

Grand Parkway Transportation Corporation
125 East 11th Street, Austin, Texas 78701



M E M O R A N D U M

DATE: February 25, 2016

RE: Segments F-1, F-2 & G of Grand Parkway Project

SUBSEQUENT EVENTS - Segments F-1, F-2 and G

As set forth in the attached "Construction Progress Report – The Grand Parkway System dated February 12, 2016" for the quarter ended December 31, 2015 (October 1, 2015 – December 31, 2015) (the "Report"), the Corporation's General Engineering Consultant, CH2M, Inc., has indicated in the Report that Segments F-1, F-2 and G are expected to open to traffic by January 2016 with tolling beginning February 2016. Segment F-1 and Segment F-2 both opened to traffic on February 5, 2016; and tolling commenced for both Segments on February 15, 2016. Segment G is still under construction and is estimated to open to traffic with tolling commencing by March 31, 2016.

A Grand Parkway Transportation Corporation Project

Quarter Ended December 31, 2015
(October 1, 2015 – December 31, 2015)



Construction Progress Report THE GRAND PARKWAY SYSTEM

Submitted February 12, 2016

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GEC PRINCIPAL IN CHARGE LETTER

CH2M was selected as the Texas Department of Transportation's General Engineering Consultant (GEC) for the implementation of Grand Parkway Segments F-1, F-2, and G with a Master Service Agreement executed in November 2012. Subsequently, CH2M was appointed as the GEC for the Grand Parkway Transportation Corporation (GPTC) as defined in the Trust Agreement Section 704(a).

As described in the requirements set forth in the GPTC Trust Agreement Section 407, the General Engineering Consultant shall prepare a progress report at least quarterly during the acquisition and construction of any portion of the Grand Parkway System which is financed in whole or in part with Obligations, commencing within 120 days from the initial delivery of the initial Obligations or Obligations financing an additional System Segment. The quarters used for reporting will be calendar quarters.

GPTC adheres to the requirements outlined in the Trust Agreement which governs the acquisition or construction of such System Segments financed with Obligations. As specified in the Trust Agreement, this report includes current estimates of: (i) the date on which such System Segment will be opened for traffic, unless such System Segment shall have been opened for traffic prior to such progress report, (ii) the Estimated Date of Completion and an Estimated Date of Substantial Completion of such System Segment, (iii) the cost of such System Segment, but excluding any Obligation discount, and the interest during construction and for one year after completion of construction, and (iv) the amount of funds required each six (6) months during the remaining estimated period of construction to meet the above described cost of such System Segment exclusive of funds provided for construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between the actual times elapsed and the actual costs, and the original estimates of such times and costs. This information, as well as other items relevant to each System Segment, is presented in greater detail within this report.

Respectfully submitted by CH2M, Inc.
General Engineering Consultant

Philip S. Yerby, P.E.
Southeast Region General Manager
Transportation Business Group, CH2M, Inc.
Principal in Charge, GPTC GEC

Introduction

The Grand Parkway (State Highway 99) Project is a proposed 184-mile highway around the greater Houston area from State Highway 146 in Galveston County, Texas to State Highway 146 in Baytown, Texas and spread across the seven counties of Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty and Montgomery (the "Grand Parkway Project"). The primary purpose of the Grand Parkway Project is to provide an outer loop around the Houston metropolitan area to improve connectivity within the existing network, reduce transportation congestion and enhance mobility and travel options, reduce unsafe "stop and go" conditions and accommodate demographic and economic growth. The Grand Parkway Project is divided into 11 segments designated A through I-2 as depicted on the map on page 17.

The segments located in Harris and Montgomery Counties comprise the Grand Parkway System which was originally financed with the Grand Parkway System, Toll Revenue Bonds, Series 2013. The proceeds of the Bonds are being used to finance the design, development, acquisition and construction of five segments of the Grand Parkway Project including the portion of Segment D located in Harris County, Texas and Segments E, F-1, F-2, and G located in northeast Harris County and southwest Montgomery County. These segments total approximately 54.8 miles of tollway.

Segment D (Harris County) and Segment E were constructed under five different design-bid-build contracts. Segments F-1, F-2, and G are being constructed as part of a single design-build comprehensive development agreement. On March 22, 2013, TxDOT and Zachry-Odebrecht Parkway Builders, J.V. executed the Development Agreement and TxDOT issued the first Notice to Proceed (NTP) under the Development Agreement. The second NTP was issued by TxDOT on June 14, 2013. The third NTP was issued by TxDOT for the 365-day period from April 3, 2014 to April 2, 2015. NTP 3 was completed on April 1, 2015.

Except for certain maintenance covered by the Developer under a Capital Maintenance Agreement (CMA) for Segments F-1, F-2, and G, the roadway will be maintained by TxDOT Houston District but paid for by the System. Segments F-1, F-2, and G will be maintained by the Developer under a CMA for the first five years with the possibility of CMA extension for two additional five year periods. The CMA commences at the end of the one-year warranty period or one year after Final Acceptance of the first Segment of Segments F-1, F-2, or G to be constructed.



Segment F-1



Segment F-2



Segment G

Segment D (Harris County)

Segment D (Harris County) extends 2.6 miles from the Fort Bend/Harris County line to 0.30 miles north of Colonial Parkway. Segment D (Harris County) was constructed by TxDOT on behalf of the Corporation pursuant to two design bid build contracts.

