

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the Series 2014 Bonds (as defined herein) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2014 Bonds. However, such interest is an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the Series 2014 Bonds is exempt from income taxation in the State of Indiana, except for the financial institutions tax. See "TAX MATTERS" and APPENDIX J—"FORM OF APPROVING OPINION OF BOND COUNSEL".

\$243,845,000
INDIANA FINANCE AUTHORITY
TAX-EXEMPT PRIVATE ACTIVITY BONDS
(I-69 SECTION 5 PROJECT), SERIES 2014

Dated: Date of Delivery

Due: As shown on inside cover

The Indiana Finance Authority Tax-Exempt Private Activity Bonds (I-69 Section 5 Project), Series 2014 (the "Series 2014 Bonds"), will be issued by the Indiana Finance Authority (the "Issuer"), a body politic and corporate, not an agency of the State of Indiana (the "State") but an independent instrumentality, exercising essential public functions of the State, pursuant to an Indenture of Trust, expected to be dated as of July 1, 2014 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The proceeds of the Series 2014 Bonds will be loaned to I-69 Development Partners LLC (the "Company"), a Delaware limited liability company to (a) pay a portion of the costs of the Project (as defined herein) and (b) to fund the Series 2014 Bond DSRA (as defined herein) to the extent not funded to the required level by equity contributions from each of Isolux Infrastructure Netherlands B.V., a limited liability company (*besloten vennootschap*) organized under the laws of the Kingdom of the Netherlands ("Isolux Infrastructure") and, if applicable, Infra-PSP Canada Inc., a corporation organized under the laws of Canada ("Infra-PSP", and together with Isolux Infrastructure, the "Sponsors") or other sources of funds, as described herein under the caption "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Series 2014 Bond DSRA".

The I-69 Section 5 Project consists of the design, construction and financing of, and, with respect to portions that are within the O&M Limits (as defined herein), the concurrent and subsequent operation and maintenance of, the upgrading of approximately 21 miles of existing State Road 37, a four-lane median divided highway, between Bloomington, Indiana, and Martinsville, Indiana, to an interstate highway, including four new interchanges, 12 new bridge structures to allow for grade-separated crossings or for waterway crossing, and varying degrees of improvements to the existing interchanges and overpasses and a new operations and maintenance management center (the "Project"). The purposes of the Project include, among other things, strengthening the transportation network in the State, supporting economic development in the region, and completing the portion of the broader I-69 project between Evansville and Indianapolis. The Project is being developed pursuant to a certain Public-Private Agreement, dated as of April 8, 2014, to be amended on or about the date of delivery of the Series 2014 Bonds (the "Closing Date") (the "Public-Private Agreement"), between the Company and the Indiana Finance Authority (in such capacity, the "Contracting Authority"), pursuant to which the Contracting Authority has granted to the Company an exclusive concession to finance, develop, design, construct, insure, manage and, with respect to the portions of the Project located within the O&M Limits (as defined herein), to operate, maintain, repair and perform rehabilitation work on and for the Project, for 35 years after the earlier of the Baseline Substantial Completion Date (as defined herein) and the Substantial Completion Date (as defined herein), in return for payments by the Contracting Authority primarily in the form of Milestone Payments and Availability Payments (each as defined herein). The source of funds for payment of the Milestone Payments, Availability Payments and other amounts due to the Company under the Public-Private Agreement is ultimately subject to the availability of funds appropriated by the General Assembly of the State.

All of the Company's rights under the Public-Private Agreement and under the other Material Project Contracts (as defined herein), together with the other Security Interests (as defined herein) created under the Security Documents (as defined herein) for the benefit of the Collateral Agent (as defined herein) on behalf of the Owners of the Series 2014 Bonds, will form part of the Trust Estate (as defined herein) to be pledged and assigned to the Trustee as security for the Company's obligations under the Senior Loan Agreement (as defined herein), including the obligation to make payments to the Trustee equal to the amounts coming due on the Series 2014 Bonds. In addition, each of the Sponsors will make, as indirect shareholders of the Company, on the Closing Date, certain equity contributions up to a required amount. See "FINANCING FOR THE PROJECT—Equity Contributions" and "PROJECT PARTICIPANTS".

Interest on the Series 2014 Bonds from their date of delivery will be payable semi-annually on March 1 and September 1 of each year, commencing on September 1, 2014, at the rates shown on the inside cover page. The Series 2014 Bonds will be subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity, as described herein. See "THE SERIES 2014 BONDS".

The Series 2014 Bonds will be issued as fully registered bonds in denominations of \$5,000 and integral multiples thereof and, when issued, the Series 2014 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2014 Bonds. Purchases of beneficial interests in the Series 2014 Bonds will be made in book-entry form only, and purchasers will not receive certificates representing their interests in the Series 2014 Bonds except as described herein.

Investing in the Series 2014 Bonds involves a significant degree of risk. See "RISK FACTORS".

The Series 2014 Bonds will be special and limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate under the Indenture, including the payments to be made by the Company to the Issuer under the Senior Loan Agreement and will not be payable from taxes or appropriations made by the General Assembly of the State. The Series 2014 Bonds will not constitute an indebtedness, or a pledge of the faith and credit, of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The special limited obligation of the Issuer to pay the amount of the principal of, or interest or premium, if any, on the Series 2014 Bonds will not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Issuer has no taxing power. The Owners of the Series 2014 Bonds will have, individually or collectively, no right to have taxes levied or compel appropriations by the General Assembly of the State or any political subdivision of the State for the payment of any or all of the amount of such principal of, or interest or premium, if any, on the Series 2014 Bonds.

The Series 2014 Bonds will be offered when, as and if issued and delivered by the Issuer and accepted by the Underwriters and subject to receipt of the approving legal opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, as Bond Counsel ("Bond Counsel"), and to certain other conditions. Certain legal matters will be passed upon for the Indiana Finance Authority by its special counsel, Ice Miller LLP, Indianapolis, Indiana, and Nossaman LLP, Los Angeles, California; for the Company, the Pledgor (as defined herein) and Isolux Infrastructure by its counsel, Chadbourne & Parke LLP, New York, New York, and Barnes & Thornburg LLP, Indianapolis, Indiana; Indiana; for PSP Investments by its counsel Morrisson & Foerster LLP, New York, New York and for the Underwriters by their counsel, White & Case LLP, New York, New York, and Krieg DeVault LLP, Indianapolis, Indiana. It is expected that delivery of the Series 2014 Bonds will be made through the facilities of DTC on or about July 23, 2014.

Citigroup

Jefferies

\$243,845,000
INDIANA FINANCE AUTHORITY
TAX-EXEMPT PRIVATE ACTIVITY BONDS
(I-69 SECTION 5 PROJECT), SERIES 2014

SERIAL BOND

Maturity Date	Principal Amount	Interest Rate	Yield	CUSIP*
March 1, 2017	\$3,530,000	4.00%	1.50% ⁺	45506DLJ2

TERM BONDS

\$6,175,000	5.25% Series 2014 Term Bond due September 1, 2025 –Yield 3.98% ⁺⁺ (CUSIP*45506DLK9)
\$5,405,000	5.25% Series 2014 Term Bond due September 1, 2026 –Yield 4.08% ⁺⁺ (CUSIP* 45506DLL7)
\$6,150,000	5.25% Series 2014 Term Bond due September 1, 2027 –Yield 4.17% ⁺⁺ (CUSIP* 45506DLM5)
\$6,980,000	5.25% Series 2014 Term Bond due September 1, 2028 –Yield 4.25% ⁺⁺ (CUSIP* 45506DLN3)
\$7,800,000	5.25% Series 2014 Term Bond due September 1, 2029 –Yield 4.33% ⁺⁺ (CUSIP* 45506DLP8)
\$52,745,000	5.25% Series 2014 Term Bond due September 1, 2034 –Yield 4.67% ⁺⁺ (CUSIP* 45506DLQ6)
\$78,245,000	5.25% Series 2014 Term Bond due September 1, 2040 –Yield 4.86% ⁺⁺ (CUSIP* 45506DLS2)
\$76,815,000	5.00% Series 2014 Term Bond due September 1, 2046 – Price 100% (CUSIP* 45506DLR4)

* Copyright 2014, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein are provided by S&P, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for CUSIP Service. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer or the Company and are provided solely for convenience and reference. The CUSIP numbers for the Series 2014 Bonds of a specific maturity are subject to change after the issuance of the Series 2014 Bonds. None of the Issuer, the Company or the Underwriters takes any responsibility for the accuracy of such CUSIP numbers.

⁺ Priced at the stated yield to the December 1, 2016, optional redemption date at a redemption price of 100%.

⁺⁺ Priced at the stated yield to the September 1, 2024, optional redemption date at a redemption price of 100%.

No dealer, broker, salesman or other person has been authorized by the Company, the Indiana Finance Authority, the Underwriters or any other person described herein to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Company, the Indiana Finance Authority or the Underwriters or any such other person. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be (i) any sale of the Series 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale or (ii) any offer, solicitation or sale to any person to whom it is unlawful to make such offer, solicitation or sale. The information set forth herein concerning DTC has been furnished by DTC, and no representation is made by the Company, the Indiana Finance Authority or the Underwriters as to the completeness or accuracy of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sales made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Indiana Finance Authority, the Company, the Sponsors or DTC (or any other information) since the date hereof.

The following sentence is provided by the Underwriters for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Indiana Finance Authority has not prepared or assisted in the preparation of this Official Statement, except the statements made under “SUMMARY—THE INDIANA FINANCE AUTHORITY AND THE PROJECT—The Indiana Finance Authority”, “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Issuer Not Liable on the Series 2014 Bonds”, “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Appropriation Risk”, “CONTRACTING AUTHORITY AGREEMENTS”, “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW”, “THE INDIANA FINANCE AUTHORITY”, “LITIGATION—The Issuer”, “LITIGATION—The Contracting Authority”, “CONTINUING DISCLOSURE OF INFORMATION” (with respect to only the information related to the Indiana Finance Authority Continuing Disclosure Agreement and the Contracting Authority’s compliance with previous continuing disclosure undertakings), APPENDIX A—“FINANCIAL AND ECONOMIC STATEMENT FOR STATE OF INDIANA”, APPENDIX I-1—“FORM OF INDIANA FINANCE AUTHORITY CONTINUING DISCLOSURE AGREEMENT”, and APPENDIX L—“SUMMARY OF CERTAIN CONTRACTING AUTHORITY AGREEMENTS” herein and except as noted above, the Indiana Finance Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Series 2014 Bonds, the Indiana Finance Authority has not otherwise assisted in the public offer, sale or distribution of the Series 2014 Bonds. Accordingly, except as aforesaid, the Indiana Finance Authority disclaims responsibility for the disclosures set forth in the Official Statement or otherwise made in connection with the offer, sale and distribution of the Series 2014 Bonds.

The Series 2014 Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended. Neither the Securities and Exchange Commission nor any other state securities commission has approved or disapproved of the Series 2014 Bonds or passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

In making an investment decision, investors must rely on their own examination of the Company, the Indiana Finance Authority and the Project and the terms of the offering, including the merits and risks involved. Investors should carefully review this entire Official Statement, including the matters described under the caption “RISK FACTORS,” before deciding to invest in the Series 2014 Bonds. None of the Company, the Indiana Finance Authority, the Sponsors or the Underwriters or any of their representatives or affiliates is making any representation regarding the legality of an investment by any person under applicable investment or similar laws. Investors in the Series 2014 Bonds should not construe anything in this Official Statement as legal, business, financial or tax advice and should consult with their own advisors as to legal, tax, business, financial and related aspects of the Series 2014 Bonds.

