

State Highway 99 Grand Parkway System

Quarterly Traffic and Operating Report

For the Fiscal Quarter ended February 28, 2021



Relating to Each Outstanding Issue with CUSIP Prefix 38611T and CUSIP 38612PAA2
Filed by GPTC on April 30, 2021



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1.0 Disclaimer

Information in this report regarding the Grand Parkway System has been compiled and provided to the Grand Parkway Transportation Corporation (GPTC) by the Texas Department of Transportation (TxDOT) from TxDOT's records and other sources which are believed by TxDOT to be reliable. GPTC and TxDOT do not make any representation or warranty concerning the usefulness of such information to a decision to invest in, hold, or sell bonds, notes or other obligations payable, in whole or in part, from the sources pledged to the payment of GPTC's outstanding debt obligations.

The offering documents, traffic and revenue forecasts, and other documents referenced in this report should not be considered to speak as of any date other than the respective dated date thereof or such other dates indicated in each such document and are not incorporated into or made a part of this report.

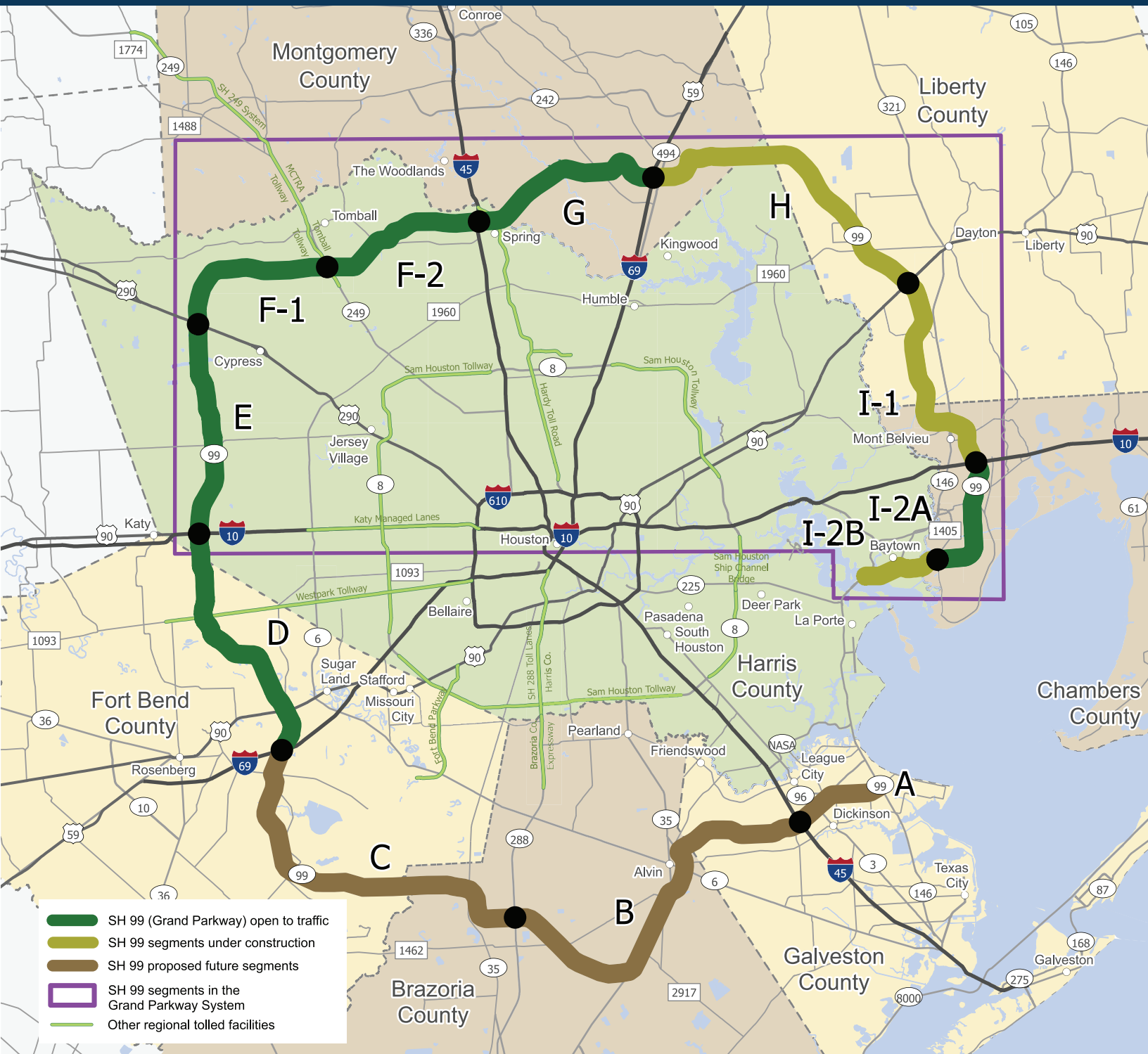
References to website addresses presented in this report are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into or made a part of this report. Many of the website links referenced in this report are also available at the end of this report in the section entitled "Relevant Links" herein.

On March 13, 2020, the President of the United States declared the COVID-19 pandemic a national emergency and the Texas Governor declared COVID-19 an imminent threat of disaster for all counties in Texas. The situation continues to evolve; for additional information on these events in Texas, reference is made to the website of the Governor at <https://gov.texas.gov/> and the quarterly Bond Appendix and any supplements thereto as prepared by the Texas Comptroller of Public Accounts which are on file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system. The Texas Transportation Commission (Commission) and TxDOT continue to monitor the spread of COVID-19 and are working with local, state, and national agencies to address the potential impact of COVID-19.

The information contained in this report is provided as of the respective dates and for the periods specified herein, and the filing of this report does not, under any circumstances, imply that there has been no change in the affairs of the Grand Parkway System, GPTC or TxDOT since the specified date or dates as of which such information is provided. The full impact of the COVID-19 pandemic and the scope of any adverse impact on the Grand Parkway System, Revenues of the System, GPTC and TxDOT cannot be fully determined at this time. The pandemic has adversely affected travel, commerce and financial markets globally and is expected to adversely affect economic output worldwide and in Texas, including within the counties traversed by the Grand Parkway System. These effects have reduced and are expected to slow the growth of toll transactions occurring on the Grand Parkway System and the collection of toll revenues; may reduce and slow the growth of certain assets of the Grand Parkway System; and may increase Grand Parkway System expenses, to an extent that cannot currently be predicted, and could be material. Accordingly, the historical information set forth in this report may not be indicative of future results or performance due to these and other factors.

Capitalized terms used in this report and not otherwise defined have the meaning given to such terms in the 2020 Official Statement (as defined on page 6).

