



GRAND PARKWAY H AND I PROJECT QUARTERLY CONSTRUCTION PROGRESS REPORT

Mar 1, 2020 - May 31, 2020

July 15, 2020



HNTB

| Table of Content | Page |
|--|-------------|
| GEC Transmittal Letter | 5 |
| 1.0 INTRODUCTION | 7 |
| 1.1 Project Description | 7 |
| 1.2 Design Build Agreement..... | 9 |
| 1.3 Project Milestones | 9 |
| 1.4 Purpose of the Report | 9 |
| 2.0 Project Costs | 10 |
| 3.0 Overall Progress of Construction | 14 |
| 3.1 Public Information & Communications by DB Contractor | 14 |
| 3.2 Utilities | 15 |
| 3.3 Permits/Environmental | 17 |
| 3.4 Right of Way | 17 |
| 3.5 Design | 18 |
| 3.6 Tolling Systems..... | 20 |
| 3.7 Quality | 20 |
| 3.8 Maintenance During Construction..... | 20 |
| 3.9 Construction | 21 |
| 4.0 Substantial Completion..... | 25 |
| 5.0 Material Problems Encountered..... | 26 |
| 6.0 Delivery Status of Equipment | 28 |
| 7.0 Change Orders | 28 |
| 7.1 Approved Change Orders | 28 |
| 7.2 Pending Change Orders..... | 29 |
| 8.0 Right of Way Acquisition..... | 29 |
| 9.0 Discussion of Other Matters | 30 |
| APPENDIX A – Construction Photos for the Quarter | 31 |
| APPENDIX B – Change Orders List..... | 36 |
| APPENDIX C – Acronyms and Abbreviations | 37 |

| Figures | Page |
|---|-------------|
| Figure 1.1: Map of State Highway 99 (Grand Parkway) Project | 7 |
| Figure 1.2: Typical Sections of H and I Project..... | 8 |
| Figure 3.1: Grand Parkway Social Media Presence | 15 |
| Figure 3.2: DB Contractor Priority Areas for Design Development | 19 |
| Figure 3.3: Construction Segments and Priority Design Areas | 21 |
| Figure 5.1: H and I Project Milestones..... | 27 |
| Figure A.1: Setting Deck Panels for Retaining Wall #5 in Segment H1A..... | 31 |
| Figure A.2: Forming for Rip Rap placement at Bridge 202 in Segment H1A | 31 |
| Figure A.3: Embankment Construction in Segment H1B..... | 31 |
| Figure A.4: Concrete Placement for Bent 8 at Bridge 219 in Segment H1B | 32 |
| Figure A.5: Level Pad at Retaining Wall 9 in Segment H1B | 32 |
| Figure A.6: MSE Panel Installation at Retaining Wall 11 in Segment H1B..... | 32 |
| Figure A.7: CTB Placement in Segment I1A | 33 |
| Figure A.8: Beam Installation at Bridge 7A in Segment I1A..... | 33 |
| Figure A.9: Wick Drain Placement in Segment I1A | 33 |
| Figure A.10: Grading for Temporary Drainage in Segment I1B | 34 |
| Figure A.11: Existing Eastbound Mainlane Pavement Demolition in Segment I2B1..... | 34 |
| Figure A.12: Grading at Frontage Road Segment I2B2 | 34 |
| Figure A.13: Setting Girders for Bridge 21 in Segment I2B2..... | 35 |
| Figure A.14: Culvert Headwall Installation in Segment I2B2 | 35 |

| | |
|--|----|
| Table 2.1A: GPTC H and I Project Budgets, Actuals, Forecasts and Total Estimated Costs (\$ Thousands)..... | 11 |
| Table 2.1B: TxDOT H and I Budgets, Actuals, Forecasts and Total Estimated Costs (\$ Thousands)..... | 12 |
| Table 2.2: H and I Project Forecast Costs (\$ Thousands)..... | 13 |
| Table 2.3: H and I Project Design Build Agreement Construction Draw (\$ Thousands)..... | 14 |
| Table 3.1: Status of Utilities Work | 16 |
| Table 3.2: Status of Right of Way Work..... | 18 |
| Table 8.1: Progress on Right of Way Acquisitions | 29 |

Mr. Benjamin H. Asher
Secretary/Treasurer
Grand Parkway Transportation Corporation
125 East 11th Street
Austin, TX 78701

Subject: Grand Parkway System – H and I Project
Quarterly Construction Progress Report for Fiscal Quarter Ended May 31, 2020

July 15, 2020

Dear Mr. Asher,

As the General Engineering Consultant to the Grand Parkway Transportation Corporation (GPTC) and in accordance with Section 407 of the Trust Agreement between GPTC and US Bank National Association, and Section 23 of the TIFIA Loan Agreement with the United States Department of Transportation dated February 21, 2019, HNTB is pleased to submit the Quarterly Construction Progress Report for Grand Parkway Segments H, I-1 and I-2, collectively an additional System Segment, and referred to in this report as the H and I Project. This report covers quarterly construction progress of the H and I Project only through May 31, 2020. Accordingly, the provision of this report does not, under any circumstances, imply that there has been no change in the information presented in this report since May 31, 2020.

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 are based on GPTC's fiscal year.

GPTC adheres to the requirements outlined in the Trust Agreement which governs the acquisition or construction of such System Segments financed with Obligations as well as the requirements of the TIFIA Loan Agreement. As required by the TIFIA Loan Agreement Section 23(b)(i), this progress report includes (A) the amount of Total Project Costs expended as of the last date of the quarter as well as during the preceding quarter, and the amount of Total Project Costs estimated to be required to complete the Project (Refer to Section 2.0); (B) availability of funds to complete the Project (Refer to Section 2.0); (C) an assessment of the overall construction progress since the date of the last report, together with an assessment of how such progress compares to the construction schedule (Refer to Section 3.0 through 5.0); (D) most recent projections for the Substantial Completion Date (Refer to Section 4.0); (E) a detailed description of all material problems encountered or anticipated and a detailed description of the proposed solutions (Refer to Section 5.0); (F) delivery status of major equipment (Refer to Section 6.0); (G) proposed or pending change orders (Refer to Section 7.0); (H) material changes or deviations from the Borrower's land procurement plans or schedule (Refer to Section 8.0).

Additionally, as specified in the Trust Agreement, this report also 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 (Refer to Section 4.0), (ii) the Estimated Date of

Completion and an Estimated Date of Substantial Completion of such System Segment (Refer to Sections 4.0 and 5.0), (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 (Refer to Section 2.0), 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 (Refer to Section 2.0), 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 (Refer to Sections 3.0 through 5.0). This information, as well as other items relevant to each System Segment, is presented in greater detail within this report.

Best regards,



Stephen A. Hrncir, P.E.
Program Manager
General Engineering Consultant

1.0 INTRODUCTION

This report describes the State Highway 99 Grand Parkway Segment H and I (H and I Project) construction for the third quarter of Fiscal Year 2020, covering the period March 1, 2020 through May 31, 2020. The H and I Project is an extension of the existing Grand Parkway System and is being constructed by the Grand Parkway Transportation Corporation (GPTC). GPTC is a non-profit Texas corporation authorized by the Texas Transportation Commission (Commission) to develop, finance, refinance, design, construct, reconstruct, expand, operate and maintain the Grand Parkway System. GPTC was created under the authority of the Commission and issued bonds to finance development and construction of the System. The project is funded entirely from toll revenue bonds and other obligations issued by GPTC.

1.1 Project Description

The H and I Project is a 52.3-mile section of the overall Grand Parkway Project, a planned 184-mile highway facility around greater Houston extending from State Highway 146 in Galveston County to State Highway 146 in Baytown. It is spread across the seven counties including Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty and Montgomery. When completed Grand Parkway will provide a third outer loop around the Houston metropolitan area. The Grand Parkway is divided into 11 Segments designated A through I-2 as depicted on the map in Figure 1.1. Segment I-2 is further divided into Segments I-2A and I-2B. The Commission has designated Segments D (Harris County portion), E, F-1, F-2 and G that achieved final acceptance in 2017 and are open to tolled traffic and Segments H, I-1 and I-2 that are under construction as part of the Grand Parkway System.



Figure 1.1: Map of State Highway 99 (Grand Parkway) Project

Segments H and I-1 together are approximately a 37.5-mile long two-lane toll facility (one lane in each direction) with intermittent four-lane sections for passing in Montgomery, Liberty, Harris and Chambers Counties. Segment H includes the H-West Option, which comprises construction of two additional tolled mainlanes for a total of four tolled mainlanes for the first 8 miles from its connection with Interstate Highway 69. Segment I-2B is an approximately 6.1-mile four-lane toll facility in Chambers and Harris Counties. TxDOT is currently constructing improvements to the Segment I-2B non-tolled frontage roads as a separate construction project, which is separate and apart from the H and I Project and is being funded by TxDOT. Lastly, Segment I-2A is an existing 8.7-mile four-lane facility in Chambers County that was constructed by TxDOT in 2008. Segment I-2A will receive tolling equipment upgrades and other improvements as a part of H and I Project. Figure 1.2 shows the typical sections of H and I Project over its length.