The statements contained in this Official Statement, and in any other information provided by the Company or any consultant, that are not purely historical, are forward-looking statements. Forward looking-statements can be identified by the use of forward-looking words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” and “anticipates” or the negative terms or other comparable words, or by discussions of strategy, plans or intentions. Examples of forward-looking statements

are statements that concern the Company's or the Project's future revenues, costs, projections and liquidity. The forward-looking statements contained herein are based on the Company's expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete or imprecise or not reflective of actual results. The Company does not undertake to update or revise any of the forward-looking statements contained herein, even if it becomes clear that the forward-looking statements contained herein will not be realized.

The order and placement of information in this Official Statement, including appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience purposes only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section of this Official Statement. Some figures included in this Official Statement may not represent exact amounts because they were rounded for ease of presentation. Accordingly, the total results shown in tables included elsewhere in this Official Statement may not correspond to the exact arithmetic sum of the figures that precede them.

This Official Statement contains summaries of and references to documents that the Company believes to be accurate, however, reference is made to the actual documents for complete information. All such summaries and references are qualified in their entirety by such reference. Copies of the Indenture and the Security Documents may be obtained during the initial offering period from the principal offices of the Underwriters in New York, New York and thereafter, executed copies may be obtained from the principal offices of the Trustee.

All disclosures contained in this Official Statement pertaining to Isolux Infrastructure, Infra-PSP, I-69 Investment Partners LLC, a limited liability company organized under the laws of the State of Delaware (the "Pledgor"), Corsán-Corviam Construcción, S.A., a corporation (*sociedad anónima*) organized under the laws of the Kingdom of Spain ("Corsán Spain") and Isolux Corsán, LLC, a limited liability company organized under the laws of Texas ("Corsán USA" and the "Design-Build Contractor"), have been provided by the Sponsors, the Pledgor, Corsán Spain and the Design-Build Contractor, as applicable, for inclusion in this Official Statement or are derived from publicly available information. In particular, information on Infra-PSP and on its parent, the Public Sector Pension Investment Board, a Crown corporation organized under the laws of Canada ("PSP Investments"), is derived from www.investpsp.ca (which website is not incorporated herein) and information on Isolux Infrastructure is derived from www.isoluxcorsan.com (which website is not incorporated herein).

In addition, substantially all of the assets of the Sponsors are located in the Kingdom of the Netherlands or Canada, respectively and, most of their directors and executive officers reside outside the United States, and all of the assets of such persons are located outside the United States. As a result, it may be difficult for Owners of the Series 2014 Bonds to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U.S. courts against Isolux Infrastructure or Infra-PSP or those persons based on the civil liability provisions of the U.S. securities laws. Prospective investors in the Series 2014 Bonds should consult their own legal advisers concerning service of process and the enforceability of civil judgments under the laws of the Kingdom of the Netherlands and Canada.

All capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed to them in the definitions set forth in APPENDIX B—"DEFINITIONS OF TERMS".

In the District of Columbia, Montana, New Hampshire and North Dakota, the Series 2014 Bonds may only be offered and sold to institutional investors as such term is defined by the relevant securities rules and regulations applicable in such states.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

	Page
SUMMARY	1
INTRODUCTION	11
THE SERIES 2014 BONDS.....	12
General	12
Payment of the Series 2014 Bonds	12
Redemption of Series 2014 Bonds Prior to Maturity	13
<i>Optional Redemption</i>	13
<i>Mandatory Sinking Fund Redemption</i>	13
<i>Extraordinary Mandatory Redemption</i>	15
<i>Notice of Redemption</i>	15
Book-Entry-Only System	16
Indenture.....	16
Grant of Trust Estate	16
Establishment of Funds and Accounts.....	17
Additional Parity Bonds	17
Indenture Events of Default.....	19
Remedies Following and During the Continuance of an Indenture Event of Default	19
Use of Moneys Received from Exercise of Remedies.....	20
Amendments or Supplemental Indentures Not Requiring Consent of Owners	21
Amendments or Supplemental Indentures Requiring Consent of Owners	22
Amendments to Senior Loan Agreement Not Requiring Consent of Owners	22
Amendments to Senior Loan Agreement Requiring Consent of Owners.....	23
Actions of Trustee Requiring Owner Consent Pursuant to the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement	23
Direction of Trustee at the Request of the Collateral Agent or Trustee Not Requiring Consent of Owners	24
Direction of Trustee at the Request of the Collateral Agent or Trustee Requiring Consent of Owners	24
THE I-69 SECTION 5 PROJECT	26
Overview	26
Key Objectives of the Project.....	29
Implementation of the Project	30
PROJECT PARTICIPANTS	31
Company	31
Sponsors	31
<i>Isolux Infrastructure</i>	32
<i>Infra-PSP</i>	34
Pledgor	34
Design-Build Contractor	34
SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS	36
Sources of Payment Generally	36
Collateral Generally.....	36
The Series 2014 Bonds	36
Series 2014 Bond DSRA	36
Security Agreement.....	37
<i>Remedies</i>	38
Pledge Agreement	39
<i>Grant</i>	39
<i>Additional Pledged Collateral and Additional Membership Interests</i>	39

TABLE OF CONTENTS
(continued)

	Page
<i>Remedies</i>	40
<i>Non-Recourse to Pledgor</i>	40
Collateral Agency Agreement.....	41
Intercreditor Terms Among the Secured Parties.....	41
<i>General</i>	41
<i>Exercise of Remedies</i>	41
<i>Amounts Not Subject to Sharing</i>	42
Direct Agreements.....	42
Issuer Not Liable on the Series 2014 Bonds.....	43
FINANCING FOR THE PROJECT	44
Senior Debt.....	44
Senior Loan Agreement.....	44
Equity Contributions.....	50
Milestone Payments and Availability Payments.....	52
RISK FACTORS	54
Risks Relating to the Indiana Finance Authority and the Company.....	54
<i>Series 2014 Bonds are Special, Limited Obligations</i>	54
<i>Company is a Single Purpose Entity</i>	54
<i>Appropriation Risk</i>	55
<i>Conflicting Interests of the Parties</i>	55
<i>Political Risk and Community Risk</i>	56
<i>Third Party Beneficiary Risk</i>	56
<i>Termination of Milestone Agreement and Use Agreement</i>	56
<i>Equity Contributions</i>	57
Risks Relating to the Project.....	57
<i>Pass-Through Risks</i>	57
<i>Construction Risks</i>	57
<i>Changes in Law</i>	59
<i>Environmental and Permitting Risks</i>	60
<i>Operating Risks</i>	62
<i>Judicial Challenge</i>	63
Risks Relating to the Public-Private Agreement.....	63
<i>Failure to Comply with Public-Private Agreement; Termination of the Public-Private Agreement</i>	63
<i>Risk of Set-Off</i>	64
<i>Changes in Technical Requirements</i>	64
<i>Non-Performance or Delay under Public-Private Agreement</i>	64
<i>Events of Force Majeure; Limited Insurance Coverage; Relief Event Deductibles and Compensation</i>	65
<i>Deferral</i>	65
<i>Inflation Risk</i>	66
Risks Relating to the Series 2014 Bonds.....	66
<i>Bankruptcy and Insolvency Risks</i>	66
<i>Limitations on Enforceability</i>	67
<i>Insufficient Collateral</i>	68
<i>No Interest in Real Property</i>	69
<i>Uncertainties of Forecasts and Assumptions</i>	69
<i>Ratings of Series 2014 Bonds</i>	69
<i>Market Liquidity</i>	69
<i>Additional Senior Debt and Additional Parity Bonds</i>	70
<i>Tax-Exempt Status; Change in Tax Laws</i>	70

TABLE OF CONTENTS
(continued)

	Page
PUBLIC-PRIVATE AGREEMENT	72
General	72
Commencement of D&C Work.....	72
Provisions Relating to Financing of the Company’s Obligations.....	73
Project Right of Way.....	74
Environmental and Regulatory Matters.....	74
Construction of the Project.....	74
Operation and Maintenance.....	75
Changes to the Project.....	76
Relief Events	76
Termination	76
Payments Under the Public-Private Agreement	78
<i>Limited Obligations; Covenant to Seek Appropriation</i>	84
Handback Requirements.....	85
Dispute Resolution	85
DESIGN-BUILD CONTRACT.....	86
General	86
Scope of Work.....	86
Back-to-Back Obligations	87
Performance Standards.....	87
Project Right of Way.....	87
Site Conditions	87
Company’s Right to Carry Out Work.....	87
Compensation and Payments.....	87
Limitation on Design-Build Contractor’s Liability	88
Completion Deadlines and Recovery Plans.....	88
Liquidated Damages.....	89
Performance Security	89
Relief Events	91
Warranties	91
Suspension of Work	92
Termination Rights.....	92
<i>Termination for Design-Build Contractor Default</i>	92
<i>Termination for Company Default</i>	93
<i>Other Termination</i>	93
DB Assignment and Amendment.....	93
Design-Build Guaranty.....	93
CONTRACTING AUTHORITY AGREEMENTS.....	95
Milestone Agreement	95
Use Agreement.....	95
REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW.....	97
Payments from the Department.....	97
Contracting Authority Budget Forecasts	97
Appropriation and State Budget Processes.....	98
PROJECT ACCOUNTS AND FLOW OF FUNDS.....	101
General	101
Project Accounts.....	101

TABLE OF CONTENTS
(continued)

	Page
Funds as Collateral	117
Investment	117
Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Senior Event of Default. .	117
THE INDIANA FINANCE AUTHORITY	119
ESTIMATED SOURCES AND USES OF FUNDS AT CLOSING.....	122
Sources and Uses of Funds on the Closing Date	122
Projected Sources and Uses of Funds During the Construction Funding Period (Ending December 31, 2016) ..	123
Projected Annual Receipt and Expenditure of Funds	124
Annual Debt Service Requirements on the Series 2014 Bonds for the Project	125
PERMITS; ENVIRONMENTAL COMPLIANCE AND ENVIRONMENTAL LITIGATION	126
TECHNICAL ADVISOR’S REPORT	127
LITIGATION	130
The Issuer	130
The Contracting Authority	130
The Company	130
CONTINUING DISCLOSURE OF INFORMATION.....	131
LEGAL MATTERS	132
TAX MATTERS	133
Opinion.....	133
Federal Income Tax Accounting Treatment of Amortizable Bond Premium.....	133
Collateral Federal Income Tax Consequences.....	134
State, Local and Foreign Taxes	134
Changes in Federal and State Tax Law	135
RATINGS.....	136
UNDERWRITING	137
MISCELLANEOUS.....	138
Financial Advisors.....	138
Registration of the Series 2014 Bonds	138
Additional Information.....	138

TABLE OF CONTENTS
(continued)

		Page
<u>APPENDICES</u>		
APPENDIX A	FINANCIAL AND ECONOMIC STATEMENT FOR STATE OF INDIANA	A-1
APPENDIX B	DEFINITIONS OF TERMS	B-1
APPENDIX C	SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT	C-1
APPENDIX D	SUMMARY OF CERTAIN PROVISIONS OF THE DESIGN-BUILD CONTRACT	D-1
APPENDIX E	SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT	E-1
APPENDIX F	SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE	F-1
APPENDIX G	SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LOAN AGREEMENT	G-1
APPENDIX H	TECHNICAL ADVISOR'S REPORT	H-1
APPENDIX I-1	FORM OF INDIANA FINANCE AUTHORITY CONTINUING DISCLOSURE AGREEMENT	I-1-1
APPENDIX I-2	FORM OF BORROWER CONTINUING DISCLOSURE AGREEMENT	I-2-1
APPENDIX J	FORM OF APPROVING OPINION OF BOND COUNSEL	J-1
APPENDIX K	BOOK ENTRY ONLY SYSTEM	K-1
APPENDIX L	SUMMARY OF CERTAIN CONTRACTING AUTHORITY AGREEMENTS	L-1

SUMMARY

This Summary is not a complete description of the Series 2014 Bonds or the Project and does not contain all of the information that investors in the Series 2014 Bonds should consider before making an investment decision with respect to the Series 2014 Bonds. Investors should read the more detailed information appearing in this Official Statement and the documents summarized or described herein in their entirety for a more complete understanding about the Project, the offering and the terms of and security and sources of payment for the Series 2014 Bonds. Terms used in this Summary and not defined in this Summary are defined in APPENDIX B—“DEFINITIONS OF TERMS”.