The main lanes of Segment D opened to traffic on December 21, 2013 and tolling began February 1, 2014. All of the direct connectors serving Segment D (Harris County) are now open for traffic.

In accordance with the Project Agreement, TxDOT has assigned the two design bid build contracts to the Corporation. CSJ No. 3510 05 018 pertains to work in both Segment D (Harris County) and Segment E.

CSJ No. 3510-05-017

Contractor: Lone Star Company, Inc.

Within the existing IH10 corridor, this project constructed four new direct connectors between the IH10 Eastbound to SH99 Southbound, IH10 Eastbound to SH99 Northbound, SH99 Northbound to IH10 Westbound and SH99 Southbound to IH10 Westbound.

The contracts for Segments D and E reached substantial completion in December 2013 with the exception of three of the four direct connectors constructed by the Lone Star Company, Inc. in Segment D. Direct Connector D (SH99 Southbound to IH10 Westbound) was opened to traffic at substantial completion on December 21, 2013.

The remaining direct connectors opened to traffic on the following dates:

- Direct Connector B (IH10 Eastbound to SH99 Northbound) on June 16, 2014
- Direct Connector E (IH10 Eastbound to SH99 Southbound) on June 16, 2014
- Direct Connector F (SH99 Northbound to IH10 Westbound) on August 2, 2014.

TxDOT District Construction issued Segment D for final acceptance on December 12, 2014. Final payment estimate has been approved and project closed. The Total Paid to date Contract Value is \$33,364,196.



Segment D



Segment E

Segment E

Segment E is a 14.4 mile, four lane, controlled access toll road with intermittent frontage roads from 0.30 miles north of Colonial Parkway to US290 through northwest Harris County. Segment E was constructed by TxDOT on behalf of the Corporation pursuant to three design bid build contracts.

Segment E opened to traffic on December 21, 2013 and tolling began February 1, 2014.

In accordance with the Project Agreement, TxDOT has assigned three design bid build contracts to the Corporation. CSJ No. 3510 05 018 pertains to work in both Segment D (Harris County) and Segment E.

CSJ No. 3510-05-018

Contractor: Williams Brothers Construction, Co., Inc.

The project involved constructing the new SH99 mainlanes from north of Kingsland Blvd to north of Colonial Parkway (including new direct connector ramps from IH10 WB to SH99 and from SH99 SB to IH10 EB). A portion of this project is located in Segment D (Harris County) and a portion is located in Segment E.

TxDOT District Construction issued this section for final acceptance on November 17, 2014. Project closeout is underway pending final payment estimate approval. The Total Paid to date Contract Value at December 31, 2015 is \$49,706,802.

CSJ No. 3510-05-022

Contractor: Hassell Construction Company, Inc.

The project constructed the new SH99 from north of Colonial Parkway to north of Morton Road and opened to traffic on December 21, 2013.

TxDOT District Construction issued this section for final acceptance on October 9, 2014. Final payment estimate has been approved and project closed. The Total Paid to date Contract Value is \$33,688,969.

CSJ No. 3510-05-023

Contractor: J.D. Abrams, L.P.

The project constructed the new SH99 from north of Morton Road to south of Bridgeland Lake Parkway.

TxDOT District Construction issued this section for final acceptance on September 23, 2014. Final payment estimate has been approved and project closed. The Total Paid to date Contract Value is \$126,263,752.

CSJ No. 3510-05-019

Contractor: WW Webber, LLC

The project constructed the new SH99 from south of Bridgeland Lake Parkway to US290 including four direct connector ramps at the SH99 – US290 interchange and reconstructed portions of the US290 frontage roads.

TxDOT District Construction final acceptance process is underway for this section. Change orders for toll plaza revisions and quantity reconciliation adjustments have been approved. Project closeout is underway pending final payment estimate approval. The Total Paid to date Contract Value at December 31, 2015 is \$116,735,141.

All information pertaining to Segment D (Harris County) and Segment E is provided by Atkins, the General Engineering Consultant, for those segments through December 31, 2015.

Segments F-1, F-2, and G

Segment F-1 will be a 12.1-mile, four-lane, controlled access toll road with intermittent frontage roads from US290 to SH249 through northwest Harris County. Segment F-2 will be a 12.2-mile, four-lane, controlled access toll road with intermittent frontage roads from SH249 to IH45(N) through northwest Harris County. Segment G will be a 13.5-mile, four-lane, controlled access toll road with intermittent frontage roads from IH45(N) to IH69(N)/US59(N) through northeast Harris County and southwest Montgomery County. Segments F-1, F-2, and G are currently expected to be open to traffic in early 2016.

Segments F-1, F-2, and G are being developed, designed and constructed pursuant to the

Development Agreement between TxDOT and the Developer. On March 22, 2013, TxDOT issued the first Notice to Proceed under the Development Agreement. The second NTP was issued by TxDOT on June 14, 2013. The third NTP was issued by TxDOT for the 365-day period from April 3, 2014 to April 2, 2015 and was completed on April 1, 2015. In accordance with the Project Agreement, TxDOT has assigned the Development Agreement to GPTC, however, TxDOT retains certain obligations, including obligations with respect to environmental risks, hazardous substances risks and the cost of right-of-way acquisition.