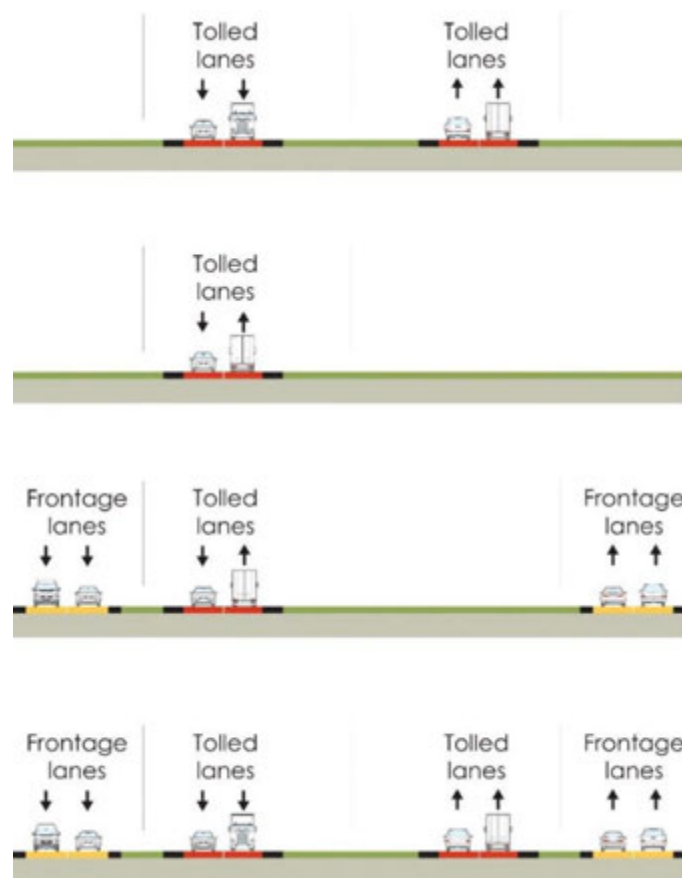


Figure 1.2: Typical Sections of H and I Project

The development and construction tasks for H and I Project principally include: design development; right of way acquisitions; utility relocations; excavation and embankment; concrete pavement; bridges; retaining walls; drill shafts; rip rap; drainage structures; barricades, signs, and traffic handling; illumination; overhead sign supports; traffic signals; toll facilities; and ITS ducts. H and I Project design, coordination, and construction activities are carried out by a DB Contractor under a Design Build Agreement (DBA) and toll zones are

developed by a Toll System Integrator under a statewide Toll System Integration and Maintenance Agreement.

1.2 Design Build Agreement

On July 31, 2014 TxDOT issued a request for qualifications (RFQ) to design, construct and potentially maintain Segments H, I-1 and I-2 pursuant to a DBA. TxDOT subsequently determined that three of the four teams submitting qualifications statements in response to the RFQ were qualified to be on the short list to submit detailed proposals.

On April 30, 2015 TxDOT issued a request for proposals (RFP) to the short-listed teams. In October 2015, TxDOT received three design build proposals. On January 24, 2017, proposal revisions were received from three short-listed teams following a request for proposal revisions process. The Commission then conditionally awarded the DBA to Grand Parkway Infrastructure (GPI), LLC on March 28, 2017.

Equity member firms for GPI include Ferrovial Agroman (40%), Granite Construction Company (30%) and DBW Construction –Webber (30%).

1.3 Project Milestones

- Conditional Award occurred March 28, 2017
- Contract fully executed on June 30, 2017
- NTP1 issued on July 10, 2017
- Limited NTP2 issued on October 13, 2017
- Option NTP issued for H-West Option on October 27, 2017
- NTP2 (full) issued on October 27, 2017
- GPTC Revenue Bond Financing closed on May 30, 2018
- Start of construction in July 2018
- TIFIA Loan Agreement closed on February 21, 2019
- Substantial Completion to occur within 1,693 days after NTP1
- Substantial Completion Deadline is February 27, 2022
- Projected Substantial Completion date is May 13, 2022
- Projected Open to Traffic date is May 13, 2022
- Assumed Revenue Commencement date per GPTC System T&R forecast is May 22, 2022
- Final Acceptance to occur 120 days after Substantial Completion
- Final Acceptance Deadline is June 27, 2022
- Projected date of Final Acceptance is September 10, 2022

1.4 Purpose of the Report

GPTC Trust Agreement Section 407 states that 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 delivery of the initial Obligations or Obligations financing an additional System Segment. The H and I Project is considered an additional System Segment to the Grand Parkway System as defined by the GPTC Trust Agreement. Furthermore, Section 23(b)(i) of the

TIFIA Loan Agreement requires that the GPTC furnish the TIFIA Lender a Quarterly Construction Progress Report at such time as required by the Trust Agreement to be filed with the Trustee.

This Quarterly Construction Progress Report complies with the reporting requirements of Section 407 of the Trust Agreement as well as the TIFIA Loan Agreement. This Quarterly Construction Progress Report provides the required information as of last calendar date of the GPTC Fiscal Year quarter preceding its submittal.

2.0 Project Costs

Table 2.1A provides: (a) a detailed breakdown of the GPTC bond proceeds available for H and I Project, (b) an adjusted budget showing an estimate of total project costs at completion, (c) actual costs-to-date as of previous quarter end, or February 2020, (d) actual costs-to-date as of end of current quarter, or May 2020, (e) total actual costs-to-date expended as of May 2020 and (f) a forecast comprising an estimate of costs-to-complete. Table 2.1B provides: (a) a detailed breakdown of the TxDOT budgets to cover portion of TxDOT's Agency Costs and Segment I-2B Frontage Road construction costs, (b) an adjusted budget showing an estimate of total project costs at completion, (c) actual costs-to-date as of previous quarter end, or February 2020, (d) actual costs-to-date as of end of current quarter, or May 2020, (e) total actual costs-to-date expended as of May 2020 and (f) a forecast comprising an estimate of costs-to-complete. Table 2.2 provides a forecast of cost for each six-month period over the remaining duration of construction and extends one-year beyond the completion of construction date to ensure all costs are captured.

Actual costs paid-to-date and an estimate of funds required for processing of DB Contractor's draw for the remaining duration of construction are shown in Table 2.3 on a semiannual and cumulative basis. Estimate of funds required is based on the approved maximum payment schedule, including the H-West Option from the DBA, and approved change orders. Approved maximum payment curve is indicative of the DB Contractor's original estimates of costs over time at the time of the contract award, with subsequent adjustments for approved change orders. The DB Contractor's reported earned value for the work completed is as of the latest approved draw request received for the quarter. Cumulative earned value reported as of the most recent quarter is below the maximum payment indicating that the DB Contractor's progress is not constrained from cash flows. Refer to Section 5 of this report for a discussion on schedule progress against the latest approved baseline schedule. Paid-to-date represents the amount that has been disbursed and trails the cumulative earned value estimate of work completed and constraints (if any) from the maximum payment schedule included in the DBA. Difference in earned value and paid-to-date amounts also accounts for the time it takes for DB Contractor to assemble and submit the draw request after the cut-off date, address TxDOT review comments, resubmit as necessary and for TxDOT to approve and process the payment.

The H and I Project is currently expected to be completed within the total budgeted amount shown in this report, which includes a contingency amount. The contingency amount is anticipated to be adequate to address increases in project costs relating to change orders and other cost uncertainties.