THE SERIES 2014 BONDS

Bonds Offered	Indiana Finance Authority Tax-Exempt Private Activity Bonds (I-69 Section 5 Project), Series 2014 in the aggregate principal amount of \$243,845,000 (the “Series 2014 Bonds”). The Series 2014 Bonds will be issued as fully registered bonds in denominations of \$5,000 and integral multiples thereof. The Series 2014 Bonds will be repaid by the Company from various sources of revenue, including Availability Payments and Milestone Payments under the Public-Private Agreement, Equity Contributions under the Equity Contribution Agreement and other available amounts (including Compensation Amounts and Termination Compensation, if any), as more fully described herein. See “THE SERIES 2014 BONDS”. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Equity Contributions”.
Interest	The Series 2014 Bonds will bear interest at the rates shown on the inside cover page of this Official Statement. Interest on the Series 2014 Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. See “THE SERIES 2014 BONDS”.
Interest Payment Dates	Interest will be payable semi-annually on March 1 and September 1 of each year, commencing on September 1, 2014, until maturity or prior redemption. See “THE SERIES 2014 BONDS”.
Maturity Dates	The Series 2014 Bonds will mature, subject to prior redemption (if any), on the dates shown on the inside cover page of this Official Statement.
Optional Redemption	<p>Prior to September 1, 2024, the Issuer, at the direction of the Company, may redeem the Series 2014 Bonds prior to maturity, in whole or in part (and if in part, in Authorized Denominations), by lot within such maturities as selected by the Company, at the Make-Whole Redemption Price.</p> <p>On December 1, 2016 and thereafter, the Issuer, at the direction of the Company, may redeem the Short Term Serial Bond prior to maturity, in whole and not in part, with funds provided by the Company, at a redemption price equal to par plus accrued interest to, but not including, the redemption date. Should construction of the Project proceed as expected (currently, the Baseline Substantial Completion Date is established as October 31, 2016), the Company expects to redeem the Short Term Serial Bond on December 1, 2016. See “THE SERIES 2014 BONDS—Redemption of Series 2014 Bonds Prior to Maturity—Optional Redemption”.</p>

	<p>On and after September 1, 2024, the Issuer, at the direction of the Company, may redeem the Series 2014 Bonds maturing on or after September 1, 2025, prior to maturity, in whole or in part (and if in part, in Authorized Denominations), by lot within such maturities as selected by the Company, at a redemption price equal to par plus accrued interest to, but not including, the redemption date.</p>
Mandatory Sinking Fund Redemption	<p>Certain of the Series 2014 Bonds will be subject to mandatory sinking fund redemption prior to maturity in the aggregate principal amounts and on the dates set forth herein, at a redemption price equal to par plus accrued interest to, but not including, the redemption date. See “THE SERIES 2014 BONDS—Redemption of Series 2014 Bonds Prior to Maturity—Mandatory Sinking Fund Redemption”.</p>
Extraordinary Mandatory Redemption	<p>The Series 2014 Bonds will be subject to extraordinary mandatory redemption by lot within such maturities as selected by the Company at a redemption price equal to par plus accrued interest to, but not including, the redemption date. See “THE SERIES 2014 BONDS—Redemption of Series 2014 Bonds Prior to Maturity—Extraordinary Mandatory Redemption”.</p>
Book-Entry-Only System	<p>DTC will act as the securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully-registered securities in the name of Cede & Co., as nominee for DTC, or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2014 Bond certificate will be issued for each maturity of the Series 2014 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. Delivery of the Series 2014 Bonds is expected to be made on or about July 23, 2014. See “THE SERIES 2014 BONDS—Book-Entry-Only System”.</p>
Special, Limited Obligations.....	<p>Except for payments received pursuant to the Senior Loan Agreement as described in the following sentence, the Owners of the Series 2014 Bonds may not look to any revenues of the Issuer for repayment of the Series 2014 Bonds. The only sources of repayment of the Series 2014 Bonds will be payments provided by the Company to the Issuer pursuant to the Senior Loan Agreement and the Security Interests that are part of the Trust Estate. The Series 2014 Bonds will be special and limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate under the Indenture, including the payments to be made by the Company to the Issuer under the Senior Loan Agreement. The Series 2014 Bonds will not be payable from taxes or appropriations made by the General Assembly of the State and will not constitute an indebtedness, or a pledge of the faith and credit, of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The special limited obligation of the Issuer to pay the amount of the principal of, or interest or premium, if any, on the Series 2014 Bonds will not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Issuer has no taxing power. The Owners of the Series 2014 Bonds will have, individually or collectively, no right to have taxes levied or compel appropriations by the General Assembly of the State or any political subdivision of the State for the payment of any or all of the amount of such principal of, or interest or premium, if any, on the Series 2014 Bonds.</p>

THE INDIANA FINANCE AUTHORITY AND THE PROJECT

The Indiana Finance Authority The Indiana Finance Authority is a body politic and corporate, not a State agency, but an independent instrumentality, exercising essential public functions of the State. Though separate from the State, the exercise by the Indiana Finance Authority of its powers constitutes an essential governmental, public and corporate function. The Indiana Finance Authority was reconstituted by the Indiana General Assembly in 2005 as a body politic and corporate pursuant to Indiana Code 4-4-10.9 and 4-4-11, as amended.

As described herein, the Indiana Finance Authority has two separate and distinct roles and responsibilities in connection with the financing and implementation of the Project: (a) as a party to the Public-Private Agreement and (b) as the “conduit issuer” of the Series 2014 Bonds. When acting in its capacity as the issuer of the Series 2014 Bonds, which will be special, limited obligations of the Indiana Finance Authority issued for the benefit of the Company, the Indiana Finance Authority is referred to in this Official Statement as the “Issuer.” When acting in its capacity as a party to the Public-Private Agreement, the Indiana Finance Authority is referred to in this Official Statement as the “Contracting Authority”. See “THE INDIANA FINANCE AUTHORITY”.

The Project The Project consists generally of the design, construction and financing of, and, with respect to portions that are within the O&M Limits, the concurrent and subsequent operation and maintenance of, the upgrading of approximately 21 miles of existing State Road 37, referred to as the I-69 Section 5 Project, a four-lane median divided highway, between Bloomington, Indiana, and Martinsville, Indiana, to an interstate highway, including four new interchanges, 12 new bridge structures to allow for grade-separated crossings or for waterway crossing, and varying degrees of improvements to the existing interchanges and overpasses and a new Operations and Maintenance Management Center.

The purposes of the Project include, among other things, strengthening the transportation network in the State, supporting economic development in the region and completing the portion of the broader I-69 project between Evansville and Indianapolis. See “THE I-69 SECTION 5 PROJECT”.

Project Costs Total costs of the Project are currently estimated to be approximately \$369,395,692. Project Costs will be funded from proceeds of the Series 2014 Bonds, Equity Contributions from the Sponsors, certain Milestone Payments received by the Company from the Contracting Authority under the Public-Private Agreement and interest earnings on all amounts in the Securities Accounts. See “ESTIMATED SOURCES AND USES OF FUNDS AT CLOSING”. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Equity Contributions”.

The Company I-69 Development Partners LLC, a Delaware limited liability company, has entered into the Public-Private Agreement with the Contracting Authority for the purpose of undertaking the Project. The Company is indirectly owned by Isolux Infrastructure (51%) and Infra-PSP (49%),

as the Sponsors. Isolux Infrastructure is owned by the Isolux Group (80.77%) and by PSPEUR, S.à.r.l., an affiliate of Infra-PSP (19.23%). The Isolux Group is a privately held, global company specializing in large-scale infrastructure projects in five market sectors: heavy civil construction, concessions, engineering, energy and industrial services. Infra-PSP is a wholly owned subsidiary of PSP Investments, a manager of amounts of certain Canadian pension funds, having a diversified global portfolio including public equities, private equity, bonds and other fixed-income securities, real estate, infrastructure and renewable resources. See “PROJECT PARTICIPANTS—Sponsors”.

Construction.....

Substantially all of the construction work relating to the Project is being undertaken by the Design-Build Contractor, Corsán USA, an affiliate of the Company and part of the Isolux Group, pursuant to the Design-Build Contract described herein. Corsán Spain has assigned all of its rights and obligations under the Design-Build Contract to the Design-Build Contractor, and the Design-Build Contractor has assumed all of Corsán Spain’s rights and obligations under the Design-Build Contract, pursuant to an Assignment and Assumption Agreement and Amendment Number One to the Design-Build Contract, dated as of July 1, 2014 (the “DB Assignment and Amendment”), between Corsán Spain and the Design-Build Contractor, with the approval of the Contracting Authority and the consent of the Company. Notwithstanding the above, Corsán Spain has not been released from, and retains liability for, all of the Design-Build Contractor’s obligations under the Design-Build Contract. The Design-Build Contractor, together with Corsán Spain, has experience in design-build contracting for large infrastructure projects in the United States. See “DESIGN-BUILD CONTRACT”. Substantially all of the Company’s design and construction-related obligations in connection with the Project are being passed through to the Design-Build Contractor pursuant to the Design-Build Contract. See “RISK FACTORS—Risks Relating to the Project—Pass-Through Risks”. The Design-Build Contractor may enter into subcontracts for a substantial portion of the D&C Work. The Design-Build Contractor is solely responsible and liable to the Company for any part of the D&C Work that is performed by subcontractors, and subcontracting does not relieve the Design-Build Contractor of any of its obligations, liabilities or responsibilities under the Design-Build Contract. In addition, the Design-Build Contractor delivered a parent company guaranty, dated as of July 1, 2014, from Corsán Spain in favor of the Company and its successors and assignees, in respect of all obligations of the Design-Build Contractor under the Design-Build Contract. See “DESIGN-BUILD CONTRACT—Design-Build Guaranty”. See APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE DESIGN-BUILD CONTRACT—General Obligations of the Design-Build Contractor—Subcontractors and Labor”.

Operations and Maintenance.....

To the extent required by the Public-Private Agreement, the Company is responsible for the operation, maintenance and rehabilitation of the portions of the Project located within the O&M Limits. It is contemplated that the operation and maintenance requirements of the Project will be self-performed by the Company pursuant to the Public-Private Agreement. See “THE I-69 SECTION 5 PROJECT—Implementation of the Project”.