2.0 State Highway 99 (Grand Parkway Project) / System Map



0 5 10
Miles

Texas Department of Transportation
Transportation Planning and Programming Division
Data Analysis, Mapping and Reporting Branch
March 24, 2021

Copyright 2021
Texas Department of Transportation
Notice
This map was produced for internal use
within the Texas Department of Transportation.
Accuracy is limited to the validity of available
data as of December 31, 2020.



Operational segments of the Grand Parkway System include Segments D (Harris County) through G and I-2A as indicated in the map above. Segments H, I-1 and I-2B are under construction and are not currently open to tolled

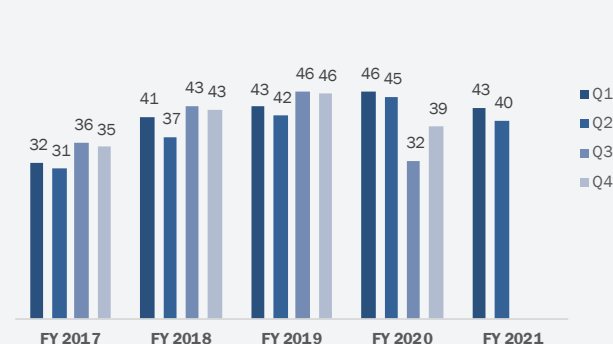
traffic. Revenues and expenses from Segment I-2A will not be payable to or the responsibility of GPTC until the opening of the other portions of Segments H and I. The operations of Segment I-2A are not included in this report.

3.0 Executive Summary

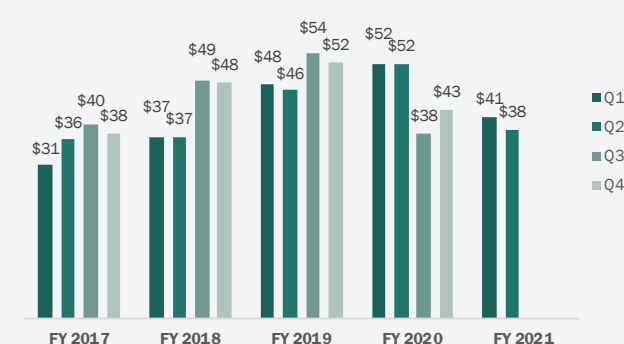
System Revenue, Expenses and Transactions for Q2 FY 2021 (In Thousands)

| | Actuals | Budget | Variance | Q2 Variance % | Fiscal YTD Variance % |
|----------------------------------|----------|--------------------------------------|----------|------------------|-----------------------|
| Toll Revenue | \$38,472 | \$37,336 | \$1,136 | 3% Above Budget | 1% Above Budget |
| Junior Operating Expenses | \$8,958 | \$10,605 | \$1,646 | 16% Below Budget | 4% Below Budget |
| Transactions | 40,314 | See footnotes 1 and 5 in Section 4.0 | | | |

Actual Quarterly Transactions (In Millions) Last Four Fiscal Years Plus Current Q2



Actual Quarterly Toll Revenue (In Millions) Last Four Fiscal Years Plus Current Q2



Outstanding Obligations

As of Q2 FY 2021, GPTC debt obligations, not including accreted interest, total \$4.547 billion.

Debt Service Coverage Ratios (DSCR)

| FY 2020 | System DSCR |
|-----------------------|-------------|
| 1st Tier Debt Service | 20.07x |
| Total Debt Service | 2.41x |

Toll Rates

Toll Rates increased by 2% on January 1, 2021.

Summary of Account Balances & Activity

As of Q2 FY 2021, all accounts equaled or exceeded their required balances as set by the Master Trust Agreement. Prior to the last day of FY 2020, the debt service, operations and maintenance, and major maintenance accounts **were all pre-funded** at 100 percent of their FY 2021 budgeted amounts.

Investments

Total investments in accounts maintained under GPTC trust agreements are currently approximately \$1.41 billion. All investments are compliant with the Texas Public Funds Investment Act (PFIA) per Chapter 2256 of the Texas Government Code and the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan. TIFIA authorized investments are more restrictive than the PFIA.

Traffic & Revenue Forecast vs. Actuals

The transition to the new TxDOT Back Office System required interruptions to and delays in customer service activities. For additional information on delayed posting of actual revenues in Q2 FY 2021, see footnote one of Section 4.0 and Section 9.0 in this report. All transactions for Q2 FY 2021 are shown in this report. From Feb. 1, 2014 through Feb. 28, 2021, transactions exceed original 2013 T&R Forecast (as defined on page 6) by a cumulative total of 51.5% and toll revenues exceed such forecast by a cumulative total of 52.0%. For the 2018 T&R Forecast (as defined on page 6), from Sept. 1, 2017 through Feb. 28, 2021, transactions exceed such forecast by 6.9% and toll revenues exceed such forecast by 1.4% (includes period that tolls were suspended due to Hurricane Harvey). For the 2020 T&R Forecast (as defined on page 7), from September 1, 2020 through February 28, 2021, transactions exceed such forecast by 22.1% and toll revenues exceed such forecast by 1.5%.

4.0 System Revenues, Expenses, and Transactions (In Thousands)

| Monthly | | | | | Quarter Ended 02/28/2021 | | | | Fiscal Year-to-Date 02/28/2021 | | | | FY 2021 |
|---|------------------|-----------------|-----------------|--|--------------------------|---------------------|--------------------------|--------------------|--------------------------------|-------------------------|--------------------------|--------------------|-------------------|
| Dec-20 Jan-21 Feb-21 | | | | | Q2 | | | | | | | | Annual Budget |
| | | | | | Actuals | Budget ⁵ | \$ Variance ⁵ | % Var ⁵ | Actuals | YTD Budget ⁵ | \$ Variance ⁵ | % Var ⁵ | |
| System Revenue | | | | | | | | | | | | | |
| Toll Revenue ¹ | See Footnote One | | | | \$ 38,472 | \$ 37,336 | \$ 1,136 | 3% | \$ 79,503 | \$ 78,355 | \$ 1,148 | 1% | \$ 163,129 |
| Investment Income/Misc. ² | \$ 1,400 | \$ 61 | \$ 1,175 | | 2,635 | 2,011 | 624 | 31% | 4,908 | 4,207 | 701 | 17% | 7,500 |
| Total Revenue | \$ 1,400 | \$ 61 | \$ 1,175 | | \$ 41,107 | \$ 39,347 | \$ 1,760 | 4% | \$ 84,411 | \$ 82,562 | \$ 1,849 | 2% | \$ 170,629 |
| System Expenditures | | | | | | | | | | | | | |
| Junior Operating Expenses ^{1,3} | \$ 4,708 | \$ 2,636 | \$ 1,614 | | \$ 8,958 | \$ 10,605 | \$ 1,646 | 16% | \$ 21,284 | \$ 22,255 | \$ 971 | 4% | \$ 46,334 |
| Major Maintenance / Capital Expenditures ¹ | 572 | 416 | 198 | | 1,185 | 4,010 | 2,825 | 70% | 3,050 | 9,440 | 6,390 | 68% | 19,210 |
| Total Expenditures | \$ 5,280 | \$ 3,052 | \$ 1,813 | | \$ 10,144 | \$ 14,615 | \$ 4,471 | 31% | \$ 24,335 | \$ 31,695 | \$ 7,361 | 23% | \$ 65,544 |
| System Transactions | | | | | | | | | | | | | |
| Auto ^{1,4} | 13,839 | 13,106 | 10,926 | | 37,870 | | | | 78,168 | | | | |
| Truck ^{1,4} | 889 | 885 | 669 | | 2,443 | | | | 5,183 | | | | |
| Total Transactions | 14,728 | 13,991 | 11,595 | | 40,314 | | | | 83,351 | | | | |
| Proceeds from Sale of System Assets | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | |

Note: Totals may not sum due to rounding

¹ System Revenue, Expenses and Transactions

Toll and Fee Revenue Recognition: Revenues for electronic toll collection (ETC) transactions are generally recognized when they are earned, which is at the time the transaction is reconciled through a back office system for a valid ETC transaction (requiring a properly installed transponder and a sufficiently funded account). ETC transactions are generally reconciled in the same month they occur, however, recognition of toll revenues for transactions occurring in a given month may be deferred to a future month due to back office system processing delays and other factors. Non-ETC toll revenues are recognized and reported when cash payment is received. For example, a non-ETC transaction may be reported in one month, but revenue for that transaction may not be received until a later month. Additionally, revenue does not reflect fiscal year-end adjustments in the Annual Financial Report, which may or may not be greater than 10%. During FY 2019, TxDOT began retaining all fee revenues to offset the cost of toll collections. Currently, GPTC does not receive any fee revenues.

On Nov. 17, 2020, TxDOT began transition activities from Conduent's Vector Back Office System to the new TxDOT Back Office System. This transition required interruptions to customer service activities including delayed reconciliation of transactions through the new TxDOT Back Office System, statement processing, non-ETC billing and escalations of past due transactions. The reconciliation of ETC transactions through the new TxDOT Back Office System resumed in January 2021. Toll Revenue reported for the current quarter represents the revenue from ETC transactions reconciled in the current quarter even though the transactions could have occurred as far back as November 2020. **Consequently, Toll Revenue for the current quarter is being reported on a quarterly basis rather than on a monthly basis.** Non-ETC toll transactions occurring since Nov. 17, 2020 are still being processed, and therefore, are not reflected in

the Toll Revenue reported for the current quarter, and a portion of the revenues relating to these non-ETC toll transactions may not be recognized due to certain limitations relating to the transition.

For other events that may have impacted revenues, expenses and transactions for this quarter see Section 11.0 in this report.

Operations & Maintenance Expense Recognition: Expenses are generally reported in the month paid. After the adoption of the FY 2021 Budget, a Major Maintenance Expense item was reclassified to routine maintenance. As a result, the expenses relating to this item are now being reported as Junior Operating Expenses (rather than Major Maintenance); however, the Junior Operating Expense Budget does not reflect this reclassification. Expenses exclude amortization and do not reflect fiscal year-end adjustments in the Annual Financial Report, which may or may not be greater than 10%.

In December 2020, TxDOT ceased incurring transaction costs under its contract with Conduent. Given that Conduent invoices transaction costs in arrears, GPTC made its last payment for transaction costs to Conduent in January 2021. GPTC is currently not being assessed costs for the new TxDOT Back Office System. It is anticipated in the future that GPTC will be assessed operating costs for the use of the TxDOT Back Office System.

Revenue, Expense and Transaction Trends: Transaction, revenue and expense trends may not exactly correlate on a monthly basis due to the following factors: (i) toll transactions (when a vehicle passes through a tolling point) are reported in the period in which they occur; (ii) toll revenues for valid ETC transactions are generally recognized at the time the transaction is reconciled through the back office system for a valid ETC transaction (requiring a properly installed transponder and sufficiently funded account); however, recognition of toll revenues for transactions occurring in a given month may be deferred to a future month due

to processing delays and other factors; (iii) toll revenues for non-ETC transactions may be received later than the month in which the transaction occurred due to the time necessary for billing and processing such transactions; (iv) expenses may include costs related to transactions occurring in prior months; and (v) the issues impacting the reporting of revenues and expenses from prior months are different and thus are not correlated. In addition to the foregoing, the method by which quarterly budget amounts are calculated are independent from and are not adjusted to account for these factors.

² **Investment and Miscellaneous Income**

Investment Income reflects the receipts net of purchased accrued interest.

³ **Senior Operating Expenses**

There currently are no Senior Operating Expenses.

⁴ **Transactions Reported**

Auto Transactions reflect two axle vehicles only and Truck Transactions reflect three or more axle vehicles. Total transactions reported include all transactions that occurred on the System for the reporting period.

⁵ **FY 2021 Annual Budget**

Budgeted amounts shown are derived from the FY 2021 Annual Budget approved by the GPTC board in August 2020, specifically:

- (i) Budget for Toll Revenue is based on the 2020 T&R Forecast (as defined on page 7). Quarterly and year to date (YTD) budget amounts are derived from monthly revenue forecasts provided by the traffic and revenue consultant in connection with the 2020 T&R Forecast. GPTC Revenue forecasts do not include amounts for Fee Revenue;
- (ii) Budget for Junior Operating Expenses is based on GPTC estimated transactions, which are based on prior year trends and anticipated changes, not the transactions in the 2020 T&R Forecast or the projected expenses in the 2018 Engineer's Report that is incorporated by reference into the 2020 Official Statement (as defined on page 6). Quarterly and YTD budget of Junior Operating Expenses shown in the chart above are derived by applying the same ratios used for deriving quarterly and YTD budgeted Toll Revenue to the budgeted Annual Junior Operating Expenses; and
- (iii) Positive variances indicate actual revenues exceed budget and actual expenses are lower than budget. Negative variances indicate actual revenues are lower than budget and actual expenses exceed budget.