Table 2.1A: GPTC H and I Project Budgets, Actuals, Forecasts and Total Estimated Costs (\$ Thousands)
(Paid by Bond Proceeds)

| | GPTC Bond Proceeds Budget ⁵ | | | Actuals ⁵ | | | Forecast ⁴ | Estimate at Completion (Actuals and Forecast) |
|---|--|-------------------------|----------------|----------------------|-----------------------|----------------------|-----------------------|--|
| Element | Original Proceeds | Adjustments Thru May'20 | Adjusted Total | Expended Thru Feb'20 | Expended This Quarter | Expended Thru May'20 | Estimate to Complete | |
| Segments H, I-1, & I-2 | | | | | | | | |
| Design-Build Agreement ^{1,3} | 894,702 | 30,355 | 925,057 | 311,275 | 41,841 | 353,115 | 571,941 | 925,057 |
| Right of Way Acquisition ¹ | 330,000 | - | 330,000 | 117,664 | 9,189 | 126,852 | 203,148 | 330,000 |
| Toll Equipment & Integration ¹ | 32,000 | 6,894 | 38,894 | 1,054 | 53 | 1,107 | 37,787 | 38,894 |
| Environmental Mitigation ¹ | 24,000 | (12,000) | 12,000 | 9,949 | 4 | 9,953 | 2,047 | 12,000 |
| TxDOT Agency Costs ¹ | 53,737 | 7 | 53,744 | 30,098 | 1,907 | 32,005 | 21,738 | 53,744 |
| Project Contingencies ¹ | 110,000 | (25,256) | 84,744 | - | - | - | 84,744 | 84,744 |
| Subtotal Project Costs | \$1,444,438 | - | \$1,444,438 | \$470,040 | \$52,993 | \$523,033 | \$921,405 | \$1,444,438 |
| Financing Costs | | | | | | | | |
| Capitalized Interest (2018 Bonds/BANs) ¹ | 309,855 | - | 309,855 | 99,137 | 37,099 | 136,235 | 173,620 | 309,855 |
| Cost of Issuance (2018 Bonds/BANs) ¹ | 11,537 | - | 11,537 | 11,310 | 5 | 11,314 | 223 | 11,537 |
| Capitalized Interest (50% of Series 2013E) ² | 29,639 | - | 29,639 | 29,639 | - | 29,639 | - | 29,639 |
| Cost of Issuance (50% of Series 2013E) ² | 958 | - | 958 | 958 | - | 958 | - | 958 |
| Rate Stabilization Fund ¹ | 50,000 | - | 50,000 | 50,000 | - | 50,000 | - | 50,000 |
| Subtotal Financing Costs | \$401,988 | - | \$401,988 | \$191,043 | \$37,103 | \$228,146 | \$173,843 | \$401,988 |
| Total Project and Financing Costs | \$1,846,427 | - | \$1,846,427 | \$661,083 | \$90,097 | \$751,180 | \$1,095,248 | \$1,846,427 |

Figures shown may not add to totals due to rounding.

Notes:

1. Reflects information provided in the GPTC Annual FY 2019 Capital Construction Budget ("FY19 Budget") for Segments H&I, as adopted by the board on August 21, 2018, including budget adjustments, actual costs and forecasted costs, updated to reflect results of the reporting period.
2. Reflects 50% of capitalized interest and cost of issuance for the Series 2013E Bonds.
3. Design Build Agreement Adjustments reflect only change orders that have been approved.
4. H&I Forecast – see Table 2.2 for allocation of forecast into six-month periods.
5. Table shows budgeted amounts and actual expenditures of the GPTC for the H and I project. It does not include expenditures by TxDOT for procurement, feasibility studies and District's frontage road project in Segment I-2B supported through other sources – see Table 2.1B for details.

Table 2.1B: TxDOT H and I Budgets, Actuals, Forecasts and Total Estimated Costs (\$ Thousands)
(Paid by Fund 0006)

| Element | TxDOT Budget ¹ | | | Actuals ¹ | | | Forecast | Estimate at Completion (Actuals and Forecast) |
|---|---------------------------|-------------------------|-----------------|----------------------|-----------------------|----------------------|----------------------|--|
| | Original Budget | Adjustments Thru May'20 | Adjusted Total | Expended Thru Feb'20 | Expended This Quarter | Expended Thru May'20 | Estimate to Complete | |
| TxDOT Agency Costs | | | | | | | | |
| TxDOT Management | 1,885 | - | 1,885 | 1,885 | - | 1,885 | - | 1,885 |
| Feasibility Studies | 8,840 | - | 8,840 | 8,840 | - | 8,840 | - | 8,840 |
| Traffic and Revenue Studies | 1,126 | (3) | 1,123 | 1,123 | - | 1,123 | - | 1,123 |
| Procurement, Legal and Financial | 6,660 | - | 6,660 | 6,660 | - | 6,660 | - | 6,660 |
| Subtotal TxDOT Agency Costs | \$18,511 | (\$3) | \$18,508 | \$18,508 | | \$18,508 | | \$18,508 |
| TxDOT District Project | | | | | | | | |
| District I-2B Construction Project ² | 59,000 | 2,193 | 61,193 | 62,293 | 67 | 62,360 | 3 | 62,363 |
| Subtotal TxDOT District Project | \$59,000 | \$2,193 | \$61,193 | \$62,293 | \$67 | \$62,360 | \$3 | \$62,363 |
| Total Project and Financing Costs | \$77,511 | \$2,190 | \$79,701 | \$80,801 | \$67 | \$80,868 | \$3 | \$80,871 |

Figures shown may not add to totals due to rounding.

Notes:

1. Table shows budgeted amounts and actual expenditures incurred by TxDOT under Fund 6. It does not include expenditures supported through GPTC bond proceeds – see Table 2.1A for costs supported by GPTC bond proceeds.
2. District I-2B Frontage Road Construction Project is Substantially Complete with Final Acceptance pending completion of punch list and other outstanding items. Budget adjustment to match actual costs at completion is pending closeout activities and will be reported at that time.

Table 2.2: H and I Project Forecast Costs (\$ Thousands)

| Element | Forecast ² | | | | | | Total Estimate to Complete |
|--|-----------------------|------------------|------------------|------------------|------------------|------------------|-------------------------------|
| | FY 2020 | Fiscal Year 2021 | | Fiscal Year 2022 | | FY 2023 | |
| | 3-month | 6-month | 6-month | 6-month | 6-month | | |
| Segments H, I-1, & I-2 | | | | | | | |
| Design-Build Agreement Costs ¹ | 112,883 | 177,097 | 169,683 | 82,581 | 29,697 | - | 571,941 |
| Right-of-Way Acquisition | 32,388 | 48,582 | 48,582 | 36,436 | 36,436 | 724 | 203,148 |
| Toll Equipment & Integration | 787 | 13,030 | 13,030 | 5,470 | 5,470 | - | 37,787 |
| Environmental Mitigation | 491 | 728 | 728 | 50 | 50 | - | 2,047 |
| TxDOT Agency Costs | 3,478 | 4,782 | 4,782 | 4,348 | 4,348 | - | 21,738 |
| Project Contingencies | - | - | - | - | - | 84,744 | 84,744 |
| Subtotal Project Costs | \$150,028 | \$244,219 | \$236,805 | \$128,884 | \$76,001 | \$85,468 | \$921,405 |
| Financing Costs | | | | | | | |
| Capitalized Interest (2018 Bonds/BANs) | - | 37,099 | 37,099 | 37,099 | 37,099 | 25,224 | 173,620 |
| Cost of Issuance (2018 Bonds/BANs) | 223 | - | - | - | - | - | 223 |
| Capitalized Interest (50% of Series 2013E) | - | - | - | - | - | - | - |
| Cost of Issuance (50% of Series 2013E) | - | - | - | - | - | - | - |
| Rate Stabilization Fund | - | - | - | - | - | - | - |
| Subtotal Financing Costs | \$223 | \$37,099 | \$37,099 | \$37,099 | \$37,099 | \$25,224 | 173,843 |
| Total Project and Financing Costs | \$150,251 | \$281,318 | \$273,904 | \$165,983 | \$113,100 | \$110,692 | 1,095,248 |

Figures shown may not add to totals due to rounding.

Notes:

1. Design Build Agreement Adjustments reflect only change orders that have been approved.
2. Does not include TxDOT Fund 6 forecast for District I-2B Construction Project shown in Table 2.1B.

Table 2.3: H and I Project Design Build Agreement Construction Draw (\$ Thousands)

| Period | | Estimate of Construction Draw ^{1,4} | | Earned Value ² | | Cumulative Paid-to-Date ³ |
|-----------------------|-----------|--|------------|---------------------------|------------|--------------------------------------|
| Begin | End | Period | Cumulative | Period | Cumulative | |
| NTP1 | 8/31/2017 | 12,403 | 12,403 | 12,403 | 12,403 | 12,403 |
| 9/1/2017 | 2/28/2018 | 25,125 | 37,528 | 40,711 | 53,114 | 37,528 |
| 3/1/2018 | 8/31/2018 | 42,806 | 80,334 | 32,605 | 85,719 | 80,334 |
| 9/1/2018 | 2/28/2019 | 140,566 | 220,900 | 92,455 | 178,174 | 178,174 |
| 3/1/2019 | 8/31/2019 | 209,027 | 429,927 | 68,836 | 247,010 | 247,010 |
| 9/1/2019 | 2/29/2020 | 163,629 | 593,556 | 106,106 | 353,116 | 311,275 |
| 3/1/2020 ⁵ | 5/31/2020 | 71,744 | 665,300 | 90,739 | 443,855 | 353,115 |
| 6/1/2020 ⁵ | 8/31/2020 | 47,979 | 713,279 | | | |
| 9/1/2020 | 2/28/2021 | 129,582 | 842,861 | | | |
| 3/1/2021 | 8/31/2021 | 64,010 | 906,871 | | | |
| 9/1/2021 | 2/28/2022 | 18,186 | 925,057 | | | |

Notes:

1. Estimate of Construction Draw is based on the maximum payment schedule, including the H-West Option, and executed change orders.
2. Earned Value is based on construction work completed per the latest draw request as of the reporting period.
3. Paid-to-Date represents amounts that were disbursed as of this quarter end but are reported in the periods they were earned.
4. Estimate of Construction Draw reflects only change orders that have been approved.
5. Highlighted rows represent breakout of semiannual period to reflect the 3-month period included with this quarterly report.

