expenses of TxDOT in connection with the enforcement of this Agreement, the other Finance Documents and such other documents; and

(b) Subject to Section 8.11 hereof, all sums due hereunder shall be an obligation of the Borrower, due and payable immediately without demand.

Section 8.06 Amendments.

(a) Subject to TxDOT's rights under Section 2.11 of this Agreement, no amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall be effective unless the same shall be in writing and signed and delivered by TxDOT and the Borrower.

(b) No amendment to or waiver of any defined term in any other Transaction Document which is incorporated by reference herein shall be effective in the context of this Agreement unless the same shall have been consented to in advance by TxDOT.

Section 8.07 No Waiver. No failure on the part of TxDOT to exercise, and no delay in exercising, any right or power hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or power hereunder preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of TxDOT hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall have been provided in accordance with Section 8.06 hereof, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

Section 8.08 Severability; Interest Limitation. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction, it shall be ineffective as to such jurisdiction only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision as to such jurisdiction to the extent it is not prohibited or unenforceable, nor invalidate such provision in any other jurisdiction, nor invalidate the other provisions hereof, all of which shall be liberally construed in order to effect the provisions of this Agreement. Notwithstanding anything to the contrary herein contained, the total liability of the Borrower for payment of interest pursuant hereto shall not exceed the maximum amount, if any, of such interest permitted by applicable law to be contracted for, charged or received, and if any payments by the Borrower to TxDOT include interest in excess of such a maximum amount, TxDOT shall apply such excess to the reduction of the unpaid principal amount or other sums due from the Borrower pursuant hereto, or if none is due, such excess shall be refunded to the Borrower; *provided* that, to the extent permitted by applicable law, in the event the interest is not collected, is applied to principal or is

refunded pursuant to this sentence and interest thereafter payable pursuant hereto shall be less than such maximum amount, then such interest thereafter so payable shall be increased up to such maximum amount to the extent necessary to recover the amount of interest, if any, theretofore uncollected, applied to principal or refunded pursuant to this sentence. Any such application or refund shall not cure or waive any Event of Default. In determining whether or not any interest payable under this Agreement exceeds the highest rate permitted by law, any non-principal payment (except payments specifically stated in this Agreement to be “interest”) shall be deemed, to the extent permitted by applicable law, to be an expense, fee, premium or penalty rather than interest.

Section 8.09 Conflicts. Subject to the first paragraph of Section 1.01 hereof, insofar as possible the provisions of this Agreement shall be deemed complementary to the terms of the Trust Agreement, but in the event of conflict the terms hereof shall control to the extent such are enforceable under applicable law; *provided* that if such terms relate to the terms or amount of payment of principal of or interest on the System Debt or the pledge of Revenues or other security provided to the holders of the System Debt, the terms of the Trust Agreement shall control.

Section 8.10 Governing Law; Jurisdiction; Waivers. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE. WITH RESPECT TO ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY OR THE PERFORMANCE OF ANY OF THE PARTIES HEREUNDER, THE BORROWER AND TXDOT HEREBY IRREVOCABLY (A) SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN TEXAS; (B) AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH TEXAS STATE OR FEDERAL COURT; (C) WAIVE THE DEFENSE OF ANY INCONVENIENT FORUM; (D) AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANOTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW; AND (E) CONSENT TO SERVICE OF PROCESS BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO THE BORROWER OR TXDOT, AS APPLICABLE, AT ITS ADDRESS SET FORTH HEREIN AND AGREE THAT SUCH SERVICE SHALL BE EFFECTIVE WHEN SENT OR DELIVERED. THE BORROWER AND TXDOT EACH REPRESENTS AND WARRANTS THAT IT HAS CONSULTED WITH COUNSEL AND UNDERSTANDS THE RAMIFICATIONS OF THE FOREGOING.

Section 8.11 Limited Obligation; No Personal Liability. The obligations and liabilities of the Borrower under the Toll Equity Loan, the Toll Equity Loan Note and this Agreement shall be non-recourse to the Borrower. Subject to the provisions of the following sentence, in no event shall any officer, agent, employee, or director of the Borrower (a “Non-Recourse Party”) be personally liable or obligated for such liabilities and obligations of the Borrower or be subject to any personal liability or accountability by reason of the execution and delivery hereof. Nothing herein contained shall limit or be construed to (i) release any Non-Recourse Party from liability for its fraudulent actions, bad faith or misappropriation of funds or willful misconduct, (ii) limit

or impair the exercise of remedies with respect to any collateral, or (iii) require TxDOT to indemnify the Non-Recourse Parties for liabilities or claims that may be independently asserted by third parties against them.