Segment F-1 (December 2015)



Segment F-2 (December 2015)

Project Schedule

The following are project timelines showing milestones and deadlines. ZOPB's approved baseline schedule, PBS3, indicated that ZOPB would reach Substantial Completion and Final Acceptance per contractual deadlines. Pending requests for additional extensions of time for Substantial Completion and Final Acceptance have not been agreed as of December 31, 2015. As of December 31, 2015, there were no known pieces of major equipment whose delivery status had the potential to materially change the construction schedule of the project.

Milestone	Completion Dates & Future Deadlines
Contract Signature Effective Date	3/22/2013
NTP 1 Issued	3/22/2013
NTP 2 Issued	6/14/2013
Construction Work Commencement	6/25/2013
NTP 3 Work Commencement	4/3/2014
NTP 3 Frontage Roads Completion at IH45	4/1/2015
Substantial Completion for Segment F-1*	10/3/2015
Substantial Completion for Segment F-2*	10/3/2015
Substantial Completion for Segment G*	10/3/2015
Service Commencement Deadline	1/1/2016
Final Acceptance for Segment F-1*	1/31/2016
Final Acceptance for Segment F-2*	1/31/2016
Final Acceptance for Segment G*	1/31/2016
Final Acceptance for All Segments*	1/31/2016

*Adjusted dates based on executed Change Order No. 1 and Change Order No. 6. The schedule includes an additional 80 days, granted by TxDOT to Developer for substantial completion and final acceptance deadlines.

Right of Way Parcels	TxDOT Acquired	ZOPB Segments			Total
		F 1	F 2	G	
Total Number of Parcels	33	56	166	178	433
Possession & Use Agreements Currently in Effect	0	0	0	0	0
Parcels Closed By Deed or Award ¹	33	56	166	178	433
Parcels Clear for Construction ²	33	56	166	178	433
Remaining Parcels to Acquire ³	0	0	0	0	0

2,124 out of 2,124 acres are released-for-construction (100% complete as of March 16, 2015).

¹ *Parcels Closed by Deed or Award: Total number of parcels which TxDOT has taken possession of by deed or award.*

² *Parcels Clear for Construction: Total number of parcels that are ready for the construction process to begin.*

³ *Remaining Parcels to Acquire: Total number of parcels which TxDOT has not yet taken possession of by deed or award.*

Right-of-Way

Although the right of way activities have progressed well and GPTC has possession for construction purposes, there remain 50 eminent domain actions pending to finalize parcel acquisition as of December 31, 2015. These resolution activities will continue for several years after construction is complete. The activities include settlements, court ordered mediations, agreed judgements and jury trial awards.

Utility Relocation

Utilities	TxDOT Acquired	F 1, F 2, and G*	Total
Project Utility Adjustment Agreements (PUAA) Required/Executed	1/1	51/51	52/52
Supplemental Utility Adjustment Agreements (UAAA) Anticipated/Executed	2/2	56/56	58/58

*As PUAAs and UAAAs were executed, several spanned multiple segments.

- » 100% of the PUAAs have been executed (52 of 52) by ZOPB.
- » 100% of the UAAAs have been executed (58 of 58) by ZOPB.

Design

- » ZOPB's design effort for the Grand Parkway project is almost complete. The anticipated opening of Segments F-1 and F-2 will complete the design work for those segments with Segment G following afterwards. Additional design work is now being done only on an as needed basis and is targeted for a specific purpose. Ensuing supplementary design work now occurring is implemented to economize or improve specific items to lessen the cost of the construction while still providing the specified product. Additionally design modifications are required when field conditions differ from the initial design conditions.
- » TxDOT's ongoing design support of the project is tailored to support all continuing design activities with special attention to time sensitive issues related to the project completion. The submissions of the ongoing design are in the nature of change orders, Field Design Change (FDC), Notice of Design Change (NDC), Requests for Information (RFI), and other miscellaneous design submittals. Each design submittal must be reviewed on a case-by-case basis to ensure compliance with applicable contract requirements as well as local, state, and national design codes.



Segment F-1, US 290 at SH 99



Segment F-1, SH 99 at Cumberland Ridge Drive



Segment F-2

Construction Indicators - Segment F-1

- » Bridge decks are now complete at all bridges in Segment F-1.
- » Excavation and rip rap installation continued at detention ponds throughout the segment.
- » Subgrade stabilization and cement treated base placement continued for the frontage roads and ramps throughout the segment, as well as for the intersections at Future Cypresswood Drive, Future Cumberland Road, Schiel Road, Mueschke Road, Cypress-Rosehill Road, and Telge Road.
- » Mainlane concrete paving is now complete in Segment F-1.
- » Concrete paving activities continued for the intersections at Future Cypresswood Drive, Future Cumberland Drive, Mueschke Road, Cypress-Rosehill Road, and Telge Road.
- » Asphalt paving continued for the frontage roads from US 290 to Schiel Road and at entrance/exit ramps throughout the segment.
- » MSE wall construction is now complete in Segment F-1.
- » Installation of riprap, mow strips, and drainage aprons/outlet structures continued in various locations throughout the segment. Drainage structure installation was completed at Cypress-Rosehill Road.
- » Installation of concrete traffic barrier, guardrail, cable barrier, and small/large signs continued throughout the segment.
- » Installation of roadway lighting, multi-purpose ITS poles, dynamic message signs, and traffic signals continued throughout the segment.
- » Construction activities are now complete at all toll gantry locations in Segment F-1.
- » Bridge rail and bridge deck grinding/grooving continued at various locations throughout the segment.
- » Ride quality evaluations and pavement surface corrections are ongoing throughout the segment.
- » Bridge/MSE wall/concrete traffic barrier painting continued at various locations throughout the segment.
- » Topsoil placement and seeding/sodding continued throughout the segment.
- » Punch list activities are ongoing throughout the segment.