FINANCING FOR THE PROJECT

Senior Debt	The initial senior debt to be incurred in connection with the financing of the Project will be comprised of the Series 2014 Bonds, which will be issued pursuant to the Indenture. Upon the issuance of the Series 2014 Bonds, all of the proceeds of such Series 2014 Bonds will be loaned by the Issuer to the Company on the Closing Date in accordance with and subject to the terms of the Senior Loan Agreement, to be entered into between the Company and the Issuer, and will be available to the Company, subject to the terms and conditions set forth in the Senior Loan Agreement, the Indenture and the Collateral Agency Agreement, to pay a portion of the Project Costs and, if applicable, to fund the Series 2014 Bond DSRA. Pursuant to the Senior Loan Agreement, the Company will agree to make payments to the Trustee in the amounts and on the dates required to pay the principal of, premium, if any, and interest on the Series 2014 Bonds and will agree to comply with various covenants for the benefit of the Trustee and the Owners of the Series 2014 Bonds. See “FINANCING FOR THE PROJECT—Senior Debt”.
Senior Loan Agreement	The Company and the Issuer will enter into a Senior Loan Agreement pursuant to which the proceeds of the Series 2014 Bonds will be loaned to the Company on the date of issuance of the Series 2014 Bonds (the “Series 2014 Loan”), subject to the terms and conditions of the Senior Loan Agreement (the “Senior Loan Agreement”). See “FINANCING FOR THE PROJECT—Senior Loan Agreement”.
Equity Contributions	On the Closing Date, based on an update of the financial model, the Sponsors will commit to make equity contributions in accordance with the Equity Contribution Agreement in an aggregate amount expected to be \$40,452,621, some of which has already been contributed. Any amount of the Committed Contribution Amount, with certain adjustments for changes in Project Costs, that were not funded by the Sponsors on the Closing Date, will be supported by (i) in the case of Isolux Infrastructure, an Equity Letter of Credit or cash deposited into the Equity Contribution Sub-Account of the Construction Account, and (ii) in the case of Infra-PSP, the PSP Guaranty, each delivered by the applicable Sponsor to the Collateral Agent on the Closing Date, which may be drawn or called on if any Equity Contribution is not made when due and in certain other circumstances, in accordance with the Equity Contribution Agreement. The proceeds of all Equity Contributions will be deposited into the Equity Contribution Sub-Account of the Construction Account and applied in accordance with the Collateral Agency Agreement. See “FINANCING FOR THE PROJECT—Equity Contributions”.
Additional Parity Bonds	Pursuant to the Indenture, upon request by the Company, the Issuer may issue Additional Parity Bonds subject to satisfying various requirements set forth in the Indenture. The requirements, terms and conditions of any such Additional Parity Bonds are set forth in more detail below in “THE SERIES 2014 BONDS—Additional Parity Bonds”.
Other Permitted Senior Secured Indebtedness	The Company may incur additional senior secured indebtedness that is equal in priority in payment and security with respect to the Collateral as the Series 2014 Bonds (a) as a borrowing of the proceeds of any

Additional Parity Bonds satisfying the requirements of the Indenture, (b) as other indebtedness for any purpose for which Additional Parity Bonds may be issued and meeting the requirements of the Indenture, and (c) as Senior Hedging Contracts with respect to Senior Secured Obligations. See “FINANCING FOR THE PROJECT—Senior Loan Agreement—Certain Covenants of the Company”.

PUBLIC-PRIVATE AGREEMENT

Public-Private Agreement..... Pursuant to, and subject to the terms of, the Public-Private Agreement, the Contracting Authority has granted to the Company a concession for the exclusive right to finance, develop, design, construct, insure, manage and, with respect to the portions of the Project located within the O&M Limits, to operate, maintain, repair and perform Rehabilitation Work on and for the Project, in return for payments by the Contracting Authority primarily in the form of Milestone Payments and Availability Payments (each as defined herein). The source of funds for payment of the Milestone Payments, Availability Payments and other amounts due to the Company under the Public-Private Agreement is ultimately subject to the availability of funds appropriated by the General Assembly of the State. See “PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement”.

Milestone Payments..... Pursuant to, and subject to the terms of, the Public-Private Agreement, the Contracting Authority has agreed to pay Milestone Payments totaling up to \$80,000,000 (subject to certain caps and adjustments) upon satisfactory achievement of certain Milestones during the Construction Period. The final Milestone Payment is subject to deduction for accumulation of certain Noncompliance Points up to a maximum deduction of \$10,000,000. The Milestone Payments through the end of the Construction Period will be applied by the Company to pay a portion of the costs of D&C Work, and to the extent necessary, principal of, or interest and premium, if any, on the Series 2014 Bonds (including the Short Term Serial Bond). The Contracting Authority expects to make the Milestone Payments from funds paid by the Department to the Contracting Authority under the Milestone Agreement or other funds appropriated by the General Assembly of the State for such purposes. The availability of such funds is subject to appropriation by the General Assembly of the State. Amounts necessary for the Department to make its payments to the Contracting Authority under the Milestone Agreement due in the State Fiscal Year 2015 have been appropriated. See “PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement”.

Availability Payments..... Pursuant to, and subject to the terms of, the Public-Private Agreement, the Contracting Authority has agreed to make Availability Payments during the Operating Period based on the portions of the Project located within the O&M Limits being open and available for public traffic. The Company will receive Availability Payments following the Substantial Completion Date and continuing for the term of the Public-Private Agreement. The Availability Payments will be applied by the Company to pay operations and maintenance costs of the portions of the Project located within the O&M Limits, principal of, interest and premium, if any, on the Series 2014 Bonds, and Other Permitted Senior Secured Indebtedness (if any) and certain other costs.

The Availability Payments will be calculated for each quarter of each State Fiscal Year and may be adjusted for certain deductions in accordance with the Public-Private Agreement. The Contracting Authority expects to make the Availability Payments from funds paid by the Department to the Contracting Authority under the Use Agreement or other funds appropriated by the General Assembly of the State for such purposes. The availability of such funds is subject to appropriation by the General Assembly of the State. See “PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement”.

Relief Events.....

Pursuant to the Public-Private Agreement, the Company will be entitled to schedule relief and compensation for certain costs incurred as a result of a Relief Event. Relief Events include, among other things, the Contracting Authority’s failure to perform its material covenants and certain Force Majeure Events. During the Construction Period, where the performance of the Work has been delayed as a result of the occurrence of a Relief Event, the dates for Project Schedule Deadlines will be extended to reflect the impact of the Relief Event on the critical path of the Work that could not have been reasonably avoided by the Company’s mitigation efforts. During either the Construction Period or the Operating Period, the Company will be entitled to claim certain Delay Costs and Extra Work Costs actually incurred by it as a result of the impact of such Relief Event on the Company’s performance under the Public-Private Agreement and any additional work it will be required to carry out as a result of the applicable Relief Events, subject to certain deductibles. The Company will also be entitled to compensation in certain circumstances in respect of certain of its debt service costs (i) where a Relief Event causes a delay in achieving a Milestone or receiving a Milestone Payment and (ii) where a Relief Event causes missed Availability Payments due to a delay in achieving Substantial Completion by the original Baseline Substantial Completion Date. Relief resulting from Relief Events is subject to certain time and monetary deductibles to be borne by the Company. The source of funds for payment of Compensation Amounts is subject to appropriation by the General Assembly of the State. See “PUBLIC-PRIVATE AGREEMENT—Relief Events”.

Termination.....

The Public-Private Agreement may be terminated upon the occurrence of any of the termination events set forth in the Public-Private Agreement and described herein, by either the Contracting Authority or the Company, as applicable, in either event creating an obligation of the Contracting Authority to pay the applicable Termination Compensation to the Company, if any. Such amounts are payable solely from amounts appropriated by the General Assembly of the State for this purpose. See “PUBLIC-PRIVATE AGREEMENT—Payments under the Public-Private Agreement—Termination Compensation”.

Special, Limited Obligations.....

The Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation are limited obligations of the Contracting Authority, payable solely from the amounts payable by the Department to the Contracting Authority under the Milestone Agreement or Use Agreement or as otherwise appropriated by the General Assembly of the State to the Contracting Authority or otherwise, for such purpose. The obligations of the Contracting Authority to pay Milestone Payments, Availability Payments,

Compensation Amounts and Termination Compensation do not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligations of the Contracting Authority to pay Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation do not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Indiana Finance Authority has no taxing power. The Company does not, and the Owners of the Series 2014 Bonds will not, have a right to have taxes levied or to compel appropriations by the General Assembly of the State for any payment of the Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation. The Contracting Authority and the Department have entered into (i) the Milestone Agreement and (ii), the Use Agreement. Payment by the Department of the amounts owed to the Contracting Authority under the foregoing agreements is subject to and dependent upon appropriations being made for such purpose by the General Assembly of the State as further described herein.

SECURITY FOR THE SERIES 2014 BONDS

Security Interests

The payment of the Series 2014 Bonds, and Other Permitted Senior Secured Indebtedness that may be issued in the future, will be secured by the Security Interests in the Collateral described below created for the benefit of the Collateral Agent on behalf of the Secured Parties pursuant to the Security Documents, with certain exceptions described herein:

- (a) all of the Company's interest in the following:
 - (i) the Project Revenues;
 - (ii) the Public-Private Agreement, the Design-Build Contract, each other Material Project Contract and the other Assigned Agreements;
 - (iii) the Indenture Account Collateral;
 - (iv) the Project Accounts and all other accounts of the Company, except with respect to the Distribution Account, the Handback Requirements Reserve Account (other than any excess over the Handback Reserve Required Balance to the extent permitted by the Public-Private Agreement), any PABs Rebate Fund, or any principal, interest, reserve or other account established with respect to Other Permitted Senior Secured Indebtedness;
 - (v) all Milestone Payments, Termination Compensation, Compensation Amounts and Delay Liquidated Damages; and

(vi) all other amounts received or receivable by the Company under the Public-Private Agreement and any other Assigned Agreement; and

(b) a pledge by the Pledgor (and any transferee thereof) of its limited liability company interests in the Company.

See “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS”.

Debt Service Reserve Account for the Series 2014 Bonds

The Series 2014 Bond DSRA will be funded on or prior to the Substantial Completion Date in an amount equal to the Series 2014 Bond DSRA Requirement with: (i) proceeds of the Series 2014 Bonds; (ii) Milestone Payments to be made by the Contracting Authority to the Company under the Public-Private Agreement; (iii) Equity Contributions supported by the Letter of Credit of Isolux Infrastructure or cash and the PSP Guaranty delivered by Isolux Infrastructure and Infra-PSP, respectively; or (iv) other funds of the Company. The Series 2014 Bond DSRA will be created solely for the benefit of the Owners of the Series 2014 Bonds. The Company will cause the Series 2014 Bond DSRA to be funded to the Series 2014 Bond DSRA Requirement on or prior to the Substantial Completion Date from funds available to the Company in the Construction Account. At all times prior to the Substantial Completion Date, the aggregate amount in the Construction Account *plus* the aggregate stated amount of all Equity Letters of Credit (posted in accordance with the Equity Contribution Agreement) and the amount of Infra-PSP’s then-current Remaining Committed Amount (to the extent supported by the PSP Guaranty), *minus* any amounts on deposit in the Series 2014 Bond DSRA prior to the Substantial Completion Date will not be less than the projected Series 2014 Bond DSRA Requirement on the Substantial Completion Date. If an Event of Default occurs prior to the Substantial Completion Date, the Collateral Agent will cause amounts in the Construction Account to be deposited in the Series 2014 Bond DSRA to fund the then applicable Series 2014 Bond DSRA Requirement. On each Transfer Date after the Substantial Completion Date, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited, in accordance with the provisions set forth under “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts” below, into the Series 2014 Bond DSRA, in an amount necessary, together with amounts on deposit therein (if any), to cause the amounts on deposit in the Series 2014 Bond DSRA to equal the then applicable Series 2014 Bond DSRA Requirement. See “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Series 2014 Bond DSRA”.