5.0 Comparison of Actual Results to Long Term Forecasts

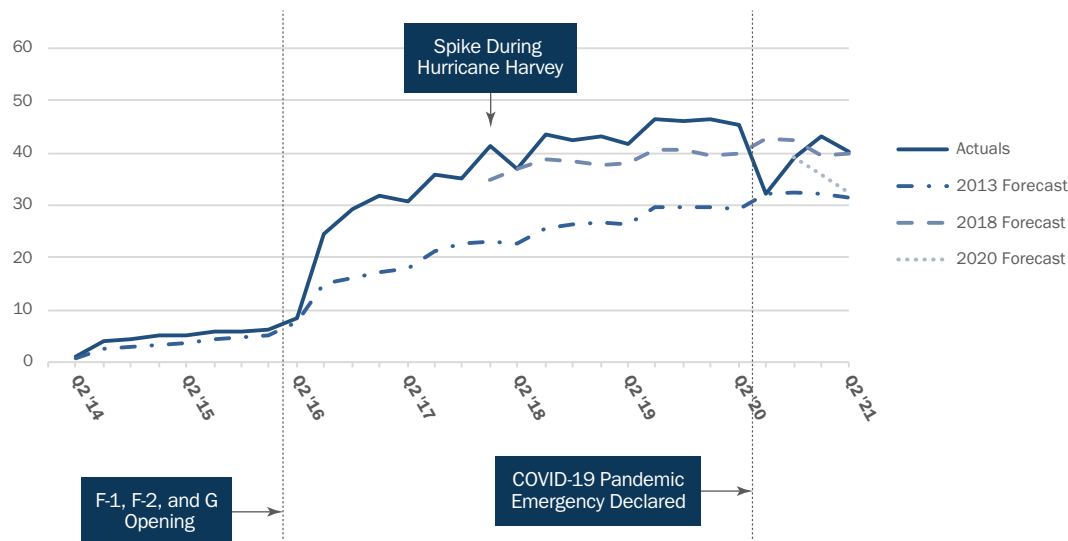
From Feb. 1, 2014 through Feb. 28, 2021, transactions exceed the original 2013 T&R Forecast (as defined on page 6) by a cumulative total of **51.5 percent** and toll revenues exceed such forecast by a cumulative total of **52.0 percent**.

From September 1, 2017 through February 28, 2021, transactions exceed the 2018 T&R Forecast (as defined on page 6) by **6.9 percent** and toll revenues exceed such forecast

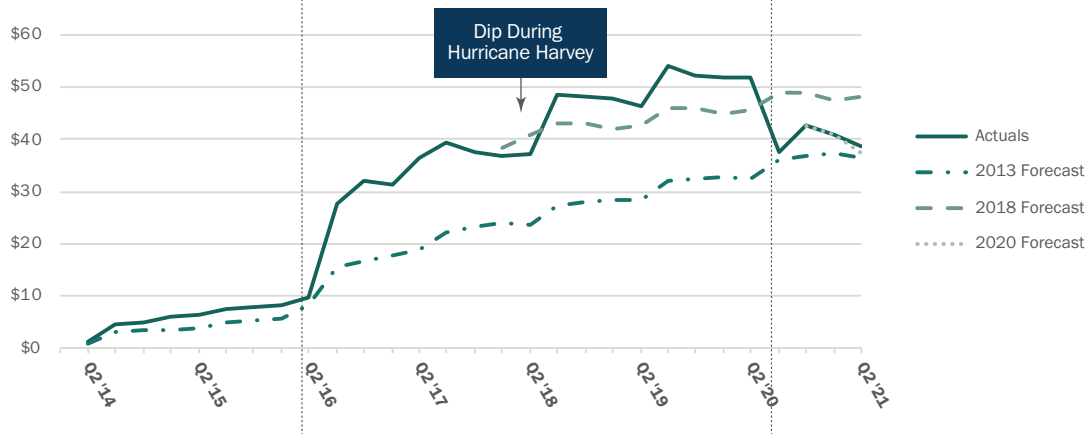
by **1.4 percent** (includes period that tolls were suspended due to Hurricane Harvey).

From Sept. 1, 2020 through Feb. 28, 2021, transactions exceed the 2020 T&R Forecast (as defined on page 7) by **22.1 percent** and toll revenues exceed such forecast by **1.5 percent**.

**Historical Quarterly Transactions (In Millions)
(Actuals and Forecast)**



**Historical Quarterly Toll Revenue (In Millions)
(Actuals and Forecast)**



Transactions and Toll Revenue Data Table (In Thousands)

| Date (Year.Quarter) | Transactions | | | | Toll Revenue | | | |
|--|--------------|------------------|-------------------------------|-------------------------------|--------------|------------------|-------------------------------|-------------------------------|
| | Actuals | 2013 Forecast | 2018 Forecast ¹ | 2020 Forecast ² | Actuals | 2013 Forecast | 2018 Forecast ¹ | 2020 Forecast ² |
| Q1'14 | | | | | | | | |
| Q2 '14 | 1,062 | 732 | | | \$1,187 | \$811 | | |
| Q3 '14 | 3,978 | 2,677 | | | \$4,561 | \$2,967 | | |
| Q4 '14 | 4,456 | 2,933 | | | \$5,008 | \$3,246 | | |
| Q1 '15 | 5,096 | 3,103 | | | \$6,139 | \$3,461 | | |
| Q2 '15 | 5,008 | 3,472 | | | \$6,354 | \$3,907 | | |
| Q3 '15 | 5,754 | 4,300 | | | \$7,596 | \$4,917 | | |
| Q4 '15 | 5,845 | 4,681 | | | \$7,760 | \$5,424 | | |
| Q1 '16 | 6,230 | 4,938 | | | \$8,059 | \$5,804 | | |
| Q2 '16 | 8,501 | 7,593 | | | \$9,817 | \$8,303 | | |
| Q3 '16 | 24,609 | 14,942 | | | \$27,681 | \$15,436 | | |
| Q4 '16 | 29,212 | 16,146 | | | \$32,006 | \$16,759 | | |
| Q1 '17 | 31,858 | 17,028 | | | \$31,251 | \$17,765 | | |
| Q2 '17 | 30,729 | 17,953 | | | \$36,430 | \$18,696 | | |
| Q3 '17 | 35,831 | 21,333 | | | \$39,509 | \$22,115 | | |
| Q4 '17 | 34,962 | 22,493 | | | \$37,663 | \$23,282 | | |
| Q1 '18 | 41,231 | 23,004 | 34,826 | | \$36,966 | \$23,799 | \$38,375 | |
| Q2 '18 | 37,070 | 22,719 | 37,070 | | \$37,041 | \$23,693 | \$40,996 | |
| Q3 '18 | 43,426 | 25,710 | 38,625 | | \$48,598 | \$27,093 | \$43,185 | |
| Q4 '18 | 42,592 | 26,434 | 38,515 | | \$48,111 | \$28,073 | \$43,061 | |
| Q1 '19 | 43,206 | 26,621 | 37,491 | | \$47,679 | \$28,493 | \$41,902 | |
| Q2 '19 | 41,601 | 26,441 | 37,932 | | \$46,476 | \$28,433 | \$42,665 | |
| Q3 '19 | 46,279 | 29,652 | 40,772 | | \$54,089 | \$32,133 | \$45,994 | |
| Q4 '19 | 45,903 | 29,789 | 40,663 | | \$52,355 | \$32,589 | \$45,866 | |
| Q1 '20 | 46,428 | 29,696 | 39,592 | | \$51,825 | \$32,784 | \$44,712 | |
| Q2 '20 | 45,332 | 29,299 | 39,838 | | \$51,794 | \$32,462 | \$45,462 | |
| Q3 '20 | 32,112 | 32,068 | 42,695 | | \$37,655 | \$35,931 | \$48,975 | |
| Q4 '20 | 39,184 | 32,420 | 42,575 | | \$42,562 | \$36,877 | \$48,833 | |
| Q1 '21 | 43,037 | 32,320 | 39,592 | 35,891 | \$41,032 | \$37,337 | \$47,643 | \$41,019 |
| Q2 '21 | 40,314 | 31,484 | 39,838 | 32,384 | \$38,472 | \$36,496 | \$48,064 | \$37,336 |
| Cumulative Totals | 820,845 | 541,981 | 550,024 | 68,275 | \$895,676 | \$589,086 | \$625,732 | \$78,355 |
| % that Cumulative Actuals Exceed Cumulative Forecast | | 51.5% | 6.9% | 22.1% | | 52.0% | 1.4% | 1.5% |