Construction Indicators - Segment F-2

- » Bridge decks are now complete at all bridges in Segment F-2.
- » Excavation/embankment continued at several locations in advance of roadway construction, primarily in the area of the FM 2920 underpass. Excavation and riprap installation continued at detention ponds throughout the segment.
- » Subgrade stabilization and cement treated base placement continued from Gleannloch Forest Drive to Champions Forest Drive; from Champions Forest Drive to Future Max Conrad Drive; from Future Max Conrad Drive to FM2920; from FM2920 to Future Boudreaux Road; from Future Boudreaux Road to Boudreaux Road; from Boudreaux Road to Kuykendahl; from Gosling Road to Rothwood Drive; from Rothwood Drive to Mossy Oaks Road; and from Mossy Oaks Road to Springwoods Village Parkway.
- » Subgrade stabilization and cement treated base also continued for the intersections at Rocky Road; SH 249; Gleannloch Forest Drive; FM2920; Future Boudreaux Road; Gosling Road; and Kuykendahl Road.
- » Mainlane concrete paving activities continued from Champions Forest Drive to Future Max Conrad Drive; from Future Max Conrad Drive to FM 2920; from Future Boudreaux Road to Boudreaux Road; from Gosling Road to Rothwood Drive; from Rothwood Drive to Mossy Oaks Road; and from Mossy Oaks Road to Springwoods Village Parkway.

- » Concrete paving activities also continued for the intersections at Rocky Road, SH 249, Champions Forest Drive, FM 2920, Future Boudreaux Road, Boudreaux Road, and Gosling Road.
- » Asphalt paving activities continued at the frontage roads and entrance/exit ramps throughout the segment, primarily in the area of the FM 2920 underpass.
- » MSE wall construction was completed at FM 2920.
- » Installation of riprap, mow strips, and drainage aprons/outlet structures continued in various locations throughout the segment. Drainage structure installation was completed in the area of the FM 2920 underpass. Construction activities are now complete at the FM 2920 and Northcrest Drive pump stations.
- » Installation of concrete traffic barrier, guardrail, cable barrier, and small/large signs continued throughout the segment.
- » Installation of roadway lighting, multi-purpose ITS poles, dynamic message signs, and traffic signals continued throughout the segment.
- » Construction activities are now complete at all toll gantry locations in Segment F-2.
- » Bridge rail and bridge deck grinding/grooving continued at various locations throughout the segment.
- » Ride quality evaluations and pavement surface corrections are ongoing throughout the segment.
- » Bridge/MSE wall/concrete traffic barrier painting continued at various locations throughout the segment.
- » Topsoil placement and seeding/sodding continued throughout the segment.
- » Punch list activities are ongoing throughout the segment.

Construction Indicators - Segment G

- » Substructure work (drilled shafts, columns, caps) was completed at Riley Fuzzel Road, Rayford Road, and Woodson Gully. All bridge substructure is now complete in Segment G.
- » Bridge girders were completed at Riley Fuzzel Road, Rayford Road, and Woodson Gully. All bridge girders are now complete in Segment G.
- » Bridge decks were completed at Nelson Street/East Hardy Road/UPRR; Riley Fuzzel Road; Rayford Road; Woodson Gully; Future Townsen Boulevard; and Future Riverwalk Drive. All bridge decks are now complete in Segment G.
- » Excavation/embankment continued in numerous locations in advance of bridge and roadway construction. Excavation also continued at detention ponds throughout the segment.
- » Subgrade stabilization and cement treated base placement continued from Nelson Street to the Hardy Toll Road; from the Hardy Toll Road to Spring Creek; from Spring Creek to Riley Fuzzel Road; from Riley Fuzzel to Rayford Road; from Rayford Road to Birnham Woods Drive; from Birnham Woods Drive to Woodson Gully; from Woodson Gully to Future Townsen Boulevard; from Future Townsen Boulevard to the San Jacinto River; from the San Jacinto River to Future Riverwalk Drive; from Future Riverwalk Drive to FM 1314; and for the US 59 widening.
- » Concrete paving activities continued for the IH-45 widening; from Future Energy Drive to IH-45; from IH-45 to Northgate Crossing Boulevard; from Northgate Crossing Boulevard to Nelson Street; from Nelson Street to the Hardy Toll Road; from the Hardy Toll Road to Spring Creek; from Spring Creek to Riley Fuzzel Road; from the San Jacinto River to Future Riverwalk Drive; from Future Riverwalk Drive to FM 1314; from FM 1314 to Timber Lane; from Timber Lane to Valley Ranch Boulevard; and for the US 59 widening.
- » Asphalt paving activities are in progress from Rayford Road to Birnham Woods Drive; from Birnham Woods Drive to Woodson Gully; from

- Woodson Gully to Brazos River Boulevard; and at entrance/exit ramps throughout the segment.
- » MSE wall construction is in progress at multiple locations throughout the segment. MSE wall construction was completed at Riley Fuzzel Road; Rayford Road; Birnham Woods Drive; Future Townsen Boulevard; Future Riverwalk Drive; and US 59.
- » Installation of riprap, mow strips, and drainage aprons/outlet structures continued in various locations throughout the segment. Drainage structure installation was completed at IH-45 and US 59.
- » Installation of toll zone/ITS/electrical conduit continued in various locations throughout the segment.
- » Bridge approach slabs, barrier rail, and grinding/grooving continued at various locations throughout the segment.
- » Installation of foundations for roadway lighting, multi-purpose ITS poles, dynamic message signs, and large signs continued. Traffic signal installation is ongoing throughout the segment.
- » Bridge/MSE wall/concrete traffic barrier painting continued at various locations throughout the segment.