Other Accounts and Flow of Funds

Certain funds and accounts, including the Project Accounts (excluding the Operating Account), will be established under the Collateral Agency Agreement and the Indenture. A portion of the proceeds received from the sale of the Series 2014 Bonds will be deposited directly into the PABs Proceeds Sub-Account within the Construction Account, to be disbursed periodically upon the satisfaction by the Company of certain requirements set forth in the Collateral Agency Agreement for payment of Project Costs during the Construction Period. All Milestone Payments and any other payments received by the Company prior to Substantial Completion pursuant to the Public-

Private Agreement (except for any payment of Termination Compensation) will be deposited into the Milestone Payment Receipts Sub-Account. If the Milestone Payment with respect to Substantial Completion is received by the Company prior to the funding of the Short Term Serial Bond Sub-Account in an amount equal to the aggregate principal amount or Redemption Price, as determined by the Borrower, of the Short Term Serial Bond, a portion of the Milestone Payment with respect to Substantial Completion will be deposited promptly into the Short Term Serial Bond Sub-Account and applied to the payment of the Short Term Serial Bond to the extent amounts have not been deposited into the Short Term Serial Bond Sub-Account in such aggregate principal amount or Redemption Price, as the case may be. After Substantial Completion, the Availability Payments, all other amounts received by the Company pursuant to the Public-Private Agreement (excluding certain insurance payments, Compensation Amounts, and Termination Compensation) and all other operating revenues of the Company will be deposited into the Revenue Account under the Collateral Agency Agreement. The Company will grant a Security Interest in all of the Project Accounts to the Collateral Agent pursuant to the terms of the Security Agreement. As described under “PROJECT ACCOUNTS AND FLOW OF FUNDS,” the Collateral Agent will make withdrawals, transfers and payments from the Revenue Account in the amounts, at the times, for the purposes and in the order of priority set forth in the Collateral Agency Agreement. See “THE SERIES 2014 BONDS—Indenture” and “PROJECT ACCOUNTS AND FLOW OF FUNDS”.

TECHNICAL ADVISOR’S REPORT

Technical Advisor’s Report Altus Group Limited (the “Technical Advisor”) was engaged by Isolux Infrastructure to prepare a Lenders’ due diligence review on the technical aspects of the Project (the “Technical Advisor’s Report”). The Technical Advisor’s Report is included as APPENDIX H to this Official Statement. Matters addressed in the Technical Advisor’s Report are based on various assumptions and methodologies and are subject to certain qualifications. Reference is hereby made to the entire Technical Advisor’s Report for such opinions, projections, qualifications and assumptions.

RISK FACTORS

Risk Factors A number of risks could affect the payments of principal, interest or premium, if any, to be made on the Series 2014 Bonds and the market value of the Series 2014 Bonds. See “RISK FACTORS”. Such discussion is not exhaustive, should be read in conjunction with other parts of this Official Statement, and should not be considered as a complete description of all risks that could affect payments on or the market value of the Series 2014 Bonds. Investors should carefully consider the information set forth in such section along with all of the other information provided herein and additional information in the form of the complete documents summarized herein (copies of which are available as described in this Official Statement) before deciding whether to invest in the Series 2014 Bonds.

INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover page and all of the appendices attached hereto, is to provide information in connection with the issuance by the Issuer of the Series 2014 Bonds in an aggregate principal amount of \$243,845,000. The Series 2014 Bonds will be issued pursuant to the Indenture and Indiana Code Title 4, Article 4, Chapters 10.9 and 11, as supplemented and amended from time to time (the “IFA Act”). Capitalized terms used but not defined in this Official Statement have the meanings set forth in APPENDIX B—“DEFINITIONS OF TERMS” attached hereto.

The Series 2014 Bonds will be issued by the Issuer to fund a loan to the Company, for the purpose of, among other things, the design, construction and financing of the Project described herein.

The Project consists generally of the design, construction and financing of, and, with respect to portions that are within the O&M Limits, the concurrent and subsequent operation and maintenance of, the upgrading of approximately 21 miles of existing State Road 37, referred to as the I-69 Section 5 Project, a four-lane median divided highway, between Bloomington, Indiana, and Martinsville, Indiana, to an interstate highway, including four new interchanges, 12 new bridge structures to allow for grade-separated crossings or for waterway crossing, and varying degrees of improvements to the existing interchanges and overpasses and a new Operations and Maintenance Management Center. The purpose of the Project includes, among other things, strengthening the transportation network in the State, supporting economic development in the region and completing the portion of the broader I-69 project between Evansville and Indianapolis. See “THE I-69 SECTION 5 PROJECT—Overview”.

The Project is being developed pursuant to the Public-Private Agreement under which the Contracting Authority has granted to the Company an exclusive concession to, and the Company has agreed to, design, construct and finance the Project and to operate and maintain the portions of the Project located within the O&M Limits in return for payments by the Contracting Authority to the Company primarily in the form of Milestone Payments and Availability Payments. See “PUBLIC-PRIVATE AGREEMENT”. The Contracting Authority and the Indiana Department of Transportation (the “Department”) have entered into (i) the Milestone Agreement and (ii) the Use Agreement. The Milestone Payments and the Availability Payments are expected to be funded from payments by the Department to the Contracting Authority pursuant to the Milestone Agreement and the Use Agreement, respectively. See “CONTRACTING AUTHORITY AGREEMENTS”. The source of funds for payment of the Milestone Payments, Availability Payments and other amounts due to the Company under the Public-Private Agreement is ultimately subject to the availability of funds appropriated by the General Assembly of the State. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Appropriation Risk”.

THE SERIES 2014 BONDS

General

The Series 2014 Bonds will be issued in an aggregate principal amount of \$243,845,000 and will mature, subject to prior redemption, on the dates shown on the inside cover page of this Official Statement. The Series 2014 Bonds will be subject to redemption prior to maturity as described below. The Series 2014 Bonds will be issued as fully registered bonds in denominations of \$5,000 and integral multiples thereof. The Series 2014 Bonds will be issued in book-entry form pursuant to the book-entry-only system described herein. Beneficial owners of the Series 2014 Bonds will not receive physical delivery of any bond certificates.

The Series 2014 Bonds will be dated the date of their original issuance and delivery and will bear interest from such date or from the most recent Interest Payment Date to which interest has been paid or duly provided, at the per annum rate set forth on the inside cover page of this Official Statement.

Interest on the Series 2014 Bonds from their date of delivery will be payable semi-annually in arrears on March 1 and September 1 of each year, commencing on September 1, 2014. Interest on the Series 2014 Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Payment of the Series 2014 Bonds

The principal of and interest on and Redemption Price of any of the Series 2014 Bonds will be payable only to or upon the order of the Owners or their legal representatives (except as otherwise provided in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest, as described below).

Pursuant to the Indenture, the principal and Redemption Price (or any Make-Whole Redemption Price, as applicable) of any Series 2014 Bond will be paid to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior redemption thereof in accordance with the terms of the Indenture and upon presentation and surrender of such Bond at the designated payment office of the Trustee in Saint Paul, Minnesota. Interest on the Series 2014 Bonds (other than interest paid as part of the Redemption Price or Make-Whole Redemption Price of a Series 2014 Bond) will be paid to the Owners thereof at their addresses as they last appear on the registration records of the Trustee at the close of business on the Record Date and will be paid by check or draft of the Trustee mailed, on or before each Interest Payment Date or by such other method as mutually agreed in writing between the Owner of the Series 2014 Bond and the Trustee. The "Record Date" for the Series 2014 Bonds is the close of business on the 15th day of the month preceding each Interest Payment Date. If any such Record Date is not a Business Day, then the Record Date is the Business Day preceding such date.

The Indenture will provide that any interest not so timely paid will cease to be payable to the Owner thereof at the close of business on the Record Date and will be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date will be fixed by the Trustee whenever moneys become available for payment of the defaulted interest and notice of the Special Record Date will be given by the Trustee to the Owners of the Series 2014 Bonds, not less than ten days prior to the Special Record Date, by certified or first-class mail to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The "Special Record Date" is a special date fixed to determine the names and addresses of Owners of Bonds for purposes of paying defaulted interest on Bonds.

The Series 2014 Bonds will be delivered only in book-entry form registered in the name of Cede & Co., as nominee of DTC, acting as the securities depository of the Series 2014 Bonds and the principal of and interest on and Redemption Price or Make-Whole Redemption Price of the Series 2014 Bonds will be paid by wire transfer to DTC; provided, however, if at any time DTC is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the Series 2014 Bonds, the Issuer may, at its discretion, either (a) designate a substitute securities depository for DTC and request the Trustee to reregister the Series 2014 Bonds as directed by such substitute securities depository or (b) terminate the book-entry registration system and reregister the Series 2014 Bonds in the names of the beneficial owners thereof provided to it by DTC.

Redemption of Series 2014 Bonds Prior to Maturity

The Series 2014 Bonds will be subject to redemption prior to their stated maturity, in accordance with the terms and provisions of the Indenture, as follows:

Optional Redemption

Prior to First Call Date. Prior to September 1, 2024 (the “First Call Date”), the Issuer, at the direction of the Company, may optionally redeem the Series 2014 Bonds on any Business Day prior to maturity, in whole or in part (and if in part, in Authorized Denominations), by lot within such maturities as selected by the Company, with funds provided by the Company, at a redemption price equal to the Make-Whole Redemption Price. The Make-Whole Redemption Price will be determined by the Calculation Agent. The determination by the Calculation Agent of the Make-Whole Redemption Price will be conclusive and binding on the Trustee, the Issuer, the Company and the Owners of the Series 2014 Bonds.

Short Term Serial Bond. On December 1, 2016, and on any Business Day thereafter, the Issuer, at the direction of the Company, may optionally redeem the Short Term Serial Bond prior to maturity, in whole and not in part, with funds provided by the Company, at a redemption price equal to par plus accrued interest to, but not including, the redemption date. Should construction of the Project proceed as expected (currently, the Baseline Substantial Completion Date is established as October 31, 2016), the Company expects to redeem the Short Term Serial Bond on December 1, 2016.

On and After the First Call Date. On the First Call Date and on any Business Day thereafter, the Issuer, at the direction of the Company, may optionally redeem the Series 2014 Bonds maturing on or after September 1, 2025, prior to maturity, in whole or in part (and if in part, in Authorized Denominations), by lot within such maturities as selected by the Company, with funds provided by the Company, at a redemption price equal to par plus accrued interest to, but not including, the redemption date.

Mandatory Sinking Fund Redemption

The Series 2014 Bonds maturing on September 1, 2025, September 1, 2026, September 1, 2027, September 1, 2028, September 1, 2029, September 1, 2034, September 1, 2040 and September 1, 2046 (the “Series 2014 Term Bonds”) will be subject to mandatory sinking fund redemption prior to maturity in the aggregate principal amounts and on the dates set forth in the following amortization table at a redemption price equal to par plus accrued interest to, but not including, the redemption date. Such Series 2014 Term Bonds will be redeemed by lot.