¹ Comparison of actuals to cumulative total 2018 T&R Forecast is based upon cumulative actuals since Sept. 1, 2017.

² Comparison of actuals to cumulative total 2020 T&R Forecast is based upon cumulative actuals since Sept. 1, 2020.

Notes

Toll Revenue Actuals and T&R Forecasts do not include investment or fee income.

See footnote one to Section 4.0 for a description of factors that impacted actual revenues reported for this quarter.

2013 T&R Forecast Source: The 2013 T&R Forecast data in the foregoing tables was obtained from CDM Smith Inc. ("CDMS") in connection with the issuance of its "June 2013 Grand Parkway Segments D through G Comprehensive Traffic and Revenue Study" (the "2013 T&R Forecast"), a copy of which is attached as Appendix G to the Official Statement dated July 17, 2013, relating to Grand Parkway System Toll Revenue Bonds issued by GPTC in 2013, which Official

Statement is accessible on the Electronic Municipal Market Access (EMMA) system maintained by the Municipal Securities Rulemaking Board (MSRB) and can be found by clicking [here](#).

2018 T&R Forecast Source: The 2018 T&R Forecast data in the foregoing tables was obtained from CDMS in connection with the issuance of its "Grand Parkway System Segments D through I Traffic and Revenue Bringdown Letter" dated March 19, 2018 (the "2018 T&R Forecast"), a copy of which is attached as Appendix G to the Official Statement dated February 11, 2020 (the "2020 Official Statement") relating to the Series 2020A, Series 2020B and Series 2020C Refunding Bonds described therein (collectively, the "2020 Refunding Bonds"). On Jan. 24, 2020, CDMS delivered a reliance letter in connection with the issuance of the 2020 Refunding Bonds and concluded, as of the date of such letter, that the traffic and revenue projections and the conclusions summarized in the 2018 T&R Forecast still remain valid. CDMS also issued its "Grand Parkway Transportation Corporation's Grand Parkway System (SH 99) Segments D through I Comprehensive Traffic & Revenue Study" dated September 2017 (the "2017 Study"), a copy of which is attached as Appendix F to the 2020 Official Statement. The traffic and revenue estimates for the Grand

Parkway System in the 2018 T&R Forecast supersede such estimates in the 2017 Study. The 2020 Official Statement is accessible on the MSRB's EMMA system and can be found by clicking [here](#).

2020 T&R Forecast Source: The 2020 T&R Forecast data in the foregoing tables was obtained from CDMS in connection with the issuance of its "Grand Parkway Transportation Corporation's Grand Parkway System (SH 99) Segments D through I Comprehensive Traffic and Toll Revenue Study" dated July 30, 2020 (the "2020 T&R Forecast"), a copy of which is accessible on the MSRB's EMMA system and can be found

by clicking [here](#). The 2020 T&R Forecast was prepared by CDMS to provide updated projections of System traffic and toll revenues solely for the planning purposes of TxDOT and GPTC, and was not prepared or used in connection with the offering of any new or outstanding issue of securities. The 2020 T&R Forecast incorporates updates for, among other things, observed traffic trends along the open segments of the System and certain traffic and toll revenue assumptions, including the COVID-19 pandemic, the full effects of which are still unknown. **The 2020 T&R Forecast supersedes the 2013 T&R Forecast and the 2018 T&R Forecast.**

6.0 Toll Rate Schedule

| Roadway | Tolled Miles Segment Length ¹ | Full Length Toll Rates ¹ | | Per Mile Toll Rates ¹ | |
|--------------------------|--|-------------------------------------|---------|----------------------------------|---------|
| | | CY 2020 | CY2021 | CY 2020 | CY 2021 |
| Segment D/E ² | 15.67 | \$3.28 | \$3.34 | \$0.21 | \$0.21 |
| Segment F1 | 12.01 | \$2.52 | \$2.57 | \$0.21 | \$0.21 |
| Segment F2 | 12.04 | \$2.52 | \$2.57 | \$0.21 | \$0.21 |
| Segment G ³ | 13.75 | \$3.08 | \$3.14 | \$0.22 | \$0.23 |
| Total / Average | 53.47 | \$11.40 | \$11.62 | \$0.21 | \$0.22 |

¹ Toll Rates are based on tolled segment lengths and reflect the following:

The chart reflects the through trip rates and rates per mile, not individual gantry entrance and exit routes. Accordingly, the toll rates for tolled segment lengths include mainline plaza rates for each segment and exclude entrance and exit ramp charges.

The rates shown are for ETC transactions for two-axle vehicles.

GPTC has adopted the toll policy currently utilized in Harris and Fort Bend Counties that features automatic annual toll increases of the greater of 2 percent or the net change in the regional Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). In addition, the initial opening toll rate was pegged to Harris County's current rate. The policy provides for TxDOT to calculate and report the annual toll rate escalation percentage for the Grand Parkway System to the Commission each year on or before the October Commission meeting.

Annual toll rates for all calendar years (CY) shown were adjusted in accordance with the toll rate escalation policy, which reflects a 2.0 percent increase effective Jan. 1, 2020 and a 2.0 percent increase effective Jan. 1, 2021.