Status of Change Orders

- » Change Order No. 11, incorporating 17 contractual changes in the amount of \$2,961,096 was fully executed on October 28, 2015. To date, Change Order Nos. 1-11 have increased the Contract Price from \$1,043,553,000 (inclusive of eight Options) to \$1,045,663,127 (inclusive of six Options and eleven Change Orders).

Related Third Party Agreements

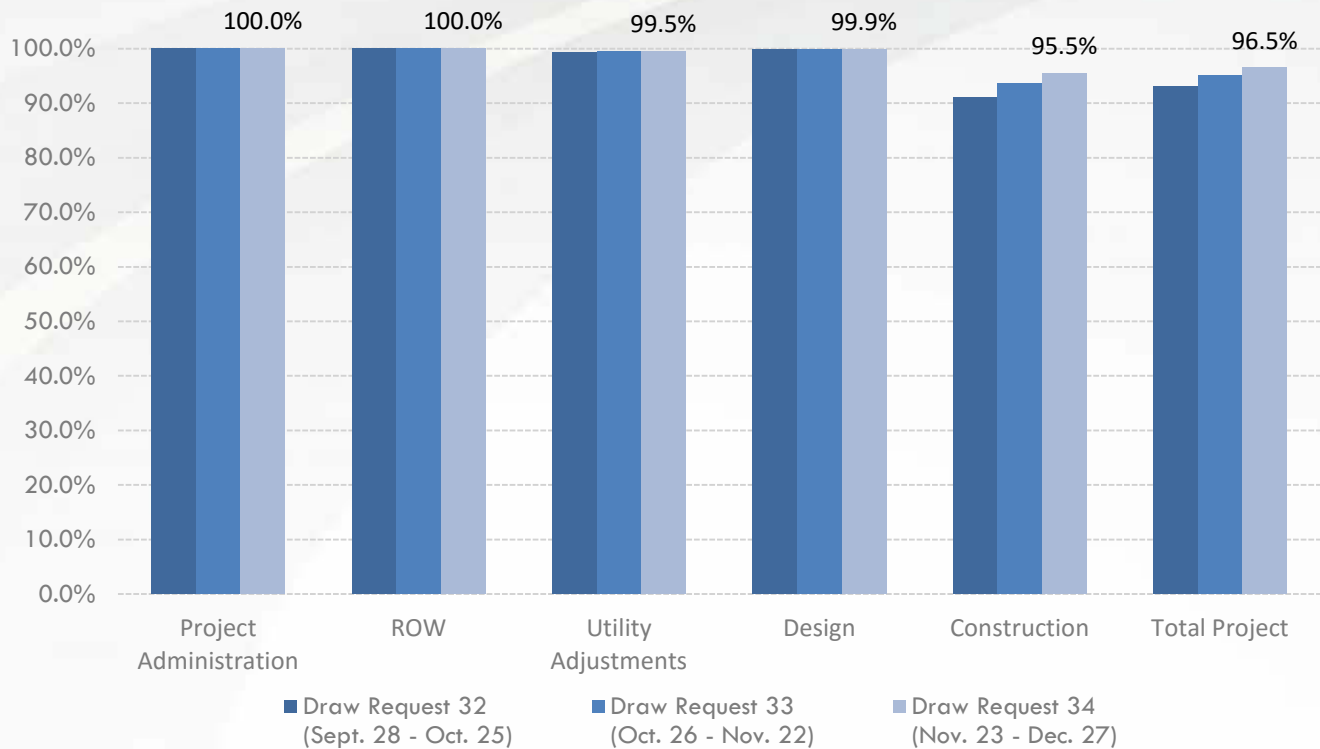
- » A Funding Agreement with Harris County for the reimbursement of Options D-H costs; for Rhett Lane Engineering; Self Road Right-of-Way, Design, and Construction and other improvements at Gosling and Boudreaux Roads was fully executed on December 29, 2015.

Approved Project Baseline Schedule 3

A revision to the latest approved PBS3 baseline schedule (PBS3Rev3) was approved by TxDOT on December 29, 2014. This schedule revision reflects the Substantial Completion Deadline of October 3, 2015 for all three segments as defined in Change Order No. 6. Subsequent schedule updates have not been approved by TxDOT pending submission of the Recovery Schedule requested by TxDOT on March 31, 2015 because the intervening schedule updates were deemed to be incomplete.

During the quarter ended December 31, 2015, Harris County was included in the Gubernatorial Disaster Declaration issued beginning on October 22, 2015. Both the Developer and TxDOT are evaluating the flooding impact to Segments F-1 and F-2 under the Force Majeure provisions of the Development Agreement during the quarter ended December 31, 2015. The Development Agreement provides entitlement to extension of Completion Deadlines and compensation for additional costs directly attributable to the force majeure, if any, but no entitlement to additional costs for delay and disruption damages.