Series 2014 Bonds Maturing September 1, 2025

Mandatory Redemption Date	Principal Amount
September 1, 2024	\$1,470,000
March 1, 2025	\$2,235,000
September 1, 2025*	\$2,470,000

*Final Maturity

Series 2014 Bonds Maturing September 1, 2026

Mandatory Redemption Date	Principal Amount
March 1, 2026	\$2,585,000
September 1, 2026*	\$2,820,000

*Final Maturity

Series 2014 Bonds Maturing September 1, 2027

Mandatory Redemption Date	Principal Amount
March 1, 2027	\$2,945,000
September 1, 2027*	\$3,205,000

*Final Maturity

Series 2014 Bonds Maturing September 1, 2028

Mandatory Redemption Date	Principal Amount
March 1, 2028	\$3,385,000
September 1, 2028*	\$3,595,000
*Final Maturity	

Series 2014 Bonds Maturing September 1, 2029

Mandatory Redemption Date	Principal Amount
March 1, 2029	\$3,755,000
September 1, 2029*	\$4,045,000
*Final Maturity	

Series 2014 Bonds Maturing September 1, 2034

Mandatory Redemption Date	Principal Amount
March 1, 2030	\$4,160,000
September 1, 2030	\$4,400,000
March 1, 2031	\$4,570,000
September 1, 2031	\$4,880,000
March 1, 2032	\$5,110,000
September 1, 2032	\$5,365,000
March 1, 2033	\$5,585,000
September 1, 2033	\$5,940,000
March 1, 2034	\$6,210,000
September 1, 2034*	\$6,525,000
*Final Maturity	

Series 2014 Bonds Maturing September 1, 2040

Mandatory Redemption Date	Principal Amount
March 1, 2035	\$6,525,000
September 1, 2035	\$6,525,000
March 1, 2036	\$6,525,000
September 1, 2036	\$6,520,000
March 1, 2037	\$6,520,000
September 1, 2037	\$6,520,000
March 1, 2038	\$6,520,000
September 1, 2038	\$6,520,000
March 1, 2039	\$6,515,000
September 1, 2039	\$6,515,000
March 1, 2040	\$6,520,000
September 1, 2040*	\$6,520,000
*Final Maturity	

Series 2014 Bonds Maturing September 1, 2046

Mandatory Redemption Date	Principal Amount
March 1, 2041	\$6,525,000
September 1, 2041	\$6,530,000
March 1, 2042	\$6,530,000
September 1, 2042	\$6,535,000
March 1, 2043	\$6,250,000
September 1, 2043	\$6,080,000
March 1, 2044	\$6,250,000
September 1, 2044	\$6,420,000
March 1, 2045	\$6,605,000
September 1, 2045	\$6,805,000
March 1, 2046	\$7,060,000
September 1, 2046*	\$5,225,000
*Final Maturity	

The Trustee will credit against the mandatory sinking fund requirement for such Series 2014 Bonds (and corresponding mandatory redemption obligation), as set forth above in the order determined by the Company, any of such Series 2014 Bonds of the applicable maturity delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and canceled by the Trustee and not theretofore applied as a credit against any redemption obligation under the Indenture.

Extraordinary Mandatory Redemption

Unspent Series 2014 Bond Proceeds. The Series 2014 Bonds will be subject to extraordinary mandatory redemption by lot within such maturities as selected by the Company at a redemption price equal to par plus accrued interest to, but not including, the redemption date (which will occur on any date for which the requisite notice of redemption can be given but which will be set by the Trustee on a Business Day on or after the Substantial Completion Date, but, in no event, any later than the date that is five years and 90 days after the date of issuance of the Series 2014 Bonds), in the principal amount of (rounded upward to a multiple of \$5,000) and to the extent of any remaining unspent Series 2014 Bond proceeds on such date, sufficient to effectuate such redemption; provided, that no such redemption will be required if the Company has obtained an opinion of Bond Counsel stating that the failure to redeem any such Series 2014 Bonds will not adversely affect the excludability of the interest on such Series 2014 Bonds from gross income for federal income tax purposes or the exemption of the interest on such Bonds from income taxation in the State and that such redemption is not required by the IFA Act.

Public-Private Agreement Termination Compensation. The Series 2014 Bonds will be subject to extraordinary mandatory redemption if the Company receives a lump-sum payment of any and all types of Termination Compensation pursuant to the Public-Private Agreement. Such redemption will be in whole or in part, and if in part, by lot within such maturities as selected by the Company (provided, that a portion of a Series 2014 Bond may be redeemed only in Authorized Denominations), at a redemption price equal to par plus accrued interest to, but not including, the redemption date. The redemption will occur on any date for which the requisite notice of redemption can be given, but in any event no later than 60 days after the Termination Compensation is received by the Company.

Insurance Proceeds. To the extent permitted under the Public-Private Agreement, the Series 2014 Bonds will be subject to extraordinary mandatory redemption from net amounts of insurance or loss proceeds (excluding delayed opening and business interruption insurance) and condemnation proceeds (if any), received by the Company, to the extent that (1) such proceeds exceed the amount required to restore the Project or any portion thereof to the condition existing prior to the relevant event of loss or (2) the affected property cannot be restored or is not required to be restored pursuant to the terms of the Public-Private Agreement and the Financing Documents and the Company elects not to do so. Such redemption will be in whole or in part, and if in part, by lot within such maturities as selected by the Company (provided, that a portion of a Bond may be redeemed only in Authorized Denominations), at a redemption price equal to par plus accrued interest to, but not including, the redemption date. The redemption will occur on any date for which the requisite notice of redemption can be given, but in any event no later than 60 days after such amounts are received by the Company.

Notice of Redemption

Notice of the call for any optional or mandatory redemption identifying the Series 2014 Bonds or portions thereof to be redeemed and specifying the terms of such redemption, will be given by the Trustee by mailing a copy of the redemption notice by United States first-class mail (or transmitted in accordance with the procedures of DTC), at least 30 days and not more than 60 days prior to the redemption date, to the Owner of each Series 2014 Bond to be redeemed at the address as it last appears on the registration records of the Trustee; provided, that failure to give any such notice by mailing, or any defect therein, will not affect the validity of any proceedings of any Series 2014 Bonds as to which no such failure has occurred. The Trustee will call the Series 2014 Bonds for redemption and payment upon receipt by the Trustee at least 45 days prior to the redemption date of a written request of the Company; provided, that the Trustee will call Series 2014 Bonds for mandatory sinking fund redemption without such written request. Such request will specify the principal amount of the Series 2014 Bonds and their maturities to be called for redemption, the applicable redemption price or prices, the redemption date and the provision or provisions above referred to pursuant to which Series 2014 Bonds are to be called for redemption.

The Indenture will provide that, if at the time of mailing of notice of any redemption of Series 2014 Bonds at the option of the Issuer, there has not been deposited with the Trustee moneys sufficient to pay the Redemption Price or Make-Whole Redemption Price (as applicable) of all the Series 2014 Bonds called for redemption, which moneys are or will be available for redemption of Series 2014 Bonds (the “Redemption Moneys”), such notice will state that it is conditional upon the deposit of an amount equivalent to the full amount of the Redemption Moneys with the Trustee for such purpose not later than the opening of business on the redemption date specified in the relevant redemption notice, and such redemption notice will be of no effect unless such Redemption Moneys are so deposited.

So long as DTC is effecting book-entry transfers of the Series 2014 Bonds, the Trustee will provide the notices specified in the Indenture to DTC. It is expected that DTC will, in turn, notify its direct participants and that the direct participants, in turn, will notify or cause to be notified the beneficial owners of the Series 2014 Bonds. Any failure on the part of DTC or a direct participant, or failure on the part of a nominee of a beneficial owner of a Series 2014 Bond (having been mailed notice from the Trustee, DTC, a direct participant or otherwise) to notify the beneficial owner of the Series 2014 Bond so affected, will not affect the validity of the redemption of such Series 2014 Bond.

Book-Entry-Only System

The Series 2014 Bonds will be registered in the name of Cede & Co., as nominee for DTC. Purchases of beneficial interests in the Series 2014 Bonds will be made only in book-entry form. Except as described herein, purchasers of beneficial interests in the Series 2014 Bonds will not receive physical delivery of certificates representing their interest in the Series 2014 Bonds. Payments of interest on, together with principal and redemption premium, if any, of, the Series 2014 Bonds, will be paid by the Trustee directly to DTC, so long as DTC or its nominee is the registered owner of the Series 2014 Bonds. See APPENDIX K—“BOOK ENTRY ONLY SYSTEM”.

Indenture

General. On or prior to the delivery of the Series 2014 Bonds, the Issuer and Trustee will enter into the Indenture to provide for the issuance of the Series 2014 Bonds, for the purpose of providing, with respect to the Series 2014 Bonds, the Series 2014 Loan pursuant to the Senior Loan Agreement to the Company, which will be used by the Company to finance a portion of the Project Costs. See APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE”.

Grant of Trust Estate

The Issuer, in order to secure the payment of the Series 2014 Bonds and the Additional Parity Bonds issued from time to time pursuant to the Indenture, if any (collectively, the “Bonds”), and to secure the performance and observance of all the covenants and conditions set forth in the Bonds and the Indenture, will pledge and assign, or will require to be pledged and assigned, to the Trustee and, subject to the Security Documents and any Intercreditor Agreement, for the benefit of the Owners, all of the following (collectively, the “Trust Estate”):

(a) all right, title and interest of the Issuer (except for Reserved Rights) in and to the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed), the present and continuing right of the Issuer to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed), to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer is entitled to do under such Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed);

(b) all moneys from time to time held by the Trustee under the Indenture in any Fund or Account other than (i) the Series 2014 Rebate Fund and (ii) any Defeasance Escrow Account;

(c) any Security Interest granted to the Collateral Agent for the benefit of the Trustee on behalf of the Owners of the Bonds under and to the extent provided in and subject to the Security Documents, any Intercreditor

Agreement or otherwise, including without limitation the Collateral pledged thereunder, and the present and continuing right of the Collateral Agent on behalf of the Trustee to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Security Documents, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Collateral Agent on behalf of the Trustee is entitled to do under the Security Documents and any Intercreditor Agreement;

(d) subject to the Collateral Agency Agreement and any Intercreditor Agreement, all funds deposited from time to time and earnings thereon in the Revenue Account, the Loss Proceeds Account, the Construction Account, the Series 2014 Bond DSRA and any other Debt Service Reserve Account established in respect of any Additional Parity Bonds, the Major Maintenance Reserve Account, the Bond Mandatory Prepayment Sub-Account of the Mandatory Prepayment Account, the Distribution Reserve Account and the Handback Requirements Reserve Account (with respect to any excess over the Handback Reserve Required Balance to the extent permitted by the Public-Private Agreement), any and all other accounts established from time to time pursuant to the Collateral Agency Agreement, and any and all sub-accounts created thereunder, each held by the Collateral Agent under the Collateral Agency Agreement; and

(e) proceeds of the foregoing and any and all other property, revenues, rights or funds from time to time by delivery or by writing of any kind specifically granted, assigned or pledged as and for additional security for any of the Bonds, the Series 2014 Loan or any Additional Parity Bonds Loan in favor of the Trustee or the Collateral Agent on behalf of the Trustee, including any of the foregoing granted, assigned or pledged by the Company or any other person on behalf of the Company, and the Trustee and/or the Collateral Agent on behalf of the Trustee will be authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Establishment of Funds and Accounts

Various funds and accounts will be created under the Indenture in connection with the financing of the Project, including for the payment of principal of and interest on the Bonds when due. Such funds and accounts include the Series 2014 Debt Service Fund and the Series 2014 Rebate Fund described herein. See APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE”.