Section 8.12 Offering Documents for Additional Debt. The Borrower and TxDOT agree to work cooperatively in the preparation and distribution of any Future Offering Document which shall be in a form reasonably satisfactory to TxDOT. The Borrower and TxDOT shall be deemed to make, as of the date of the issuance of any Refunding Bonds, the same representations and warranties with respect to any such Future Offering Document as the parties have made hereunder with respect to the Official Statement.

(Remainder of page intentionally left blank)

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 above written.

GRAND PARKWAY TRANSPORTATION CORPORATION

TEXAS DEPARTMENT OF TRANSPORTATION

By: _____
[James Bass
President]

By: _____
[Phil Wilson
Executive Director]

Date: _____

Date: _____

ATTEST:

SCHEDULE 1
TO TOLL EQUITY LOAN AGREEMENT

PROJECT DOCUMENTS

- [The Project Agreement;
- The Design-Build Contract;
- The Capital Maintenance Agreement;
- The Proposed Terms and Conditions related to CSJ No. 3510-05-018 for Segment D with William Brothers;
- The Proposed Terms and Conditions related to CSJ No. 3510-05-022 for Segment E with Hassall Constructing;
- The Proposed Terms and Conditions relating to CSJ No. 3510-05-023 for Segment E with JP Abrams;
- The Proposed Terms and Conditions related to CSJ No. 3510-05-019 for Segment E with W.W. Webber
- **[To be Further Updated]**

SCHEDULE 2
TO TOLL EQUITY LOAN AGREEMENT
ADDITIONAL TRANSACTION DOCUMENTS

- **[To be Further Updated].**

SCHEDULE 3.01(f) TO TOLL EQUITY LOAN AGREEMENT

GOVERNMENTAL APPROVALS

Permitting Documents

404 Permits (As Applicable)
Segment F-1 (December 2012)
Segment F-2 (January 2013)
Segment G (January 2013)

APPENDIX A

FORM OF TOLL EQUITY LOAN NOTE

THIS NOTE MAY NOT BE ASSIGNED OR TRANSFERRED

UNITED STATES OF AMERICA
STATE OF TEXAS
GRAND PARKWAY TRANSPORTATION CORPORATION
SUBORDINATE TIER REVENUE NOTE
SERIES 201_
(TOLL EQUITY LOAN AGREEMENT)

MAXIMUM PRINCIPAL <u>AMOUNT</u>	INTEREST <u>RATE</u>	MATURITY <u>DATE</u>	ISSUANCE <u>DATE</u>
\$9,600,000,000	As Described Below	As Described Below	[____ __, 201_]

On the maturity date specified below, the Grand Parkway Transportation Corporation (the “*Corporation*”), a public nonprofit corporation of the State of Texas, hereby promises to pay to the Texas Department of Transportation (“*TxDOT*”) the lesser of (a) principal amount specified above (the “*Maximum Principal Amount*”) and (b) the aggregate unpaid principal amount of any advances made by TxDOT (the “*Outstanding Principal Sum*”) pursuant to the Toll Equity Loan Agreement dated as of [____ __, 201_] (as amended and supplemented, the “*Toll Equity Loan Agreement*”) between the Corporation and TxDOT and to pay interest thereon, from the date of such advance, to the maturity date specified for such advance, or the date of prepayment of such advance. The final maturity date for each advance and any accrued and unpaid interest thereon shall be 40 years from the Issuance Date of this note.

Advances made by TxDOT to the Corporation in accordance with the Toll Equity Loan Agreement and each payment made on account of such advance shall be recorded by or on behalf of TxDOT and endorsed on separate grids in the form attached hereto as **Appendix A**, with a copy to the Corporation and the Trustee.

Advances made pursuant to the Toll Equity Loan Agreement evidenced by this note shall bear interest at a per annum rate of interest equal to the ten year “Aaa (pure)” rate provided by Municipal Market Data and published in *The Bond Buyer* under the caption “Municipal Market Data General Obligation Yields” plus 1.00%, *provided, however*, that if the ten year “Aaa (pure)” rate is no longer provided by Municipal Market Data, the rate to be used in its place shall be that rate which most closely replicates such rate, as agreed to by the Corporation and TxDOT; *provided further* however, that the rate of interest shall never exceed the Maximum Rate (as defined in the Toll Equity Loan Agreement). Such rate shall be established using the rate most recently published prior to the time of each advance. Interest on this note shall be calculated on the basis of a 365 or 366-day year, as applicable.

All accrued and unpaid interest shall be payable on the first Business Day of each calendar month, but only to the extent that funds are available for such purpose within the Subordinate Tier Payment Fund established pursuant to the Trust Agreement between the Corporation and the designated trustee bank (the “Trustee”) (the “Original Trust Agreement”).