Cumulative Earned Value



- » The Cumulative Earned Value estimate is calculated on the draw request submitted monthly by the developer.
- » The value of the total work completed to date is \$1.008 billion, approximately 96.5% of the total project cost of \$1.045 billion (based on PBS3, including executed Change Orders Nos. 1-11).
- » Since execution of the Development Agreement, 1,010 days have elapsed, which is approximately 109.2% of the total contracted schedule time (925 days) to substantial completion.

Construction Draw Schedule

DEVELOPER CORRIDORWIDE & ROW CONSTRUCTION DRAW SCHEDULE

Period Ending	Original Estimate Semiannual	Original Estimate Cumulative	Actual Semiannual	Actual Cumulative	Estimate Semiannual	Estimate Cumulative
3/31/2013	\$2,320,098	\$2,320,098	\$1,872,678	\$1,872,678		
9/30/2013	\$53,024,128	\$55,344,226	\$92,437,427	\$94,310,105		
3/31/2014	\$36,040,666	\$91,384,892	\$34,074,637	\$128,384,742		
9/30/2014	\$29,999,666	\$121,384,557	\$18,786,676	\$147,171,418		
3/31/2015	\$2,636,546	\$124,021,103	\$14,250,711	\$161,422,129		
9/30/2015	\$1,460,558	\$125,481,662	\$10,581,280	\$172,003,409		
3/31/2016	\$4,757,395	\$130,239,056	\$13,057,505	\$185,060,914	\$27,661,534	\$212,722,448

*Original Estimate is based on the Maximum Payment Schedule

SEGMENT F-1 CONSTRUCTION DRAW SCHEDULE

Period Ending	Original Estimate Semiannual	Original Estimate Cumulative	Actual Semiannual	Actual Cumulative	Estimate Semiannual	Estimate Cumulative
3/31/2013	\$1,135,055	\$1,135,055	\$295,006	\$295,006		
9/30/2013	\$36,790,557	\$37,925,612	\$8,728,890	\$9,023,896		
3/31/2014	\$44,801,394	\$82,727,006	\$24,412,303	\$33,436,199		
9/30/2014	\$95,173,798	\$177,900,804	\$77,717,222	\$111,153,421		
3/31/2015	\$44,873,705	\$222,774,508	\$56,562,339	\$167,715,760		
9/30/2015	\$12,992,005	\$235,766,514	\$34,909,206	\$202,624,966		
3/31/2016	\$13,386,463	\$249,152,976	\$12,280,027	\$214,904,992	\$0	\$214,904,992

SEGMENT F-2 CONSTRUCTION DRAW SCHEDULE

Period Ending	Original Estimate Semiannual	Original Estimate Cumulative	Actual Semiannual	Actual Cumulative	Estimate Semiannual	Estimate Cumulative
3/31/2013	\$45,442	\$45,442	\$1,376,674	\$1,376,674		
9/30/2013	\$23,257,875	\$23,303,317	\$17,340,253	\$18,716,927		
3/31/2014	\$42,326,528	\$65,629,845	\$39,007,377	\$57,724,304		
9/30/2014	\$63,120,594	\$128,750,438	\$47,946,412	\$105,670,716		
3/31/2015	\$49,924,735	\$178,675,173	\$63,778,945	\$169,449,661		
9/30/2015	\$18,113,968	\$196,789,142	\$58,665,827	\$228,115,488		
3/31/2016	\$5,726,883	\$202,516,025	\$21,556,301	\$249,671,789	\$0	\$249,671,789

SEGMENT G CONSTRUCTION DRAW SCHEDULE

Period Ending	Original Estimate Semiannual	Original Estimate Cumulative	Actual Semiannual	Actual Cumulative	Estimate Semiannual	Estimate Cumulative
3/31/2013	\$1,481,618	\$1,481,618	\$1,437,856	\$1,437,856		
9/30/2013	\$72,116,933	\$73,598,551	\$26,243,561	\$27,681,417		
3/31/2014	\$118,557,299	\$192,155,850	\$61,617,282	\$89,298,699		
9/30/2014	\$140,720,113	\$332,875,963	\$115,121,251	\$204,419,950		
3/31/2015	\$71,887,243	\$404,763,206	\$80,967,370	\$285,387,320		
9/30/2015	\$33,853,758	\$438,616,964	\$58,511,833	\$343,899,153		
3/31/2016	\$23,027,978	\$461,644,942	\$15,429,789	\$359,328,942	\$9,034,956	\$368,363,898

AGGREGATE CONSTRUCTION DRAW SCHEDULE

Period Ending	Original Estimate Semiannual	Original Estimate Cumulative	Actual Semiannual	Actual Cumulative	Estimate Semiannual	Estimate Cumulative
3/31/2013	\$4,982,213	\$4,982,213	\$4,982,214	\$4,982,214		
9/30/2013	\$185,189,493	\$190,171,706	\$144,750,131	\$149,732,345		
3/31/2014	\$241,725,886	\$431,897,592	\$159,111,599	\$308,843,944		
9/30/2014	\$329,014,170	\$760,911,762	\$259,599,000	\$568,442,944		
3/31/2015	\$169,322,229	\$930,233,991	\$215,559,365	\$783,974,870		
9/30/2015	\$66,420,290	\$996,654,281	\$162,668,145	\$946,643,015		
3/31/2016	\$46,898,719	\$1,043,553,000	\$62,323,622	\$1,008,966,638	\$36,696,490	\$1,045,663,127

*Original Estimate is based on the Maximum Payment Schedule

executed (\$36.5 million), which aggregates to \$1.0435 billion; (b) the Actual amounts, which reflect actual draw requests received; and (c) the Estimate, including Change Orders Nos. 1-11, which are based on the approved baseline schedule, PBS3r3, provided by ZOPB, which aggregates to \$1.0456 billion.