3.0 Overall Progress of Construction

Construction activities started on the project in 2018 and have continued to progress. Overall, design submittals have been made to TxDOT for review and comment, leading to release-for-construction documents along the corridor. The DB Contractor continues to progress environmental coordination, permitting, right-of-way, utilities and public outreach activities. A summary of progress for the quarter is summarized below and illustrated in construction photographs included with Appendix A.

3.1 Public Information & Communications by DB Contractor

Domain name www.sh99grandpkwy.com is maintained by the DB Contractor and continues to be a source of information for the project. Additionally, the DB Contractor is required to maintain a Public Information Office located at 7560 FM 1960, Dayton to serve walk-in customers. However, due to COVID 19 the DB Contractor has been maintaining an online Public Information Office.

Contact subscription list for the project stakeholders continues to grow. At closing of this quarter, 1,115 recipients (elected officials, TxDOT, corridor residents, business owners and GPI staff) are signed up to receive project alerts, newsletters, etc.

Social media presence for the project continued to increase. At closing of this quarter, the project website had 419 followers on Twitter site and 2,735 followers on Facebook. The number of people who had viewed any posts from the GPI Facebook page on their screen was 48,055 for the most recent month of the quarter ended May 2020. Figure 3.1 shows a snapshot of presence on social media.

DB Contractor participated in various coordination meetings, conducted outreach and made presentations at networking events regarding the project to various interested parties in this quarter. This included:

- Project presentation to the Rotary Club of East Montgomery County
- Meeting with Prayer Walk event organizers in Baytown
- Meeting with Liberty County officials
- Project presentation to the Cleveland, Texas Economic Development Forum
- Quarterly meeting with City of Dayton officials
- Quarterly meeting with City of Baytown officials
- Quarterly Meeting with Chambers County officials
- Meeting with Liberty County officials to discuss roadway conditions in the county

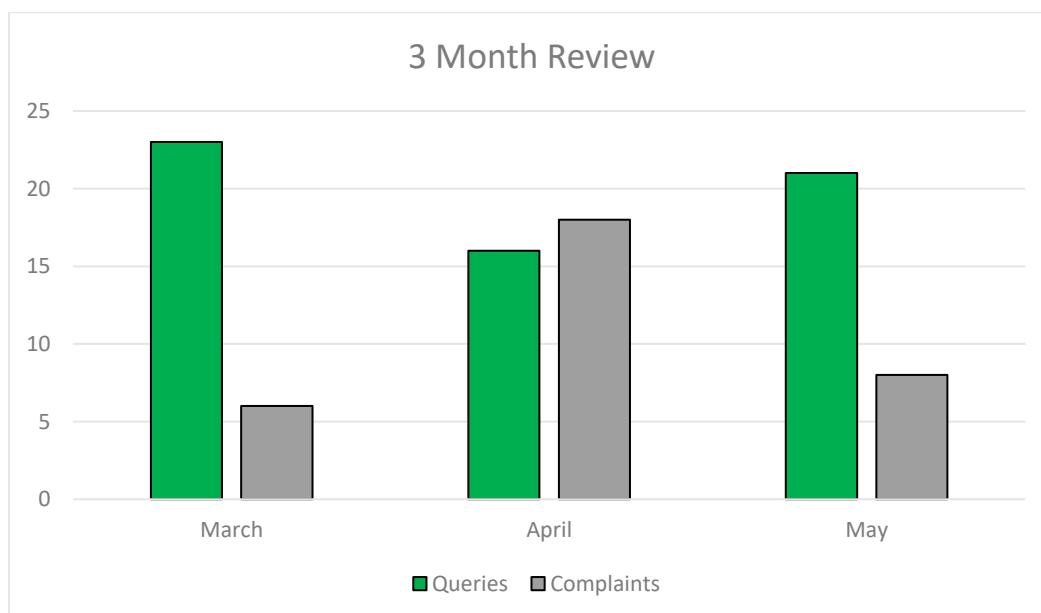


Figure 3.1: Grand Parkway Social Media Presence

3.2 Utilities

DB Contractor continues to negotiate PUAA's with utility owners and has completed sending out the PUAA's to all known affected utility owners. Twenty-eight (28) PUAA's have been fully executed. The PUAA with SHECO is being negotiated with the owner. Overall status of the utility coordination is shown in the following table.

Table 3.1: Status of Utilities Work

| Utility Status | |
|---------------------------------------|-----|
| Anticipated Total Utility Adjustments | 343 |
| PUAA's | |
| Anticipated Total | 40 |
| Executed | 28 |
| Remaining | 12 |
| UAAA's | |
| Anticipated Total | 63 |
| Executed | 36 |
| Remaining | 27 |

Anticipated total utility adjustments represents an estimate of conflict locations requiring adjustment based on the DB Contractor's design progress. As the roadway design progresses, conflicts may be avoided, or additional conflicts may be identified. The DB Contractor continues to progress pending PUAA's, UAAA's and design for the remaining Owners. Additionally, the DB Contractor is verifying civil design impacts and working on completing AUA's with Utility Owners for utilities that are not in conflict and its right of way team is currently pursuing the required easement documents.

Status of DB Contractor managed design is as follows:

- Undine – 100% plans are being reviewed for approval
- Mt. Belvieu – 100% design approved by the utility owner
- DECON – Protective slab design is in progress
- AT&T – 100% of relocations addressed and being designed

Status of utility owner managed design is as follows:

- Entergy Transmission – Designs are complete
- Entergy Distribution – 60% of relocations in Segment 1, and 80% of relocations in Segment 2 are complete
- CenterPoint Electric – 100% of CenterPoint relocations have been reviewed by the DB Contractor
- Comcast – 100% of designs have been provided to the DB Contractor by Comcast

Utility coordination, design and field adjustment work is moving forward at a steady pace and the DB Contractor continues to make progress according to the schedule. Highlights of utility related construction activities are as follows:

- Entergy continued work at FM 1960 and the anticipated completion is June 2020
- Entergy mobilized crews to FM 1485 where they began work along Almarie Drive
- Entergy began work at CR 610

- CenterPoint continued work at I-10 and Lee Drive. At I-10, both the Underground and OH are anticipated to be completed in Summer
- CenterPoint completed work on BS 146
- AT&T continued construction along FM 1485, 40% of the duct system has been installed and AT&T is now focusing on the East side of Forest Drive. The Foothills relocation was completed in May 2020

3.3 Permits/Environmental

NEPA reevaluation documentation concurred by TxDOT after a review includes the following:

- Additional ROW at CR 491 – For Drainage
- Additional ROW N of US 90 – For Drainage
- Additional ROW for Ponds – Parcel 1156
- Additional ROW for Embankment Areas – Multiple Locations in Segments H2 and I1A
- Drainage Easement at Station 2100+00
- Corner Clips at FM 565
- Gum Grove Road Drainage Easement
- Revised Drainage Outfall into Hackberry Gully at Langston Blvd

Asbestos containing material & lead based paint abatement activities include:

- Phase II Abatement at Parcel 1311 (Placid Tank Farm) will begin in June 2020
- Phase II on Parcels 1310 and 1232 was completed and results came back negative
- Structures Surveys –Parcels 833 and 832 are the only parcels with structures and are being surveyed for Asbestos Containing Materials (ACM) and Lead Based Paint (LBP), with abatement scheduled on an ongoing basis

The DB Contractor continues to work on the necessary environmental field studies to satisfy Special Condition two and four of the USACE Individual Permit (IP) and Nation-Wide Permit (NWP).

Coordination with USACE is ongoing regarding the modification to the IP. The DB Contractor made Segment H and I IP submittal to USACE in December 2019. Permit transfer was completed.

The DB Contractor continues to conduct continuous monitoring and protection of nesting sites, in compliance with the Migratory Bird Treaty Act, in all active construction locations. DB Contractor will continue this monitoring through September for the year.

3.4 Right of Way

In accordance with the terms of the DBA the DB Contractor is responsible for right of way surveys, appraisals, environmental phase I assessments, acquisition packages, title searches and relocation packages. Overall the schedule of right of way acquisitions and associated costs are tracking against the DB Contractor's baseline schedule. The following table provides a detailed status of progress being made towards releasing parcels for construction through this reporting period. It is noted that the table individually accounts for parcels that sometimes are combined

into a single parcel or are eliminated after ROW survey is completed because they did not reflect an affected parcel. An assessment of actual parcels acquired and released for construction against total to be acquired is discussed in Section 8 of this report. HNTB and Atkins, TxDOT Houston District's ROW acquisition management consultant, are monitoring the critical path for right of way parcels in condemnation.