Interest payments made by the Corporation on account of each advance shall be recorded by or on behalf of TxDOT and endorsed on separate grids in the form attached hereto as **Appendix B** with a copy to the Corporation and the Trustee.

Accrued but unpaid interest for each advance shall be compounded semiannually on [_____ 1] and [_____ 1] of each year commencing on the first such date after the date of each advance, and such compounded amounts shall bear interest at the same rate applicable to such advance. The amount of compounded interest shall be endorsed on the grids for each such advance.

It is specifically provided, that the above principal and interest are payable solely from the sources and in the manner provided in the Original Trust Agreement, as supplemented. As so supplemented, the Original Trust Agreement is referred to herein as the “Trust Agreement.”

This note is issued under and pursuant to a Resolution duly adopted by the Board of Directors of the Corporation (the “Bond Resolution”) and pursuant to the Trust Agreement, executed counterparts of which Bond Resolution and Trust Agreement are on file at the designated payment office of the Trustee. Reference is hereby made to the Bond Resolution and the Trust Agreement for provisions thereof relating to this note, including the custody and application of the proceeds of Obligations issued under the Trust Agreement, the collection and disposition of revenues, the funds and accounts charged with and pledged to the payment of the interest on and the principal of this note, the nature and extent of the security, the terms and conditions on which this note is issued, the rights, duties, and obligations of the Corporation, and the Trustee, and the rights of TxDOT, and, by the acceptance of this note, the owner hereof assents to all of the provisions of the Trust Agreement.

The principal of and interest on this note are payable in lawful money of the United States of America, without exchange or collection charges. The payment of principal of and interest on this note shall be made by the Trustee to TxDOT on each payment date by, if requested by TxDOT, wire transfer to an account designated by TxDOT in the United States of America in an institution which has the wire services facilities of the Federal Reserve Bank, or, if not so requested, by check, dated as of such payment date, drawn by the Trustee on, in each case payable solely from, funds of the Corporation on deposit in the Subordinate Tier Payment Fund created and maintained under the Trust Agreement with the Trustee for such purpose as hereinafter provided. If payment is made by check, such check shall be sent by the Trustee by United States mail, first-class postage prepaid, on each such payment date, to TxDOT.

All advances made that are evidenced by this note are subject to mandatory repayment prior to maturity on the first Business Day of each calendar month, but solely from and to the extent of funds available therefor held in the Subordinate Tier Payment Fund created and maintained pursuant to the Trust Agreement. This note is subject to optional prepayment, in whole or in part, by the Corporation on any Business Day at a price of par plus accrued interest

to the date of prepayment, upon at least two Business Days' notice to TxDOT specifying the date and amount of repayment. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, unless such notice is revoked by the Corporation on or prior to the prepayment date specified therein.

It is hereby certified, recited, and covenanted that this note has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this note have been performed, existed, and been done in accordance with law; and that this note, is a special Subordinate Tier Debt Obligation of the Corporation, payable solely from the sources and in the priority as is provided in the Trust Agreement.

TxDOT shall have no right to enforce the provisions of the Bond Resolution or the Trust Agreement or to institute action or enforce the covenants therein, or to take any action with respect to any Event of Default under the Trust Agreement, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement and the Toll Equity Loan Agreement.

Modifications or alterations of the Trust Agreement or of any Supplemental Agreement may be made by the Corporation and the Trustee only to the extent and in the circumstances permitted by the Trust Agreement.

This note is a special limited obligation of the Corporation, payable from and secured by a lien on and pledge of the Trust Estate granted in the Trust Agreement, on a basis subordinate to that securing all First Tier Obligations, Second Tier Obligations and Third Tier Obligations issued under the Trust Agreement, and on an equal and ratable basis with any Subordinate Tier Obligations issued in accordance with the provisions of the Trust Agreement.

THIS NOTE AND THE INTEREST HEREON DO NOT CONSTITUTE A DEBT OF THE STATE OF TEXAS, THE COMMISSION OR TXDOT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF TEXAS, THE COMMISSION OR TXDOT. NONE OF THE STATE OF TEXAS, THE CORPORATION, THE COMMISSION OR TXDOT IS OBLIGATED TO PAY THIS NOTE OR THE INTEREST ON THIS NOTE FROM A SOURCE OTHER THAN THE AMOUNT PLEDGED TO PAY THE NOTE AND INTEREST ON THIS NOTE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COMMISSION OR TXDOT ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS NOTE. THIS NOTE IS PAYABLE ONLY FROM THE SOURCES AS PROVIDED IN THE TRUST AGREEMENT.

TxDOT acknowledges all of the terms and provisions of the Bond Resolution and the Trust Agreement, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution and the Trust Agreement are duly recorded and available for inspection in the official minutes and records of the Board, and on file with the Trustee, and agrees that the terms and provisions of this note, the Bond Resolution, and the Trust Agreement constitute a contract between TxDOT, the Corporation, and the Trustee.