- » The exact distribution of the Estimate broken down by segments (F-1, F-2, G, and Corridorwide & ROW) depend upon ROW sequencing and could vary significantly. The Estimate derived from the PBS3 schedule is the only data source aligned according to calendar months. The Original Estimate and Actual draw requests do not contain breakout by segments. Therefore, an approximation has been used for the breakout of costs for Segments F-1, F-2, G, and the Corridorwide & ROW costs based on the PBS2r2 schedule for the Original Estimate and the PBS3r3 schedule for the Estimate.

Project Cost Summary (In Thousands)

The table below reflects costs for the calendar quarter ended December 31, 2015, costs expended since inception through December 31, 2015, remaining costs required to complete the project, and the total project cost estimate.

	Costs Oct - Dec'15 (current quarter)	Costs Inception - Dec'15 (all costs to-date)	Remaining Costs to Complete Project	Total Project Cost Estimate
Construction Costs				
Segments D and E				
Construction		\$359,672	\$357	\$360,029
Management, Oversight & Mtl. Testing	\$4	16,405		16,405
Right-of-Way Acquisition		10,575		10,575
Toll Integration		7,922	1,397	9,319
Total Segments D and E	\$4	\$394,574	\$1,754	\$396,328
Segments F1, F2, and G				
Construction - ZOPB	\$56,416	\$970,417	\$75,246	\$1,045,663
Management, Oversight & Mtl. Testing	2,194	64,631	5,256	69,887
Right-of-Way Acquisition	3,466	409,671	61,738	471,409
Toll Integration Costs	38	20,725	15,370	36,095
Total Segments F1, F2, and G	\$62,114	\$1,465,444	\$157,610	\$1,623,054
Total Segments D-G	\$62,118	\$1,860,018	\$159,364	\$2,019,382
Segments H&I Pre-Dev. Costs - Ineligible	\$443	\$1,473	\$298,527	\$300,000
Total Construction Costs	\$62,561	\$1,861,491	\$457,891	\$2,319,382
Other Costs				
Reimbursements (HCTRA)		\$65,784	\$36,925	\$102,709
Project Contingency			27,627	27,627
Total Other Costs		\$65,784	\$64,552	\$130,336
Total Project Costs, before Financing Costs	\$62,561	\$1,927,275	\$522,443	\$2,449,718
Financing Costs				
Capitalized Interest	\$46,017	\$197,118	\$99,777	\$296,895
Capitalized Interest - Ineligible	9,495	40,638	18,756	59,395
Total Capitalized Interest	\$55,513	\$237,757	\$118,534	\$356,290
Debt Service Reserve Fund		\$17,964		17,964
Rate Stabilization Fund		100,000		100,000
Cost of Issuance	3	16,191		16,191
Cost of Issuance - Ineligible		2,533		2,533
Total Financing Costs	\$55,516	\$374,445	\$118,534	\$492,978
Grand Total Project Costs	\$118,077	\$2,301,720	\$640,976	\$2,942,696
Summary of TIFIA Eligible & Ineligible Costs				
Eligible	\$108,138	\$2,257,075	\$323,693	\$2,580,768
Ineligible	\$9,938	\$44,644	\$317,283	\$361,928