² Segment length excludes a 1.3 mile toll-free section of Segment D.

³ Reflects minimum toll rate allocation at a gantry location.

7.0 Outstanding Obligations (In Thousands)

| Description of Issue | Outstanding Principal as of 11/30/2020 | Total Principal Paid Current Period | Outstanding Principal as of 02/28/2021 |
|--|--|-------------------------------------|--|
| First Tier Toll Revenue Bonds, Series 2013A | \$ 47,730 | \$ | \$ 47,730 |
| First Tier Taxable Refunding Toll Revenue Bonds, Series 2020A | 220,415 | | 220,415 |
| First Tier Refunding Toll Revenue Bonds, Series 2020C | 793,385 | | 793,385 |
| Subordinate Tier Toll Revenue Bonds (TELA Supported) | | | |
| Convertible Capital Appreciation Bonds, Series 2013B ⁽¹⁾ | 277,000 | | 277,000 |
| Taxable Bonds, Series 2013E | 361,810 | | 361,810 |
| Refunding Series 2016 | 83,775 | | 83,775 |
| Series 2018A | 712,100 | | 712,100 |
| Put Bonds, Series 2018B | 166,525 | | 166,525 |
| Taxable Refunding Bonds, Series 2020B | 1,278,825 | | 1,278,825 |
| Bond Anticipation Notes | | | |
| Series 2018 ⁽²⁾ | 605,330 | | 605,330 |
| Total | \$ 4,546,895 | \$ - | \$ 4,546,895 |

¹ Does not include accreted interest.

² GPTC issued its Bond Anticipation Notes, Series 2018 (2018 BANs) in May 2018. The 2018 BANs were not issued pursuant to the Master Trust Agreement securing the other outstanding obligations of GPTC listed in the foregoing table

and are not secured by the Trust Estate established therein. Additional information regarding the 2018 BANs can be obtained by viewing the Offering Memorandum dated May 16, 2018, relating to the 2018 BANs (the "2018 Offering Memorandum"), which is accessible on the MSRB's EMMA system and can be found by clicking [here](#).

8.0 System Historical Debt Service Coverage (In Thousands)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues of the System¹ | | | | | |
| Toll Revenue | \$ 78,117 | \$ 145,325 | \$ 171,631 | \$ 201,208 | \$ 183,749 |
| Fee Revenue ² | 5,773 | 12,905 | 3,592 | 5 | - |
| Interest / Investment Income | 1,744 | 3,372 | 11,265 | 27,609 | 17,507 |
| Total Revenue | \$ 85,634 | \$ 161,602 | \$ 186,488 | \$ 228,822 | \$ 201,256 |
| Senior Operating Expenses³ | \$ - | \$ - | \$ - | \$ - | \$ - |
| Senior Net Revenue Available for Debt Service | \$ 85,634 | \$ 161,602 | \$ 186,488 | \$ 228,822 | \$ 201,256 |
| Debt Service⁴ | | | | | |
| Net First Tier Debt Service | \$ - | \$ 5,371 | \$ 10,821 | \$ 10,821 | \$ 10,030 |
| First Tier Debt Service Coverage Ratio | NA | 30.09x | 17.23x | 21.15x | 20.07x |
| Net Subordinate Tier Debt Service ⁵ | - | 35,174 | 78,934 | 78,934 | 73,424 |
| Total Debt Service | \$ - | \$ 40,544 | \$ 89,755 | \$ 89,755 | \$ 83,454 |
| Total Debt Service Coverage Ratio | NA | 3.99x | 2.08x | 2.55x | 2.41x |
| Junior Operating Expenses^{1,5} | \$ 14,403 | \$ 29,879 | \$ 36,496 | \$ 43,709 | \$ 46,778 |

Note: Totals may not sum due to rounding

¹ Amounts for fiscal years 2016 through 2020 were obtained from the GPTC audited financial statements for such periods. Revenue and expense amounts shown in the table above are provided on an accrual basis. In addition, interest and investment income shown in the table above includes only the amount that constitutes pledged revenues (or Revenues of the System).

² Currently, no fee revenues are received by GPTC; any fee revenue collected is retained by TxDOT to offset operational costs.

³ There were no Senior Operating Expenses for any of the fiscal years shown.

⁴ All Debt Service is net of Capitalized Interest. Capitalized Interest on the 2013 and 2014 obligations ended in FY 2017, resulting in a reduction in debt service coverage ratios for FY 2018 and FY 2019. See Section 7.0 of this report for a listing of GPTC outstanding obligations. The foregoing table excludes debt service on the 2018 BANs.

⁵ Subordinate Tier Debt and Junior Operating Expenses are also supported by a Toll Equity Loan Agreement. A complete description of the Toll Equity Loan Agreement can be obtained by viewing the 2020 Official Statement.

9.0 Summary of Account Balances & Activity (In Millions)

| Description | Market Value 11/30/20 | Revenue | Investments & Misc. | Transfers In / (Out) | Vendor Pmts | Debt Service | Net Change in Value | Net Change | Market Value 02/28/21 |
|---|--------------------------|----------------|------------------------|-------------------------|-------------------|-----------------|---------------------------|------------------|-----------------------------|
| Trust Accounts | | | | | | | | | |
| Revenue | \$ 31.0 | \$ 20.5 | \$ | \$ | \$ | \$ | \$ | \$ 20.5 | \$ 51.5 |
| Construction | | | | | | | | | |
| Tax-Exempt Bond Proceeds (D-G) | 6.2 | | | | 0.5 | | | 0.5 | 6.6 |
| Taxable Bond Proceeds (D-G) | 143.1 | | 0.5 | | | | (0.2) | 0.3 | 143.5 |
| Tax-Exempt Bond Proceeds (H&I) | 332.9 | | 0.6 | | (91.3) | | (0.7) | (91.5) | 241.4 |
| Taxable Bond Proceeds (H&I) | 13.0 | | | | | | | | 13.0 |
| Subtier Capitalized Bond Interest* | 73.4 | | | | | | (0.2) | (0.2) | 73.2 |
| First Tier Debt Service Fund | | | | | | | | | |
| Interest Account* | 20.4 | | | | | | | | 20.4 |
| Reserve Fund* | 18.0 | | | | | | | | 18.0 |
| Sub. Tier Debt Service Fund | | | | | | | | | |
| Interest Account* | 30.3 | | | | | | | | 30.3 |
| Redemption Account (Principal)* | - | | | | | | | | - |
| Jr. O&M Fund | 45.7 | | | | (12.0) | | | (12.0) | 33.7 |
| O&M Reserve | 11.6 | | | | | | | - | 11.6 |
| Rate Stabilization Fund | 151.1 | | 0.4 | | | | (0.6) | (0.2) | 150.9 |
| Major Maintenance Fund | 17.6 | | | | (1.5) | | | (1.5) | 16.1 |
| Grand Parkway Enhancement Fund | 162.8 | | 0.5 | | | | (0.7) | (0.2) | 162.7 |
| | \$ 1,057.0 | \$ 20.5 | \$ 2.1 | \$ - | \$ (104.4) | \$ - | \$ (2.5) | \$ (84.3) | \$ 972.7 |
| BANs Proceeds Held Outside the Trust | | | | | | | | | |
| Construction | | | | | | | | | |
| Tax-Exempt BANs Proceeds (H&I) | 378.5 | | 0.6 | | (14.3) | | (0.3) | (14.0) | 364.5 |
| Capitalized BANs Interest* | 76.8 | | | | | | (0.2) | (0.1) | 76.6 |
| BANs Interest Account | | | | | | | | | |
| | \$ 455.2 | \$ - | \$ 0.6 | \$ - | \$ (14.3) | \$ - | \$ (0.4) | \$ (14.1) | \$ 441.1 |
| Grand Total | \$ 1,512.3 | \$ 20.5 | \$ 2.7 | \$ - | \$ (118.7) | \$ - | \$ (2.9) | \$ (98.4) | \$ 1,413.8 |