Table 3.2: Status of Right of Way Work

| Item | Activities Completed Previous Periods | Activities Completed Current Period | Total Completed Activities | Activities In-Progress |
|--|---------------------------------------|-------------------------------------|----------------------------|------------------------|
| Pre-Acquisition (Title Searches, ROEs, etc.) | 316 | 0 | 316 | 0 |
| Appraisals (prep, approval for initial and ED update) | 545 | 26 | 571 | 2 |
| Surveys (prep, review, approval) | 468 | 0 | 468 | 0 |
| ESA Phase I's | 244 | 0 | 244 | 0 |
| Acquisition Packages (prep, review, approval) | 463 | 0 | 463 | 1 |
| Initial Offers Made | 231 | 0 | 231 | 0 |
| Final Offers Made | 231 | 0 | 231 | 0 |
| Closing Payment Packages (prep, approval, funding for PUA's and signed deeds) | 447 | 12 | 459 | 0 |
| Closings | 145 | 6 | 151 | 2 |
| Relocation, Relocation Payment Packages and 90-Day NTV's | 222 | 0 | 222 | 0 |
| ED Packages (prep, review, approval) | 134 | 1 | 135 | 0 |
| ED Proceedings (AAG approval and setting hearing) | 101 | 15 | 116 | 12 |
| ED Payment Packages (prep, approval, funding, deposit and 30-day NTV) | 250 | 23 | 273 | 1 |
| Released for Construction | 205 | 24 | 229 | 0 |

Note: For a discussion of parcels released into construction against total number of parcels to be acquired, see Section 8 of this report

3.5 Design

DB Contractor is designing the project in priority areas as depicted in Figure 3.2. These areas represent the priority for construction based on availability of right of way. The subsegments that have top priority are marked with green circles and consist of Section H1A; US-69 to East of

LP 494 and Section I2B2; SH 146 to Cedar Bayou. The subsequent priorities by subsegments are shown in yellow and orange respectively.

The progress up to end of the current quarter is as follows:

- Design has been progressing and is approximately 99% complete

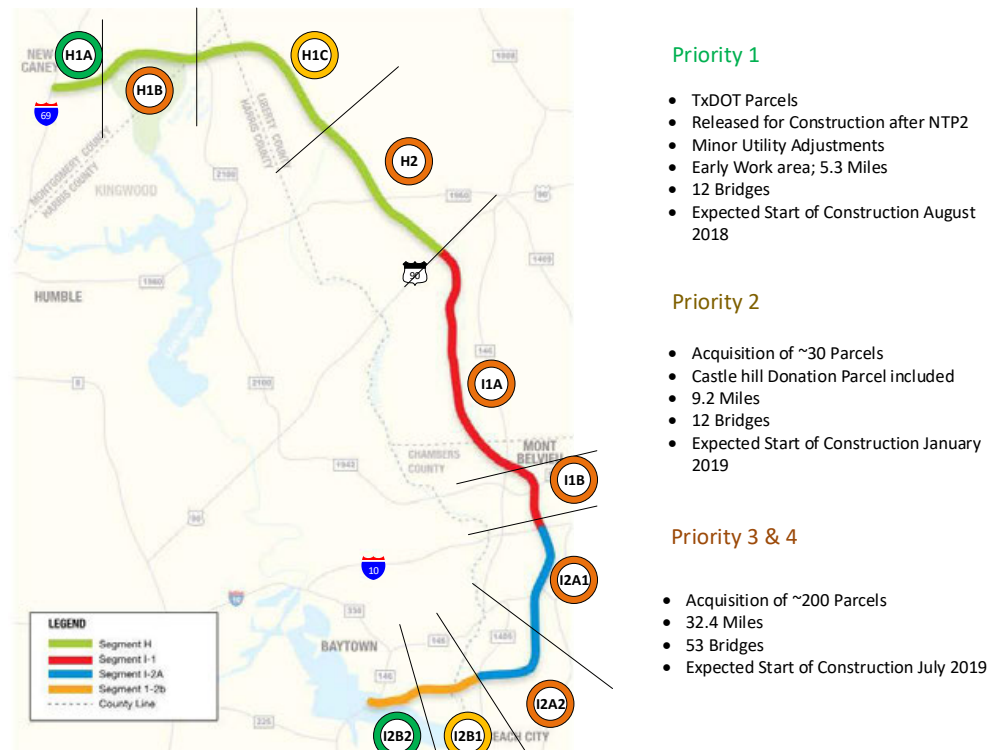


Figure 3.2: DB Contractor Priority Areas for Design Development

- DB Contractor continues to review and develop the remaining design, both in terms of technical compliance and value-engineering opportunities
- Regular DB Contractor meetings with the design consultants were ongoing to progress the design submittals
- DB Contractor continues to coordinate design development with TxDOT through meetings and RFI submittals
- Released-for-Construction submittals have been made for Segments H1A, H1B, H1C, H2, I1A, I1B, I2A1, I2A2, I2B1 and I2B2
- GEC is regularly tracking notice of design changes and any revisions to the released drawings
- DB Contractor continues to respond to TxDOT submittal comments

3.6 Tolling Systems

Coordination is on-going between the DB Contractor and TxDOT Toll Operations Division for design at tolling locations. TxDOT Toll Operations Division with support from design consultant Atkins and System Integrator, TransCore, is responsible for design and construction of tolling infrastructure in the toll zones. According to the DBA, the DB Contractor is required to complete work in toll zones 180 days prior to Substantial Completion Deadline and handover to the Toll System Integrator.

3.7 Quality

DB Contractor has mobilized its quality control staff as well as Independent Quality Firm staff to perform inspection and testing. Construction quality control and hold point inspections for construction were performed. DB Contractor has instituted a process for reporting non-conforming work and is maintaining a log of non-conformance reports and of Construction Deficiencies. Status of quality related actions as of the closing of this quarter:

- Total NCRs issued as of closing of current quarter: 159 (46 open)
- Observation Reports issued as of closing of current quarter: 18 (0 open)
- Engineering Judgements: 101
- Construction Deficiencies: 140 (16 open)

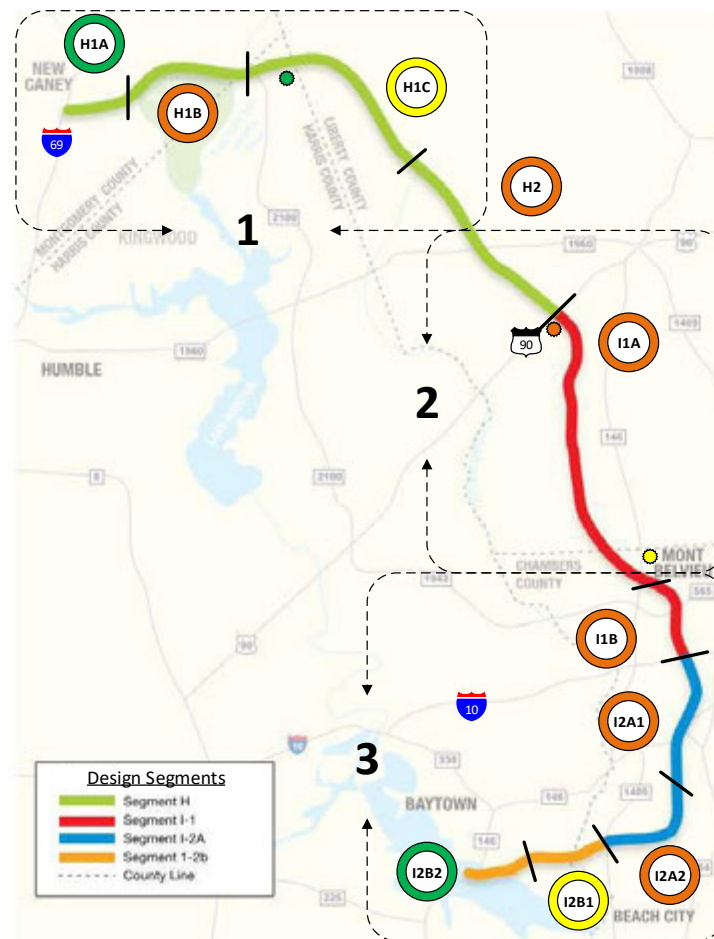
3.8 Maintenance During Construction

With the issuance of full NTP2, the DB Contractor is responsible for maintaining all existing roadways within the project right of way of Segments H and I-1 and is responsible for elements modified or constructed by the DB Contractor in Segment I-2. The DB Contractor has developed procedures under its Maintenance Management Plan to inspect and repair facilities on an ongoing basis. Debris removal and sign straightening have been the main items of maintenance work in this quarter. Activities carried out by the DB Contractor include:

- Weekly Inspections Completed: 9
- Monthly Inspections Completed: 3
- Special Inspections Completed: 0
- Incident Responses Attended: 0
- Defects Identified this Period: 7
- Defects Resolved this Period: 7
- Defects Total to Date: 78
- Defects Resolved to Date: 74
- Defects Currently Unresolved: 4

3.9 Construction

The DB Contractor is constructing the project in three segments. Figure 3.3 shows the correlation of design priority subsegments to the three construction segments.