Additional Parity Bonds

Subject to the restrictions set forth in the Indenture, upon request by the Company, the Issuer may issue Additional Parity Bonds, which will be ratably and equally secured by the Trust Estate (other than the Series 2014 Bond DRSA), upon execution of a Supplemental Indenture without consent of the Owners of the Bonds. Except to the extent inconsistent with the express terms of the Additional Parity Bonds issued and the related Supplemental Indenture executed pursuant to the Indenture, all of the provisions, terms, covenants and conditions of the Indenture will be applicable to any Additional Parity Bonds issued pursuant to the Indenture. The Additional Parity Bonds may be issued if any of the following sets of conditions in paragraphs (a), (b), (c) or (d), below, are met:

(a) **General Issuance of Additional Parity Bonds.** Additional Parity Bonds may be issued if prior to the issuance of such Additional Parity Bonds, the Company will deliver to the Trustee the following:

(i) a certification from the Company stating that (A) the DSCR for at least one 12-month period in the immediately prior 24-month period was at least 1.20:1.00 during such 12-month period and (B) the DSCR for each 12-month period (beginning on the first day of the first month after the issuance of the Additional Parity Bonds), is forecast to be at least 1.20:1.00 for each year of the remaining term of the Additional Parity Bonds and any remaining Outstanding Bonds after the issuance of the Additional Parity Bonds;

(ii) if the aggregate principal amount of Additional Parity Bonds issued under the Indenture’s requirements outlined in the paragraph titled “General Issuance of Additional Parity Bonds” (plus the aggregate principal amount of any Other Permitted Senior Secured Indebtedness incurred pursuant to the

same requirements is greater than \$15,000,000, a Nationally Recognized Rating Agency then rating the Bonds will reaffirm the rating on the then Outstanding Bonds at a level no lower than the then-applicable rating of such Outstanding Bonds, after giving effect to the issuance of such Additional Parity Bonds; and

(iii) a Base Case Financial Model as updated for the Additional Parity Bonds, upon which the projected DSCR certified as described in paragraph (i) above will be based (A) containing current projections as of the time of the issuance of such Additional Parity Bonds and (B) which the Company has reviewed and certified to be correct and accurate in all material respects, based upon assumptions that the Company believes are reasonable.

(b) **Completion Bonds.** Additional Parity Bonds may be issued if necessary to complete construction of the Project or to meet the requirements of the Public-Private Agreement after expenditure of all proceeds of the Series 2014 Bonds and all Equity Contributions required under the Equity Contribution Agreement, in an aggregate principal amount not to exceed 10% of the original principal amount of the Series 2014 Bonds; if either (A) the Company certifies to the Collateral Agent that (x) the issuance of such Additional Parity Bonds is necessary for completion of construction of the Project and (y) the proceeds of such Additional Parity Bonds, together with other funds available to complete the Project, are expected to be sufficient to complete the construction of the Project, which clause (y) the Technical Advisor will confirm in writing, or (B) the Company certifies to the Collateral Agent, and the Technical Advisor will confirm in writing, that the issuance of such Additional Parity Bonds is necessary to meet the requirements of the Public-Private Agreement.

(c) **Refunding Bonds.** Additional Parity Bonds may be issued for the purpose of refinancing, replacing, refunding or defeasing any Outstanding Bonds so long as (i) the debt service payable in each bond year on all Outstanding Bonds after the issuance of such Additional Parity Bonds (excluding any Bonds that will be refinanced, replaced, refunded or defeased with a portion of the proceeds of such Additional Parity Bonds) does not exceed the debt service payable on all Outstanding Bonds prior to the issuance of such Additional Parity Bonds in each bond year through final maturity of the Outstanding Bonds prior to such refinancing, replacement, refunding or defeasance and (ii) all necessary instruments and arrangements will have been made (or concurrently made with the issuance of such Additional Parity Bonds), in order to give effect to such refinancing, replacement, refunding or defeasance.

(d) **Public-Private Agreement Requirements.** Additional Parity Bonds may be issued if:

(i) such Additional Parity Bonds are necessary to fund the costs (A) of meeting the requirements of the Public-Private Agreement or (B) of capital expenditures resulting from applicable law, in either case, after expenditure of all proceeds of the Series 2014 Bonds and all Equity Contributions required under the Equity Contribution Agreement and the application of all funds in the Construction Account, the Major Maintenance Reserve Account and the Loss Proceeds Account (in each case, to the extent available for such purposes), in an aggregate principal amount not to exceed the amount of funds necessary therefor and related reserves and Costs of Issuance for such Additional Parity Bonds; and

(ii) a Nationally Recognized Rating Agency then rating the Bonds prior to the issuance of such Additional Parity Bonds will reaffirm the rating on the Bonds at a level no lower than the then-applicable rating of the Bonds, after giving effect to the issuance of such Additional Parity Bonds.

(e) **Certain Variable Rate Bonds.** Any series of Additional Parity Bonds that does not bear interest at a fixed rate may be issued, so long as such series of Bonds: (A) meets the conditions set forth in paragraphs (a), (b), (c) or (d) above; and (B) after giving pro forma effect to the incurrence thereof and (if necessary) the execution of transactions under any Senior Hedging Contracts in connection therewith, not more than 15% of the aggregate principal amount of all Senior Secured Obligations having a maturity of more than five years hence bears interest at an unhedged floating rate of interest.

All Additional Parity Bonds must be issued on the same terms and conditions then applicable to the then Outstanding Bonds, unless otherwise approved by the Issuer and the Company, except that the interest rate on such Additional Parity Bonds and the amortization applicable to any such Additional Parity Bonds would be subject to then-current market conditions and on terms acceptable to the Company. Any series of Additional Parity Bonds

may bear interest which is not excludable from gross income for federal income tax purposes or is not exempt from income taxation in the State.

To the extent that any or all of the Series 2014 Bonds (or any Additional Parity Bonds) are outstanding at the time the Additional Parity Bonds are proposed to be issued, the additional financing documents entered into in connection therewith will not prohibit the Company from incurring new indebtedness to refinance such Bonds (at least to the extent permitted under the Indenture and under the Senior Loan Agreement).

Prior to the issuance of any Additional Parity Bonds, the Company must deliver to the Trustee and the Collateral Agent executed counterparts of all financing documents related to the Additional Parity Bonds, including, without limitation, (i) a certificate of the Company, signed by a Company Representative, dated the date of issuance of such proposed Additional Parity Bonds, stating that no Potential Indenture Event of Default or Indenture Event of Default has occurred and is continuing or will result from the issuance of such Additional Parity Bonds, (ii) a certified copy of the executed counterpart of the Additional Parity Bonds Loan Agreement, under which the Issuer agrees to loan the proceeds of the Additional Parity Bonds to the Company, (iii) an original executed counterpart of the Supplemental Indenture under which the Additional Parity Bonds have been issued, and (iv) such other customary certifications and documents as may reasonably be required by the Trustee or the Collateral Agent.

Any issuance of Additional Parity Bonds is subject to the further condition that it must comply with the Refinancing requirements set forth in the Public-Private Agreement.

Indenture Events of Default

Any of the following will constitute an Indenture Event of Default under the Indenture with respect to all of the Outstanding Bonds:

- (a) failure to pay any portion of the principal or premium (if any) of any Outstanding Bond when due and payable; provided, that where such failure to pay is as a result of a technical or an administrative error, there will be a cure period of three Business Days after notice of non-payment is received by the Company from the Trustee to cure such failure to pay;
- (b) failure to pay any portion of interest on any Outstanding Bond within five Business Days after such interest payment is due and payable;
- (c) failure by the Issuer to cure any noncompliance by the Issuer with any other provision of the Indenture within 60 days after receiving written notice of such noncompliance from the Trustee or the Collateral Agent (with a copy to the Company and the Collateral Agent or the Trustee, as applicable) with respect to the Bonds;
- (d) a Senior Loan Agreement Default will have occurred and be continuing; or
- (e) the occurrence and continuance, with respect to the Issuer, of a Bankruptcy Event.

Remedies Following and During the Continuance of an Indenture Event of Default

Upon the occurrence and during the continuance of an Indenture Event of Default, any Owner or the Issuer may deliver to the Trustee a written notice, with a copy to the Issuer, the Collateral Agent and the Company that an Indenture Event of Default has occurred and is continuing. The Trustee will not be deemed to have any knowledge of the occurrence of an Indenture Event of Default, except with respect to an event of default described in clause (a) or (b) in “—Indenture Events of Default” above, unless and until it has received such a notice from the relevant party.

At any time during which an Indenture Event of Default has occurred and is continuing commencing on the date of delivery to the Trustee of the notice described above (except with respect to an Indenture Event of Default described in paragraphs (a) or (b) in “—Indenture Events of Default” above, for which no notice is required), the

Majority Holders will have the right to give the Trustee one or more enforcement directions directing the Trustee to take on behalf of the Owners of the Bonds or to vote in favor of the taking on behalf of the Secured Parties, subject to the Collateral Agency Agreement, the other Security Documents, any Intercreditor Agreement and the immediately succeeding paragraph, whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners of the Bonds.

Upon the occurrence and during the continuance of an Indenture Event of Default, if so instructed by the Majority Holders, the Trustee will declare all Bonds, all interest accrued and unpaid thereon, and all other amounts payable in respect of the Bonds to be due and payable, whereupon the same will become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are waived by the Issuer; provided, that the Bonds may be accelerated as described in this paragraph only to the extent the underlying Series 2014 Loan under the Senior Loan Agreement (or any other loan pursuant to any Additional Parity Bonds Loan Agreement) is also accelerated. Upon the occurrence and during the continuance of a Senior Loan Agreement Default, the Issuer agrees that the Trustee may enforce the Issuer's rights and exercise on behalf of the Issuer each of the remedies provided in the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement.

The Majority Holders may, by written notice to the Trustee, on behalf of all of the Owners, rescind any acceleration and its consequences, if the rescission would not conflict with any judgment or decree and if all existing Indenture Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived in accordance with the provisions described in the second succeeding paragraph and the Issuer has paid or deposited, or caused to be paid or deposited, with the Trustee a sum sufficient to pay all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel. In case of any such rescission, then and in every such case the Issuer, the Trustee and the Owners will be restored to their former positions and rights.

All rights and actions and claims under the Indenture may be prosecuted and enforced by the Trustee on behalf of the Owners of the Bonds. In the case of pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization or other similar judicial proceeding relative to the Issuer or the Trust Estate, the Trustee, subject to the Collateral Agency Agreement, will be entitled to file and prove a claim for the amount of the Issuer's and the Company's obligations to the Owners of the Bonds owing and unpaid and to file such other papers or documents as may be necessary in order to have the claims of the Owners allowed in such judicial proceeding and, to the extent permitted by Law, to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same in accordance with the terms of the Indenture and the Collateral Agency Agreement.

The Trustee, notwithstanding anything else to the contrary contained in the Indenture, will waive any Indenture Event of Default upon the written direction of the Majority Holders; provided, that any Indenture Event of Default in the payment of the principal of or interest on, or the Redemption Price or Make-Whole Redemption Price of, any Bond when due will not be waived (except as contemplated in the fourth paragraph under this caption "— Remedies Following and During the Continuance of an Indenture Event of Default" above) without the consent of the Owners of 100% of the Bonds, unless, prior to such waiver, all such amounts (with interest on amounts past due on any Bond at the interest rate on such Bond) and all expenses of the Trustee (with interest on amounts past due with respect to any expenses of the Trustee at a rate per year equal to the highest yield on any series of Outstanding Bonds) in connection with such Indenture Event of Default have been paid or provided for. In case of any such waiver, then and in every such case the Issuer, the Trustee and the Owners will be restored to their former positions and rights under the Indenture, but no such waiver will extend to any subsequent or other Indenture Event of Default or impair any right consequent thereon.