Note: Totals may not sum due to rounding

Notes

Account Balances and Activity show actual balances at market value and actual posted activity. Revenue earned but not yet received (except for interest income on TexPool investments) and expenses incurred but not yet paid are not reported in the above table. Toll revenues and interoperability fees for transactions occurring in a particular month are generally invoiced and paid among the partnering agencies under the Central US Interoperability Agreement by the end of the following month; however, the timing of invoicing and payment among the partnering agencies may extend beyond thirty days from the end of the month in which the related transactions occurred. Transition activities related to the new TxDOT Back Office System impacted the timing of receipt of payment for revenue reported during the quarter. However, as of April 30, 2021, all Toll Revenue reported for the current quarter had been deposited in the Revenue Fund. See Section 4.0 in this report for additional information.

Deposits:

- The 2018 BAN proceeds are held outside of the Master Trust Agreement (as defined in the 2020 Official Statement) securing the other outstanding obligations of GPTC.

- Investment income generally reflect cash-basis receipts, offset by purchased accrued interest and adjusted for interest earned on TexPool investments, but not received in trust accounts until after period end.
- Deposits into funds or accounts denoted by an asterisk (*) are excluded from Revenues of the System.

As of Q2 FY 2021, all accounts equaled or exceeded their required balances as set by the Master Trust Agreement. **Prior to the last day of FY 2020, the debt service, operations and maintenance, and major maintenance accounts were all pre-funded at 100 percent of their FY 2021 budgeted amounts.**

The Junior O&M Fund vendor payments include reimbursement of expenditures paid for by the State Highway Fund on behalf of GPTC. The timing of the State Highway Fund reimbursement may not coincide with the Junior Operating Expenses as reported in the table in Section 4.0.

10.0 Investment Report as of February 28, 2021 (In Dollars)

| Account Name | Security Type ¹ | Par | Coupon | Maturity | Market Value ² |
|---|----------------------------|---------------|--------|----------|---------------------------|
| Trust Accounts | | | | | |
| Revenue Account | | | | | |
| | TexPool | \$ 29,565,779 | 0.040% | N/A | \$ 29,565,779 |
| | TexPool Prime | 21,920,306 | 0.100% | N/A | 21,920,306 |
| Revenue Total | | 51,486,084 | | | 51,486,084 |
| Construction Accounts | | | | | |
| Tax-Exempt Bond Proceeds (D-G) Fund | | | | | |
| | MM | 498,506 | 0.030% | N/A | 498,506 |
| | TexPool | 6,139,754 | 0.040% | N/A | 6,139,754 |
| Tax-Exempt Bond Proceeds (D-G) Fund Total | | 6,638,260 | | | 6,638,260 |
| Taxable Bond Proceeds (D-G) Fund | | | | | |
| | TexPool | 81,907,950 | 0.040% | N/A | 81,907,950 |
| | TexPool Prime | 10,916,135 | 0.100% | N/A | 10,916,135 |
| | T-Note | 25,000,000 | 2.250% | 07/31/21 | 25,230,500 |
| | T-Note | 25,000,000 | 2.000% | 12/31/21 | 25,398,500 |
| Taxable Bond Proceeds (D-G) Fund Total | | 142,824,085 | | | 143,453,085 |
| Tax-Exempt Bond Proceeds (H&I) Fund | | | | | |
| | MM | 52,240,935 | 0.010% | N/A | 52,240,935 |
| | TexPool | 72,123,622 | 0.040% | N/A | 72,123,622 |
| | TexPool Prime | 168,950 | 0.100% | N/A | 168,950 |
| | T-Note | 11,500,000 | 2.375% | 03/15/21 | 11,510,235 |
| | T-Note | 40,000,000 | 1.250% | 03/31/21 | 40,038,800 |
| | T-Note | 25,000,000 | 2.375% | 04/15/21 | 25,071,000 |
| | T-Note | 25,000,000 | 1.375% | 05/31/21 | 25,080,250 |
| | T-Note | 15,000,000 | 2.250% | 07/31/21 | 15,138,300 |
| Tax-Exempt Bond Proceeds (H&I) Fund Total | | 241,033,508 | | | 241,372,093 |
| Taxable Bond Proceeds (H&I) Fund | | | | | |
| | MM | 9 | 0.010% | N/A | 9 |
| | TexPool | 12,953,064 | 0.040% | N/A | 12,953,064 |
| | T-Note | | 0.000% | | |
| Taxable Bond Proceeds (H&I) Fund Total | | 12,953,073 | | | 12,953,073 |
| Subtier Capitalized Bond Interest | | | | | |
| | MM | 7 | 0.030% | N/A | 7 |
| | TexPool | 28,862,526 | 0.040% | N/A | 28,862,526 |
| | T-Note | 22,000,000 | 2.250% | 03/31/21 | 22,039,600 |
| | T-Note | 22,000,000 | 2.125% | 09/30/21 | 22,265,540 |
| Subtier Capitalized Bond Interest Total | | 72,862,533 | | | 73,167,673 |
| First Tier Debt Service Fund: Interest Account | | | | | |
| | TexPool | 20,363,362 | 0.040% | N/A | 20,363,362 |
| First Tier Debt Service Fund: Interest Account Total | | 20,363,362 | | | 20,363,362 |
| First Tier Debt Service Fund: Reserve Fund | | | | | |
| | MM | 9 | 0.030% | N/A | 9 |
| | TexPool | 17,974,164 | 0.040% | N/A | 17,974,164 |
| First Tier Debt Service Reserve Fund Total | | 17,974,174 | | | 17,974,174 |
| Sub. Tier Debt Service Fund: Interest Account | | | | | |
| | TexPool | 30,318,739 | 0.040% | N/A | 30,318,739 |
| Sub. Tier Debt Service Fund: Interest Account Total | | 30,318,739 | | | 30,318,739 |
| Sub. Tier Debt Service Fund: Redemption Account | | | | | |
| | TexPool | 1,750 | 0.040% | N/A | 1,750 |
| Sub. Tier Debt Service Fund: Redemption Account Total | | 1,750 | | | 1,750 |