Construction Segments

Construction Segment 1:

- Segment Manager: Jason Pittenger (Webber)
- From Segment G Tie-In near US 59 to North of FM 1960 (17.1 Miles)
- STA 1016+60 to STA 1920+00 (17.1 Miles)
- 45 Bridges with 871k SF of Deck; 14k CY Substructure
- 1.35M CY EX and 3.3M CY EMB; 1.9M CY to Borrow

Construction Segment 2:

- Segment Manager: Brais Saurez (Ferroval)
- From North of FM 1960 to SH 146
- STA 1920+00 to STA 2812+00 (16.5 Miles)
- 19 Bridges with 523k SF of Deck; 10k CY Substructure (includes a 4,000+ LF Bridge over Railroad)
- 602k CY EX and 3.5M CY EMB; 2.9M CY to Borrow
- Segment will also oversee work in Luce Bayou

Construction Segment 3:

- Segment Manager: Chris Allen (Granite)
- From SH 146 to Southern Terminus of the Project
- STA 2812+00 to STA 2141+19 (6.2 Miles)
- STA 445+31 to STA 617+93 (1.4 Miles)
- STA 74+00 to STA 351+48 (5.3 Miles)
- 25 Bridges with 235k SF of Deck; 4.5k CY Substructure
- 400k CY EX and 3.2 CY EMB; 2.8M CY to Borrow
- Segment will oversee the Cedar Bayou Lift Bridge

Figure 3.3: Construction Segments and Priority Design Areas

For the reporting period, the DB Contractor construction operations in each of the three construction segments broken out by priority area where applicable is as follows:

Segment 1:

Activities in H1A included:

- o Continued cement treatment west of US-59, from US-59 to Loop 494 and on US-59 East of Loop 494
- o Continued with bond breaker from US-59 to Loop 494 and west of US-59
- o Completed forming and pouring activities for rip rap at Bridges 201 and 202
- o Completed forming and pouring flumes for Retaining Walls 9, 10 and 12
- o Installed RCB (jack and bore method) east of US-59 to Loop 494
- o Sampled organics and sulfates
- o Formed and poured flumes from US-59 to Loop 494
- o Established proof rolling from US-59 to Loop 494

- Established drainage ditches and proof roll east of Loop 494
- Installed bridge deck units, deck panels and completed deck pours at Bridges 203 and 204
- Completed concrete placement for bent caps for Bents 13 and 14 at Bridges 203 and 204 west of US-59
- Delivered and tied rebar cages for caps and columns, and form, pour, strip bridge columns for Bridges 203 and 204
- Progressed embankment operations east of Loop 494
- Installed bridge rail for Bridges 201 and 202, and at spans 1-15 for Bridges 203 and 204
- Set beams for spans 14 and 15 and spans 16 and 17 at Bridge 206
- Installed protection slab for gas lines east of Loop 494
- Continued MSE wall panels, level pad, foundation improvements and backfilling operations for Retaining Walls 5 and 11

Activities in H1B included:

- Sampled organics and sulfates
- Demolished existing structures
- Inspected right of way
- Cut trees, cleared and grubbed, and carried out embankment work
- Worked on installation of MSE panels and backfilling for Retaining Walls 1, 2, 3, 8, 9, 10, 11, 12, 13, 14, 15 and 16
- Completed level pad and foundation improvements for Retaining Walls 4, 5 and 6
- Carried out level up, coping, and flume installation for Retaining Walls 1,2 and 3
- Continued level pad installation and foundation improvements for Retaining Walls 8, 9, 10, 11, 12, 13, 14, 15 and 16
- Established proof roll, access, and drainage ditches
- Installed drainage structures comprising reinforced concrete pipes and boxes
- Continued to deliver, tie rebar cages, form, pour and strip for abutments and closure wall at Bridges 207 and 208
- Delivered and tied rebar cages for drill shafts, and drill and pour bridge shaft foundations for Bridges 209 and 210
- Continued to deliver and tie rebar cages for drill shafts, shaft extensions, columns and caps; drill and pour bridge shaft foundations; and form and pour strip bridge shaft foundations for Bridges 211 to 219
- Progressed with White Oak Creek silt removal activities west of US-59
- Started embankment construction on westbound frontage road
- Installed treated subgrade, cement treated base and bond breaker at westbound frontage road

Activities in H1C included:

- Continued organics and sulfates sampling
- Completed construction of Luce Bayou Siphon structure slope paving, rip rap, rails and grates
- Installed drainage structures
- Established drainage ditches and proof rolling
- Levelled up and installed coping at Retaining Walls 8, 9, 10, 11, 12, 13, 24, and 26
- Continued with embankment construction
- Backfilled at Retaining Walls 14, 15, 16, 17, 18 and 19
- Delivered and tied rebar cages for drill shafts extensions; drilled and poured bridge shaft foundations; and formed, poured and striped columns and caps for Bridges 228, 229, 232, 233 and 236
- Started installation of treated subgrade, cement treatment base, and bond breaker
- Improved level pad and foundation at Retaining Walls 1B, 2, 3, 28, 29, 30 and 31
- Installed MSE panels and backfill for Retaining Walls 1B, 2, 3, 4, 5, 6, 28, 29-30 and 31
- Started level pad, foundation improvements, MSE panels and backfilling operations at Retaining Walls 4, 5 and 6
- Continued MSE panel and backfilled at Retaining Walls, 14, 15, 16, 17, 18 and 19
- Drilled, poured, stripped, delivered, and tied rebar cages for drill shafts and drilled shaft extensions for Bridges 226A and 227A
- Delivered and tied rebar cages for columns and caps; and formed, poured and striped columns, caps and abutments for Bridges 236 and 238

Segment 2:

Activities in H2 included:

- Progressed embankment work
- Finished the installation of pipe equalizers
- Completed pipeline crossings at Crossing 622, East Fork Cedar Bayou, Crossing 621, Crossing 25, Crossing 610, Crossing 27A, Crossing 605, Crossing 28, US90 and Crossing 603
- Installed MSE panels and backfilled for Retaining Walls 6 ,7, 8, 9 and 10
- Carried out ground improvement for Retaining Walls 14, 15, 16, 17 and 18
- Started ground improvements for Retaining Wall 11
- Completed Retaining Wall 10 at Bridge 252 and Retaining Wall 11 at Bridge 254
- Commenced MSE panel installation for Retaining Wall 14A
- Progressed MSE panel installation for Retaining Walls 17 and 18 at Bridge 256
- Initiated ground improvements for Retaining Wall 1, 2 and 3 at Bridge 1
- Completed drill shaft on Bents 8, 12, and 13 at Bridge 1
- Started MSE wall copping at abutments of Bridge 250
- Completed drilled shafts and columns for Bridge 254

- Initiated drilling for shafts at Bridge 248 and 258

Activities in I1A included:

- Continued placement of embankment from borrow pit
- Completed caps, beams, and deck panels for all spans on Bridge 5
- Completed culvert 48
- Stripped topsoil and clearing and grubbing activities
- Placed cement treated base
- Installed pipe and backfilled for Culverts 15, 19 and 28
- Started installation of concrete box structure at Crossing 34
- Completed MSE panel installation and backfill for Retaining Walls 13 to 18
- Finished level pad and initiated MSE panel installation for Retaining Walls 7 through 12
- Completed level pad at Retaining Walls 19 through 23A; and initiated MSE panel installation at Retaining Wall 22 through 23A
- Completed bent caps for Bridge 5 and 7A and footings for Bridge 7B
- Continued drilled shafts for Bridge 8
- Completed MSE installation for Retaining Walls 6, 7, 8 and 9 at Bridge 250
- Continued MSE installation at Retaining Walls 10, 11, 14, 17, and 18
- Completed deck placement for Bridge 6 and abutment work for Bridges 250 and 252
- Continued shaft installation for abutments at Bridges 254 and 256
- Started MSE panel installation and backfill placement for Retaining Walls 4, 5, 6, 19 through 23A, 28, 29 and 29A
- Started bridge deck rebar installation on Bridge 5
- Completed setting beams for spans 3-11 at Bridge 7A
- Placed columns up to bent 8 at Bridge 7B
- Placed deck units 1 and 2 at Bridge 5

Segment 3:

Activities in I1A included:

- Initiated clearing activities in the subsegment

Activities in I1B included:

- Continued mainlane embankment and wick drain construction north and south of FM 565
- Excavated foundation improvements for Retaining Walls 1, 2 and 3
- Continued with grading activities on frontage road north of IH-10
- Completed Culvert 56

Activities in I2A1 included:

- Set deck panels at Bridge 15
- Performed backfilled operations and set MSE panels for Retaining Walls 1, 2, 3, 4, 5, 6, 13, 14 and 15