Source: TxDOT

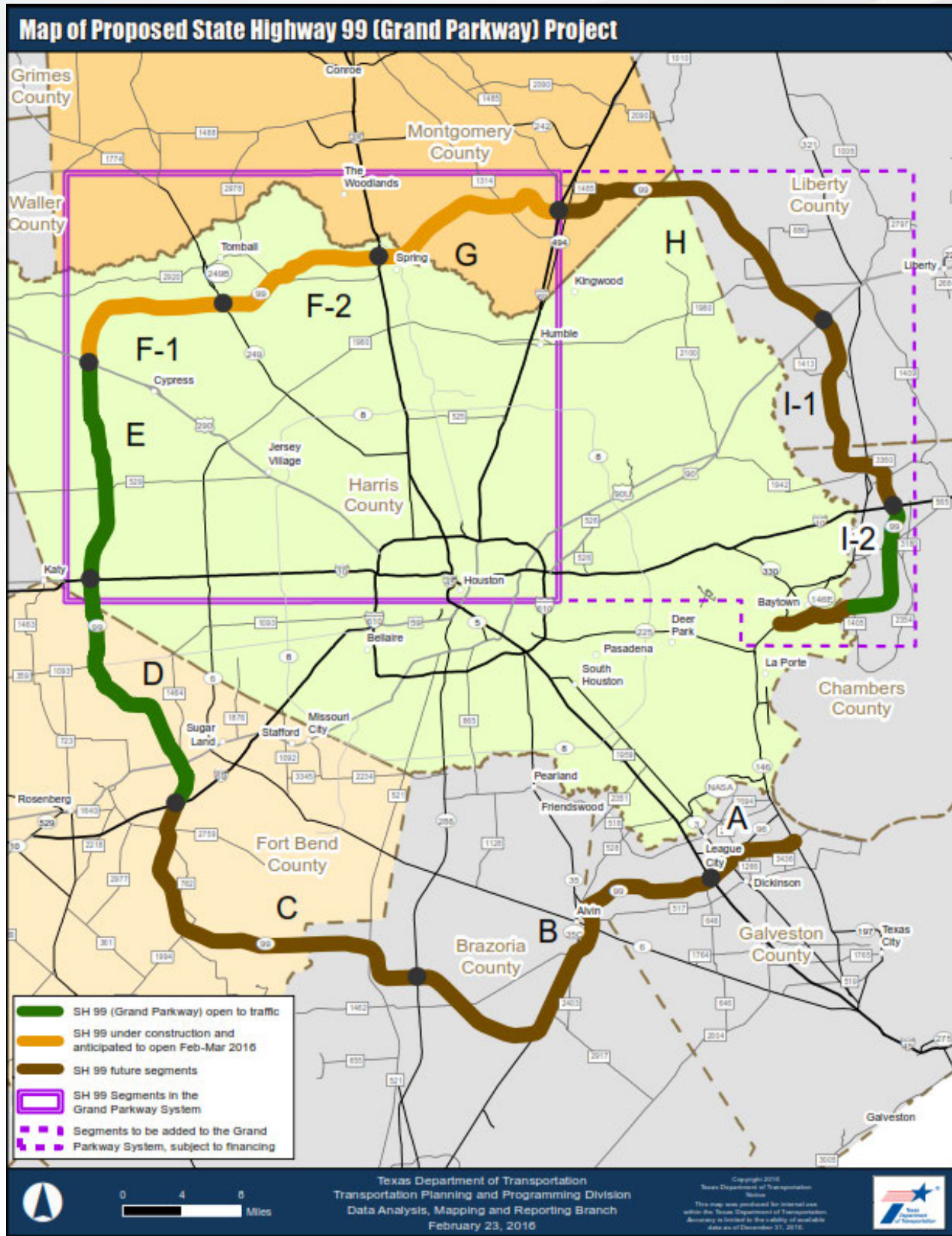
Notes

- » The TIFIA approved loan application totals approximately \$840.6 million (equals 33 percent of eligible project costs). The application's Schedule I reflected approximately \$2.55 billion of eligible costs and \$365.67 million of ineligible costs. Ineligible costs have decreased by approximately \$3.8 million as none of the initial \$100 million construction contingency will be used for ineligible Segments H&I pre-development costs. Most of the original \$100 million contingency is now reflected in the actual costs segments where utilized. Remaining contingency of approximately \$27.6 million is only available for eligible purposes.
- » Actual costs from inception reflect cash payments through December 2015, and include reserves for certain immaterial, unreimbursed costs. The difference between costs from inception as compared to costs from effective date is immaterial. TxDOT reimbursements, originally budgeted at approximately \$90.9 million, are now attributed to the segment to which they relate. Cash payments exclude draw payments submitted through the end of the reporting period, but were not paid until after the reporting period.
- » Remaining Cost to Complete reflects contractual obligations, change orders, and estimates of remaining costs as provided by TxDOT project managers.
- » Construction costs include Construction (ZOPB and Design-Bid-Build) and related costs such as Management, General Engineering Consultant, Oversight, Material Testing, Right of Way Acquisition and Toll Integration, which may not all have been included in previous reports.
- » ZOPB change order #11, fully executed on October 28, 2015 for approximately \$2.9 million, is included in "Remaining Costs to Complete Project".

Glossary

CSJ	Control-section-job number. It is the key descriptor for the record of each project within TxDOT's system. Each project's CSJ is a nine-digit number consisting of four digits representing the control, two digits representing the section and a three digit job number.
DA	Development Agreement, the ZOPB Design-Build agreement for segments F through G
GEC	General Engineering Consultant
GPTC	Grand Parkway Transportation Corporation
IH	Interstate Highway
NTP	Notice to Proceed
PBS	Project Baseline Schedule
ROW	Right of Way
SH	State Highway
TxDOT	Texas Department of Transportation
ZOPB	Zachry-Odebrecht Parkway Builders

Grand Parkway Project Map



Borrower's Authorized Representative

GRAND PARKWAY TRANSPORTATION CORPORATION
UNITED STATES DEPARTMENT OF TRANSPORTATION
TIFIA LOAN
(UP TO \$840,645,000)

AUTHORIZED REPRESENTATIVE CERTIFICATE

I, Benjamin H. Asher, Secretary/Treasurer of the Grand Parkway Transportation Corporation, hereby certify that the Quarterly Construction Progress Report to the Grand Parkway Transportation Corporation has been prepared in connection with Section 23 of its TIFIA Loan Agreement with the United States Department of Transportation dated February 6, 2014.

The undersigned has executed this Authorized Representative Certificate as of the date set forth below.

Dated: 2/25/2016

GRAND PARKWAY TRANSPORTATION CORPORATION

By



Benjamin H. Asher

Secretary/Treasurer of the Grand Parkway Transportation Corporation
Borrower's Authorized Representative