10.0 Investment Report (Cont.)

| Account Name | Security Type ¹ | Par | Coupon | Maturity | Market Value ² |
|--|----------------------------|-------------------------|--------|----------|---------------------------|
| Reserves, RSF & Enhancement Fund Accounts | | | | | |
| Jr. O&M Fund | TexPool | 33,719,061 | 0.040% | N/A | \$ 33,719,061 |
| Jr. O&M Fund Total | | 33,719,061 | | | 33,719,061 |
| O&M Reserve Fund | TexPool | 11,591,213 | 0.040% | N/A | 11,591,213 |
| O&M Reserve Fund Total | | 11,591,213 | | | 11,591,213 |
| Rate Stabilization Fund | TexPool | 98,957,568 | 0.040% | N/A | 98,957,568 |
| | TexPool Prime | 17,114,005 | 0.100% | N/A | 17,114,005 |
| | T-Note | 10,000,000 | 2.250% | 07/31/21 | 10,092,200 |
| | FHLMC | 25,000,000 | 0.625% | 11/25/25 | 24,752,500 |
| Rate Stabilization Fund Total | | 151,071,573 | | | 150,916,273 |
| Major Maintenance Fund | TexPool | 16,070,043 | 0.040% | N/A | 16,070,043 |
| Major Maintenance Fund Total | | 16,070,043 | | | 16,070,043 |
| Grand Parkway Enhancement Fund | TexPool | 89,432,991 | 0.040% | N/A | 89,432,991 |
| | TexPool Prime | 28,206,592 | 0.100% | N/A | 28,206,592 |
| | FFCB | 13,132,000 | 1.900% | 06/24/21 | 13,207,246 |
| | T-Note | 7,000,000 | 2.250% | 07/31/21 | 7,064,540 |
| | FHLMC | 25,000,000 | 0.625% | 11/25/25 | 24,752,500 |
| Grand Parkway Enhancement Fund Total | | 162,771,583 | | | 162,663,869 |
| Total Trust Accounts | | \$ 971,679,040 | | | \$ 972,688,752 |
| BANs Proceeds Held Outside the Trust | | | | | |
| Tax-Exempt BANs Proceeds (H&I) | TexPool | 269,714,276 | 0.040% | N/A | 269,714,276 |
| | TexPool Prime | 28,249,315 | 0.100% | N/A | 28,249,315 |
| | FHLB | 25,000,000 | 0.000% | 03/19/21 | 24,999,750 |
| | T-Note | 16,000,000 | 2.250% | 07/31/21 | 16,147,520 |
| | T-Note | 25,000,000 | 2.000% | 12/31/21 | 25,398,500 |
| Tax-Exempt BANs Proceeds (H&I) Total | | 363,963,592 | | | 364,509,362 |
| Subtier Capitalized BANs Interest | MM | 2 | 0.010% | N/A | 2 |
| | TexPool | 46,416,687 | 0.040% | N/A | 46,416,687 |
| | T-Note | 15,000,000 | 2.250% | 03/31/21 | 15,027,000 |
| | T-Note | 15,000,000 | 2.125% | 09/30/21 | 15,181,050 |
| Subtier Capitalized BANs Interest Total | | 76,416,689 | | | 76,624,739 |
| Total BANs Accounts | | \$ 440,380,280 | | | \$ 441,134,100 |
| Grand Total | | \$ 1,412,059,321 | | | \$ 1,413,822,852 |

Notes

¹ All investments are compliant with the PFIA per Chapter 2256 of the Texas Government Code and the TIFIA loan. TIFIA authorized investments are more restrictive than the PFIA.

² Market Value includes interest earned on TexPool and Texpool Prime investments, but not received in Trust Accounts until after period end.

11.0 Significant Events and Disclosures

Construction Progress Reports

Copies of the progress reports required under the Trust Agreement are available on EMMA, and the GPTC Construction Progress Report for the H and I Project as of Feb. 28, 2021 (the most recent) is available by clicking [here](#).

Severe Winter Weather Uri

On Feb. 12, 2021, Texas Governor Greg Abbott issued a proclamation certifying that severe winter weather (later named Uri) poses an imminent threat of widespread and severe property damage, injury, and loss of life due to prolonged

freezing temperatures, heavy snow, and freezing rain statewide, and declaring a state of disaster in all 254 counties of the State of Texas based on the existence of such threat.

As a result, tolls on the Grand Parkway System were suspended at 1:42 pm Monday, Feb. 15, 2021. Tolls were reinstated at 12:01 am, Feb. 21, 2021.

Chief Financial Officer of TxDOT

Effective April 7, 2021, Stephen Stewart, CPA was appointed Chief Financial Officer of TxDOT.

12.0 Relevant Links

Reports should not be considered to speak as of any date other than the date indicated in such document.

| | |
|--|---|
| EMMA Website | https://emma.msrb.org |
| EMMA Grand Parkway Issuer Homepage | https://emma.msrb.org/IssuerHomePage/Issuer?id=FE6B36B2ABF03965E043151ED20A5A56&type=M |
| Grand Parkway AFR (Fiscal Year 2020) | https://emma.msrb.org/P11535056.pdf |
| Official Statement for 2020 Bonds | https://emma.msrb.org/ER1312140-ER1022440-ER1428608.pdf |
| Grand Parkway 2020 T&R Forecast | https://emma.msrb.org/SS1492685.pdf |
| Offering Memorandum for 2018 BANs | https://emma.msrb.org/ER1130132-ER884441-ER1285118.pdf |
| Grand Parkway H and I Project Q2 FY2021 Construction Progress Report | https://emma.msrb.org/P11572546.pdf |
| TxDOT Investor Relations Website | www.txdot.gov/inside-tdot/division/debt/investors.html |
| GPTC Investor Relations Website | http://www.dot.state.tx.us/grandparkwaysystem/investor-relations.htm |
| Grand Parkway System Toll Rate Schedules | https://www.tntag.org/tntagstorefront/en/learnmore/houstonAreaTolls |

13.0 Contact Information

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