- Constructed embankment for the south header at Bridge 15
- Worked on embankment operations including wick drains near Kilgore

Activities in I2A2 included:

- Installed level pads, MSE panels and backfilled for Retaining Walls 1, 2, 3 and 4
- Initiated embankment construction at Fisher Rd

Activities in I2B1 included:

- Switched traffic on EBFR from Phase 1 Stage 1a to Phase 1 Stage 1c
- Continued concrete paving operation on frontage road and main lanes at FM 1405

Activities in I2B2 included:

- Backfilled and installed MSE panels for Retaining Walls 22, 23, 24 and 25
- Initiated backfilling and installing MSE panels for Retaining Walls 26, 27 and 28
- Placed coping for Retaining Wall 3B
- Continued with lime treatment operations and grading for frontage roads at Tri-Cities Beach Road
- Set concrete girders for east and westbound lanes at Bridge 21 in Tri-Cities
- Formed and placed concrete for Abutment 3 at Bridge 21
- Installed head and wing walls for Culvert 2

4.0 Substantial Completion

According to the most recent progress schedule submitted by the DB Contractor in this reporting period together with the re-baselined schedule received immediately after the quarter, Projected Substantial Completion of H and I Project is expected to occur by May 13, 2022, which is outside the 1,693 days that are available to the DB Contractor after accounting for approved change orders. The Projected Substantial Completion date of May 13, 2022 includes the DB Contractor's forecast of a delay of 75 days as of the end of the quarter included in this report, which is beyond the current Substantial Completion Deadline of February 27, 2022.

Project completion through Final Acceptance is projected to be 120 days after the Projected Substantial Completion on September 10, 2022.

The DB Contractor has made submittals including several revisions and has been in discussions with TxDOT regarding a Time Impact Analysis in compliance with requirements of the DBA to account for impacts of Tropical Storm Imelda. Upon review and approval of the Time Impact Analysis and a related contract change order, the DB Contractor will be credited additional days due to the impacts on its operations, which will extend the Substantial Completion Deadline beyond February 27, 2022 under the terms of the DBA. See Section 5 of this report for additional information on schedule impacts from Tropical Storm Imelda, as well as the impacts from the COVID-19 pandemic.

DB Contractor has an interim milestone requirement to complete work in Toll Zones 180 days prior to Substantial Completion Deadline and handover to Toll System Integrator. According to the latest schedule from the DB Contractor sufficient progress is being made in Toll Zones to complete the handover to Toll System Integrator on June 10, 2021. This projected date is well ahead of the contractual target date of September 1, 2021 as per requirements of the DBA. TxDOT continues to monitor the schedule for turning over the Toll Zones to the System Integrator.

5.0 Material Problems Encountered

On March 13, 2020, the President of the United States declared the outbreak of COVID-19 a national emergency and the Texas Governor declared it an imminent threat of disaster for all counties (including Chambers, Harris, Liberty and Montgomery) in Texas. The DB Contractor notified TxDOT on March 24, 2020 that while it has taken steps to monitor and mitigate the impacts of COVID-19 to the project, GPI and its subcontractors have experienced some loss of workforce. Several of the DB Contractor's workers showed COVID-19 symptoms or had to care for someone with COVID-19 thereby requiring a quarantine of a minimum of two weeks. Additionally, other workers in close contact with potentially infected staff also have had to undergo quarantine to avoid spreading the virus to other workers. The pandemic has required additional coordination to minimize impacts to the work while allowing construction to continue following CDC and published guidelines. The DB Contractor has been engaged in partnering discussions with TxDOT and will be submitting a change order request that may include labor, materials and other miscellaneous overhead cost and additional days to the project in accordance with the DBA for TxDOT to review and assess. The full impact of the COVID-19 pandemic and the scope of any adverse impact on the construction of the H and I Project cannot be fully determined at this time.

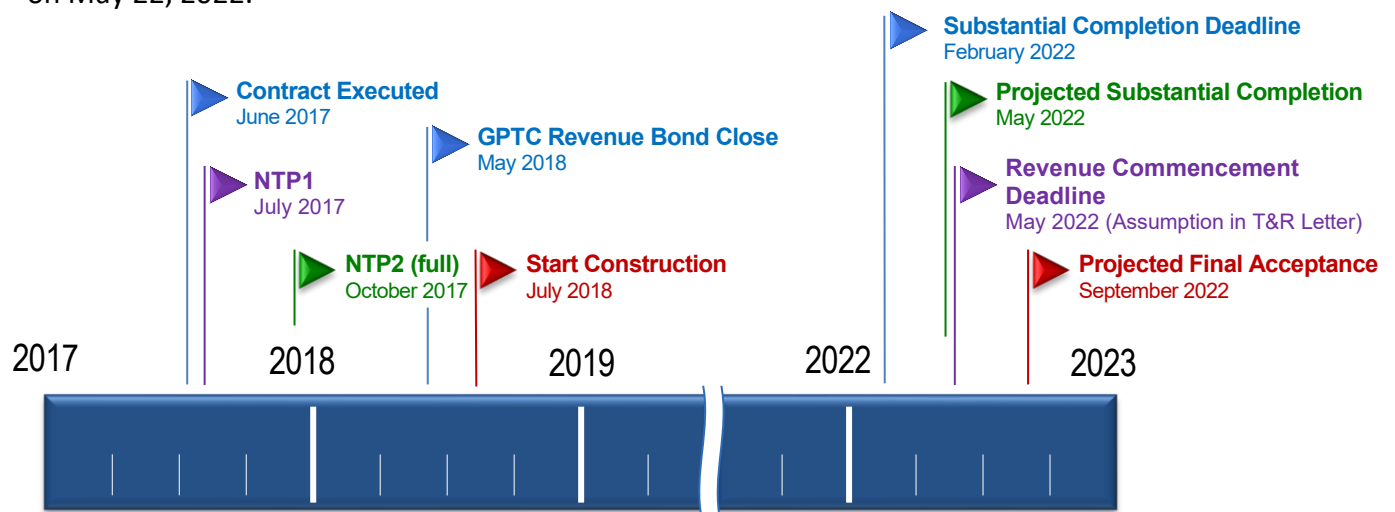
On September 19, 2019, Texas Governor Greg Abbott declared a state of disaster for the counties impacted by Tropical Storm Imelda. Each of the four counties: Chambers, Harris, Liberty and Montgomery traversed by the project were covered by the Governor's declaration. Work production was affected due to flooding within the project right of way, laydown areas and at borrow sites. In general, this included: damage to fixtures, materials, supplies, tools, machinery and equipment; damage to in-progress works such as walkways, signs, formwork, falsework, site-access, etc.; lost time and cost due to restoration activities and rework; and debris removal, clean-up and restoration of work site to pre-tropical storm state.

The DB Contractor made submittal of Time Impact Analysis from Tropical Storm Imelda, including several revisions following reviews by TxDOT to be compliant with the requirements of the DBA. These submittals document the schedule impact of Tropical Storm Imelda on construction work. It details activities that had to be performed to bring progress back to the pre-storm stage as well as carry-out additional tasks necessitated by the event. Upon final review and approval of the Time Impact Analysis, it is expected that the DB Contractor will be credited a reasonable amount of days that can be proven to have impacted the critical path, but this is currently expected to be less than the 75 days requested by the DB Contractor.

As of May 20, 2020, when the latest draw submittal was made by the DB Contractor in this reporting period, actual schedule percent complete was 48% (as measured by the Primavera performance based cost loaded schedule submittal). This is behind the Planned Schedule Percent Complete of 59%. Similarly, earned value reported by the DB Contractor and included in Table 2.3 of this report shows that overall progress is behind what was originally estimated and included in the form of the maximum payment curve. However, the earned value in the most recent quarter had improved as the DB Contractor made good progress in spite of challenges from the effects of COVID-19.

Projected Substantial Completion is expected to occur by May 13, 2022 after incorporating schedule recovery measures included with re-baselined schedule received immediately after the quarter. The DB Contractor continues to be monitored closely and will be required to submit recovery schedules when applicable. DBA requires a recovery schedule should any activity on the Critical Path be delayed greater of 30-days or a number of days equal to 5% of the days remaining until a completion deadline. Upon final approval of the Tropical Storm Imelda related Time Impact Analysis, any additional approved days added to the contract beyond the current Substantial Completion Deadline of February 27, 2022 will be reflected in a revised baseline schedule. The same process will be implemented for any additional days that may be awarded to the DB Contractor after a detailed review of the Time Impact Analysis and the change order request for COVID-19 related impacts.

Commencement of toll revenues is anticipated to occur at Projected Substantial Completion, which is currently estimated to be May 13, 2022, as described above, and is before the Revenue Commencement date included in the CDM Smith traffic and revenue assumptions. CDM Smith's 2018 T&R Bring Down Letter assumes that Segments H, I-1 and I-2B will be open to tolled traffic on May 22, 2022.