Pursuant to the requirements set forth in the Toll Equity Loan Agreement and as permitted by law, TxDOT shall have the right, in its sole discretion, to cancel this Note by providing written notice thereof to the Borrower and the Trustee, which notice shall set forth the date for such cancellation.

Terms used in this note and not otherwise defined herein have the meanings given them in the Trust Agreement.

In witness whereof, the Corporation has caused this note to be signed with the manual or facsimile signature of the President of the Corporation and countersigned with the manual or facsimile signature of the Secretary of the Corporation and has caused the official seal of the Corporation to be duly impressed or placed in facsimile on this note.

Secretary
Grand Parkway Transportation Corporation

President
Grand Parkway Transportation Corporation

(GPTC SEAL)

FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE

TRUSTEE'S AUTHENTICATION CERTIFICATE

It is hereby certified that this note has been issued under the provisions of the Bond Resolution and the Trust Agreement described in this note.

Trustee

Dated:

By: _____
Authorized Representative

APPENDIX B

SCHEDULE OF MAXIMUM AVAILABLE ANNUAL AMOUNTS

Fiscal Year End (Aug 31)	Toll Equity Loan Maximum Available <u>Annual Amount</u>
	\$ -

Total \$ _____

APPENDIX C

CERTIFICATE OF BORROWER RE ADVANCES

The undersigned, a Corporation Representative as such term is defined in that certain Toll Equity Loan Agreement (the "Agreement") dated as of _____, 201_, by and between the Texas Department of Transportation ("TxDOT") and the Grand Parkway Transportation Corporation ("Borrower"), hereby certifies on behalf of the Borrower with respect to the advance requested by the Trustee pursuant to Section 2.03 of the Agreement, as follows:

(a) The Trustee has no amounts or insufficient amounts on deposit that are available for payment of capitalized interest on the [_____]¹ for the period for which an advance is hereby requested to the extent that any portion of the advance will be used to pay interest on such bonds.

(b) Borrower has accessed and depleted all funds held in the Revenue Fund, the applicable Debt Service Funds, the Junior Operations and Maintenance Fund, the Operation and Maintenance Reserve Fund, the Major Maintenance Fund, the Rate Stabilization Fund and the Grand Parkway Project Enhancement Fund for the purposes permitted therefor under the Trust Agreement and the Agreement.

(c) The requested advance under the Toll Equity Loan Commitment is no greater than the Maximum Permitted Amount.

(d) The requested advance under the Toll Equity Loan Commitment when added to other amounts advanced under the Toll Equity Loan Commitment during the current Draw Period will not exceed the Maximum Available Annual Amount for such Draw Period.

(e) The requested advance, when added to the amount of all prior advances under the Toll Equity Loan Commitment will not exceed the aggregate amount of Eligible Costs.

(f) Documentation required by Section 2.03 of the Agreement is attached hereto if the requested advance, when added to the amount of all prior advances under the Toll Equity Loan Commitment, exceeds the aggregate of amounts expended or incurred by the Borrower for Major Maintenance Expenses and Operating Expenses, and for Project Costs (and therefore relates to amounts anticipated to be expended).

(g) The aggregate amount of Major Maintenance Expenses and Operating Expenses expended or incurred, and Project Costs expended or incurred, by the Borrower as of the date of the requested advance under the Toll Equity Loan Commitment is \$_____.

[¹ Insert the name of the applicable series of bonds, as applicable.]

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

Dated: _____, ____.

GRAND PARKWAY TRANSPORTATION
CORPORATION

By: _____

Its: _____

APPENDIX D
PROJECT BUDGET

APPENDIX E

FORM OF CERTIFICATE OF BORROWER
RE SATISFACTION OF SECTION 3.02 CONDITIONS

The undersigned, a Corporation Representative, as such term is defined in that certain Toll Equity Loan Agreement (the "Agreement") dated as of _____, 201_, by and between the Texas Department of Transportation and the Grand Parkway Transportation Corporation (the "Borrower"), hereby certifies for and on behalf of the Borrower that (i) the conditions set forth in Section 3.02(a) of the Agreement have been satisfied or waived, (ii) there has been no default or event of default described in Section 3.02(c) of the Agreement such that the condition precedent in such Section is not satisfied, (iii) the representations and warranties given by the Borrower in the Agreement are true and correct in all materials respects on and as of the dates specified in Section 3.02(b) of the Agreement, and (iv) no event, development or circumstance as to the Borrower described in Section 3.02(d) of the Agreement has occurred or become known to the Borrower.

Dated: _____, 20__

GRAND PARKWAY TRANSPORTATION
CORPORATION

By: _____

Its: _____