Note:
Future dates are subject to change

Figure 5.1: H and I Project Milestones

The DB Contractor brought forward the escalation in domestic steel prices affecting reinforcement steel and guard rail. The DB Contractor had made a request for partnering discussion in accordance with the provisions of the DBA to discuss whether there is any entitlement to a relief through change order. These discussions were held and TxDOT's position was that DB Contractor is not entitled to such relief under the DBA. The DB Contractor has escalated this issue to the Dispute Review Board (DRB) as allowed under the DBA. The Dispute Resolution Process is currently following the steps and schedule that have been agreed to with all the entities including the DRB members. A final hearing is planned before the end of the calendar year.

Several other requests for partnering has been made by the DB Contractor where the DB Contractor initiated changes are in initial review or have been rejected by TxDOT. These include changes associated with toll charges from toll road usage, bridge span-length requirement at US90 pertaining to UPRR right of way and change in the number of drainage discharge points from TxDOT's initial design resulting in additional infrastructure.

6.0 Delivery Status of Equipment

No issues with equipment deliveries from the DB Contractor or the Toll System Integrator are currently anticipated. DB Contractor will procure the ITS and Traffic Signal equipment which is routine for such project.

TransCore is responsible for installing Tolling Equipment such as transponder readers and cameras and has done so on other projects for TxDOT on a statewide basis.

7.0 Change Orders

7.1 Approved Change Orders

Two additional change orders were approved in the quarter.

Change Order #3

Change covers revisions to Bridge #8 configuration over Rail Yard/Speer Property. The bridge modifications in the change order include longer structural steel spans and a longer bridge to accommodate savings in right of way costs that avoid impacts to existing and proposed rail yard operations.

- Bridge Over Rail Yard/Speer Property
 - Amount = \$17,600,000
 - Days = 0

Change Order #6

The City of Mont Belvieu requested a Box Culvert be installed in lieu of an open ditch adjacent to FM 565.

- City of Mont Belvieu Installation of RCB in lieu of Ditch

- Amount = \$510,620
- Days = 0

Appendix B provides the overall list of approved change orders. With the approval of change orders as listed in Appendix B, the total construction cost for the DBA has increased from \$894,701,621.55 to \$925,057,106.50 and total days have increased from 1,674 to 1,693.

7.2 Pending Change Orders

Pending change orders are in various stages of partnering discussions where the cost, time or validity of the change is being determined. Such changes are discussed in Section 5 of this report. This includes a change order related to the impacts from Tropical Storm Imelda. One pending change order that has been negotiated and is moving forward with the approval process includes a credit related to utilizing the online Public Information Office in lieu of a physical office for the remaining duration of the contract.

Pending Change Order #7

- PIO Office, Computers, Equipment, and Software
 - Amount = \$183,271 (credit)
 - Days = 0

8.0 Right of Way Acquisition

TxDOT carried out early right of way acquisition activities prior to issuance of NTP2. With the issuance of the NTP2, the DB Contractor is made responsible for all right of way acquisitions. Based on progress reporting from the DB Contractor, to date status of acquisitions is as follows:

Table 8.1: Progress on Right of Way Acquisitions

| ROW Status | |
|---|-----|
| Estimated Total Number of Parcels ¹ | 235 |
| Surveys Submitted for TxDOT Approval ² | 235 |
| Parcels in Possession and cleared for construction ³ | 224 |

Notes:

1. Estimated total number of parcels represents most recent estimate of total acquisitions required based on the status of design development.
2. Surveys submitted for TxDOT approval represents approved surveys and those pending approvals as of the report period. Surveys previously submitted but requiring modifications are not included in the count until resubmitted.
3. As of reporting period, 224 out of the estimated total parcels to be acquired, or 95% are cleared for construction.

The DB Contractor right of way acquisition activities are on track as indicated by the earned value reporting and actual percent complete discussed in Sections 2 and 5 respectively. A sufficient number of parcels have been cleared for construction to progress.

9.0 Discussion of Other Matters

There are no additional other matters related to the H and I Project Construction that have been requested by the TIFIA Lender in this quarter.

APPENDIX A – Construction Photos for the Quarter



Figure A.1: Setting Deck Panels for Retaining Wall #5 in Segment H1A



Figure A.2: Forming for Rip Rap placement at Bridge 202 in Segment H1A



Figure A.3: Embankment Construction in Segment H1B



Figure A.4: Concrete Placement for Bent 8 at Bridge 219 in Segment H1B



Figure A.5: Level Pad at Retaining Wall 9 in Segment H1B



Figure A.6: MSE Panel Installation at Retaining Wall 11 in Segment H1B



Figure A.7: CTB Placement in Segment I1A



Figure A.8: Beam Installation at Bridge 7A in Segment I1A



Figure A.9: Wick Drain Placement in Segment I1A



Figure A.10: Grading for Temporary Drainage in Segment I1B



Figure A.11: Existing Eastbound Mainlane Pavement Demolition in Segment I2B1



Figure A.12: Grading at Frontage Road Segment I2B2



Figure A.13: Setting Girders for Bridge 21 in Segment I2B2



Figure A.14: Culvert Headwall Installation in Segment I2B2

APPENDIX B – Change Orders List

| Change Order No. | Description | Status | Date Executed | Time Impact (days) | Cost Impact (\$) |
|--|---|----------|---------------|--------------------|------------------|
| 1 | Hurricane Harvey Impact & NTP2 Delay | Executed | 11/20/18 | 19 | - |
| 2a | Castle Hill CH Partners Utility Casings | Executed | 09/18/18 | 0 | 849,097 |
| 2b | Remove RR Track from UPRR Structures | Executed | 09/18/18 | 0 | 73,942 |
| 3 | Bridge Over Rail Yard/Speer Property | Executed | 04/10/20 | 0 | 17,600,000 |
| 4 | CWA Siphon at Luce Bayou | Executed | 05/03/19 | 0 | 4,799,827 |
| 5 | Kingwood Drive Overpass Ramps & U-turn | Executed | 02/09/20 | 0 | 6,522,000 |
| 6 | City of Mont Belvieu Installation of RCB in lieu of Ditch | Executed | 05/22/20 | 0 | 510,620 |
| Subtotal Executed Change Orders | | | | 19 | 30,355,485 |
| 7 | PIO Office, Computers, Equipment, and Software | Pending | | 0 | -183,273 |
| Subtotal Pending Change Orders | | | | 0 | -183,273 |
| Total Executed and Pending Change Orders | | | | 19 | 30,172,212 |

Figures shown may not add to totals due to rounding.

Note:

With the approved change orders, the total construction cost for the DBA has increased by \$30,355,485 from \$894,701,621.55 to \$925,057,106.50 and the total days have increased from 1,674 to 1,693.

APPENDIX C – Acronyms and Abbreviations

| | |
|-------|---|
| ATC | Alternate Technical Concept |
| AUA | Abbreviated Utility Agreement |
| CDC | Centers for Disease Control and Prevention |
| CPM | Critical Path Method |
| CTB | Cement Treated Base |
| DB | Design Build |
| DBA | Design Build Agreement |
| ED | Eminent Domain |
| ESA | Environmental Site Assessment |
| FHWA | Federal Highway Administration |
| FM | Farm to Market Road |
| GEC | General Engineering Consultant |
| GPI | Grand Parkway Infrastructure, LLC (DB Contractor) |
| GPTC | Grand Parkway Transportation Corporation |
| IH | Interstate Highway |
| IP | Individual Permit |
| ITS | Intelligent Transportation Systems |
| MSE | Mechanically Stabilized Embankment |
| NCR | Non-Conformance Report |
| NEPA | National Environmental Policy Act |
| NTP | Notice to Proceed |
| NWP | Nationwide Permit |
| PUA | Possession and Use Agreement |
| PUAA | Project Utility Adjustment Agreement |
| RCB | Reinforced Concrete Box |
| RFC | Released for Construction |
| RFI | Request for Information |
| ROE | Right of Entry |
| ROW | Right of Way |
| SH | State Highway |
| SI | Systems Integrator |
| SW3P | Storm Water Pollution Prevention Plan |
| TTC | Texas Transportation Commission |
| UPRR | Union Pacific Railroad |
| US | United States Highway |
| USCG | United States Coast Guard |
| USACE | United States Army Corps of Engineers |
| T&R | Toll and Revenue |
| TxDOT | Texas Department of Transportation |
| UAAA | Utility Adjustment Agreement Amendment |

GRAND PARKWAY TRANSPORTATION CORPORATION
UNITED STATES DEPARTMENT OF TRANSPORTATION
TIFIA LOAN

Authorized Representative Certificate

I, Benjamin Asher, Secretary/Treasurer of the Grand Parkway Transportation Corporation, hereby certify that the Quarterly Construction Progress Report to 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 21, 2019.

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

DocuSigned by:

Benjamin H. Asher

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Mr. Benjamin H. Asher
Secretary/Treasurer
Grand Parkway Transportation Corporation
Borrower's Authorized Representative

7/20/2020

Date