Use of Moneys Received from Exercise of Remedies

After an acceleration pursuant to the Indenture (as described in the third paragraph under the caption "— Remedies Following and During the Continuance of an Indenture Event of Default"), moneys received by the Trustee from the Collateral Agent pursuant to the Collateral Agency Agreement, the Indenture and the other Security Documents in respect of the Issuer's obligations under the Indenture will be applied first to pay the reasonable and proper fees and expenses (including the reasonable fees and expenses of counsel and any other advisors) of and indemnification payments owing to the Trustee and the Collateral Agent pursuant to the Financing Documents, including those incurred in connection with the exercise of remedies following such Indenture Event of

Default, and thereafter remaining amounts will be applied promptly by the Trustee as follows:

first, to the payments then due and payable by the Company to the Series 2014 Rebate Fund pursuant to the Federal Tax Certificate;

second, ratably, to all accrued and unpaid interest on the Bonds;

third, ratably, to the outstanding principal amount of the Bonds;

fourth, to the Issuer, all other obligations owed by the Company to the Issuer pursuant to the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement; and

fifth, upon payment in full of the obligations described in the *first*, *second*, *third* and *fourth* paragraphs above, to the Company, which will be applied at the Company's discretion.

Amendments or Supplemental Indentures Not Requiring Consent of Owners

The Issuer and the Trustee may, without the consent of, or notice to, the Owners, but with the written consent of the Company, amend, change or modify the Indenture or the Bonds or enter into a Supplemental Indenture for any one or more or all of the following purposes:

(a) to provide for the issuance by the Issuer of the Additional Parity Bonds in accordance with the provisions described under the caption “—Additional Parity Bonds” above;

(b) to add additional covenants to the covenants and agreements of the Issuer set forth in the Indenture;

(c) to add additional revenues, properties or collateral to the Trust Estate;

(d) to cure any ambiguity, or to cure, correct or supplement any defect, omission or inconsistent provision contained in the Indenture, provided, that such action will not have a material adverse effect on the Owners of the Bonds;

(e) to amend any existing provision in the Indenture or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable: (i) to qualify, or to preserve the qualification of, the interest on any Bonds for exclusion from gross income for federal income tax purposes, (ii) to qualify or to preserve the exemption of the interest on any Bonds from income taxation in the State; (iii) to qualify, or to preserve the qualification of, the Indenture or any Supplemental Indenture under the federal Trust Indenture Act of 1939; or (iv) to qualify, or preserve the qualification of, any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States and under any federal law of the United States;

(f) to amend any provision in the Indenture relating to the Series 2014 Rebate Fund if, in the opinion of Bond Counsel, such amendment does not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes and the exemption of the interest on any Bonds from income taxation in the State;

(g) to provide for or eliminate book-entry registration of any of the Bonds;

(h) to obtain or maintain a rating (but not a particular rating level) of the Bonds by a Nationally Recognized Rating Agency;

(i) to facilitate the receipt of moneys;

(j) to establish additional funds, accounts or sub-accounts necessary or useful in connection with any other provision under this caption “—Amendments or Supplemental Indentures Not Requiring Consent of Owners”;
or

(k) in connection with any other change which, in the judgment of the Trustee (who may for such purposes conclusively rely entirely upon a legal opinion with respect thereto of counsel selected by the Trustee, which legal counsel may rely on a certificate of an investment banker or financial advisor with respect to financial matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming the Indenture to the terms and provisions of the Public-Private Agreement or any other Financing Document.

Amendments or Supplemental Indentures Requiring Consent of Owners

The Issuer and the Trustee may amend, change or modify the Indenture or the Bonds or enter into a Supplemental Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or modifying the rights of the Owners in any way under the Indenture (other than as contemplated under the caption “—Amendments or Supplemental Indentures Not Requiring Consent of Owners” above) with the written consent of the Owners of a majority in the aggregate principal amount of the then Outstanding Bonds or of any series of Bonds affected by the proposed amendment and with the written consent of the Company; provided, that no amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture modifying the Indenture may be entered into without the written consent of the Owner of each Bond affected thereby if it would result in:

(a) a reduction of the interest rate, principal of or interest on or Redemption Price or Make-Whole Redemption Price payable on any Bond, a change in the maturity date of any Bond, a change in any Interest Payment Date for any Bond or a change in the redemption provisions applicable to any Bond;

(b) the deprivation of an Owner of the Security Interest on the Trust Estate granted by the Indenture or the Security Documents;

(c) the creation of a priority right in the Trust Estate of another Bond over the right of the affected Bond, except as permitted under the Indenture; or

(d) a reduction in the percentage of the aggregate Outstanding Bonds required for consent to any Supplemental Indenture or the parties whose consent is required.

Amendments to Senior Loan Agreement Not Requiring Consent of Owners

The Issuer is authorized by the Indenture and may, upon receipt of (i) an opinion of Bond Counsel to the effect that the proposed amendment will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State and (ii) the written consent of the Company, consent to any amendment, change or modification of the Senior Loan Agreement, without the consent of, or notice to, the Owners, for any one or more or all of the following purposes:

(a) to add additional covenants to the covenants and agreements of the Company set forth in the Senior Loan Agreement;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in the Senior Loan Agreement;

(c) to amend any existing provision of the Senior Loan Agreement or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify or to preserve the qualification of, the interest on any Bonds for exclusion from gross income for federal income tax purposes, (ii) to qualify or to preserve the exemption of the interest on any Bonds from income taxation in the State, or (iii) to qualify, or preserve the qualification of, any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States;

(d) to facilitate the receipt of moneys;

(e) to establish additional funds, accounts or sub-accounts necessary or useful in connection with any

other provision under this caption “—Amendments to Senior Loan Agreement Not Requiring Consent of Owners”; or

(f) in connection with any other change which, in the judgment of the Trustee (who may for such purposes conclusively rely entirely upon a legal opinion with respect thereto of counsel selected by the Trustee, which legal counsel may rely on a certificate of an investment banker or financial advisor with respect to financial matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming the Senior Loan Agreement to the terms and provisions of the Public-Private Agreement or any Financing Document.

Amendments to Senior Loan Agreement Requiring Consent of Owners

Except for the amendments, changes or modifications as described under the caption “—Amendments to Senior Loan Agreement Not Requiring Consent of Owners” above, the Issuer may consent to any other amendment, change or modification of the Senior Loan Agreement with the prior written consent of the Majority Holders and with the written consent of the Company; provided, that no amendment, change or modification of the Senior Loan Agreement may be entered into unless the prior written consent of the Owner of each Bond affected thereby and the Company has been obtained if it would result in:

(a) a reduction of the interest rate, principal of or interest on the Series 2014 Loan, a change in the maturity date of the Series 2014 Loan, a change in the Interest Payment Date for the Series 2014 Loan or a change in the prepayment provisions applicable to the Series 2014 Loan; or

(b) the deprivation of the Trustee of the Security Interest granted by the Security Documents.

Actions of Trustee Requiring Owner Consent Pursuant to the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement

In the event that the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed) requires certain actions by the Trustee at the direction of a designated portion or percentage of the Owners of the applicable Bonds, the Trustee will agree as follows:

(a) if the Company requests consent of the Trustee to be provided at the direction of a designated portion or percentage of the Owners of the applicable Bonds, the Trustee will, upon notice of the same from the Company and upon being satisfactorily indemnified with respect to expenses, cause notice of such requested consent or action to be given in the same manner as provided in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Conditions to Effectiveness of Amendments or Supplemental Indentures” with respect to amendments, changes or modifications of the Indenture, the Bonds or any Supplemental Indenture; provided, that prior to the delivery of such notice or request, the Trustee may require that an opinion of Bond Counsel be furnished to the effect that such consent or action complies with the provisions of the Indenture and will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State. Such notice will briefly set forth the nature of such requested consent or action and will state that any copies of such request from the Company are on file at the Designated Payment Office of the Trustee for inspection by all Owners; and/or

(b) upon direction from Owners of not less than the required portion or percentage in aggregate principal amount of the Outstanding Bonds, the Trustee will, upon being satisfactorily indemnified with respect to expenses, take any such directed action in accordance with the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed); provided, that prior to the delivery of such notice or request, the Trustee may require that an opinion of Bond Counsel be furnished to the effect that such consent or action complies with the provisions of the Indenture and will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State.

Direction of Trustee at the Request of the Collateral Agent or Trustee Not Requiring Consent of Owners

In the event the Collateral Agent asks for the direction of the Trustee or the Trustee requests any response regarding any consent, modification or other matter pursuant to any Financing Document and such consent, modification or other matter is not provided for under the Indenture, the Trustee will be authorized by the Indenture and may, upon receipt of (i) an opinion of Bond Counsel to the effect that the proposed consent, modification or other matter will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State, and (ii) the written consent of the Company, provide such direction or response, without the consent of, or notice to, the Owners, for any one or more of the following purposes:

(a) to add additional covenants to the covenants and agreements of the Company set forth in any Financing Document;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in any Financing Document;

(c) to amend any existing provision of any Financing Document or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify or to preserve the qualification of the interest on any Bonds for exclusion from gross income for federal income tax purposes, (ii) to qualify or preserve the exemption of the interest on any Bonds from income taxation in the State, or (iii) to qualify or preserve the qualification of any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States;

(d) to facilitate the receipt of moneys;

(e) to establish additional funds, accounts or sub-accounts necessary or useful in connection with any other paragraph under this caption “—Direction of Trustee at the Request of the Collateral Agent or Trustee Not Requiring Consent of Owners”; or

(f) in connection with any other change, which, in the judgment of the Trustee (who may for such purposes conclusively rely entirely upon a legal opinion with respect thereto of counsel selected by the Trustee, which legal counsel may rely on a certificate of an investment banker or financial advisor with respect to financial matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming any Financing Document to the terms and provisions of the Public-Private Agreement or any other Financing Document.

Direction of Trustee at the Request of the Collateral Agent or Trustee Requiring Consent of Owners

(a) In the event the Collateral Agent asks for the direction of the Trustee or the Trustee requests any response regarding any consent, modification or other matter pursuant to any Financing Document and such consent, modification or other matter is not provided for in the Indenture and the purpose of such direction or response is not provided for under the caption “—Direction of Trustee at the Request of the Collateral Agent or Trustee Not Requiring Consent of Owners”, the Trustee may provide such direction or response with the prior written consent of the Majority Holders and with the written consent of the Company; provided, however, that no such direction or response may be provided if the effect thereof would deprive the Trustee of the Security Interest granted by the Security Documents, unless the prior written consent of the Owner of each Bond affected thereby and the Company has been obtained.

(b) The Trustee will, upon notice of the same from the Collateral Agent, if relevant, and upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed consent, modification or other matter to be given in the same manner as provided by the Indenture with respect to Supplemental Indentures *mutatis mutandis*; provided, that prior to the delivery of such notice, the Trustee may require that an opinion of Bond Counsel be furnished to the effect that such consent, modification or other matter complies with the provisions of the Indenture and will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State. Such notice

will briefly set forth the nature of such proposed consent, modification or other matter and will state that copies of the instrument embodying the same are on file at the designated payment office of the Trustee for inspection by all Owners.

For more detailed information relating to the terms of the Indenture in general, including provisions relating to covenants, defaults and terminations, see APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE”.

THE I-69 SECTION 5 PROJECT

Overview

The Project consists generally of the design, construction and financing of, and, with respect to portions that are within the O&M Limits, the concurrent and subsequent operation and maintenance of, the upgrading of approximately 21 miles of existing State Road 37, referred to as the I-69 Section 5 Project, a four-lane median divided highway, between Bloomington, Indiana, and Martinsville, Indiana, to an interstate highway, including four new interchanges, 12 new bridge structures to allow for grade-separated crossings or for waterway crossing, and varying degrees of improvements to the existing interchanges and overpasses and a new Operations and Maintenance Management Center. The Project is a component of the I-69 corridor in Indiana, and it is designed to strengthen the transportation network in the State, improve safety, support economic development in the region and complete the portion of the broader I-69 project between Evansville, Indiana, and Indianapolis, Indiana. The Project is one of six sections that are anticipated to complete the interstate connection from Evansville to Indianapolis. Sections 1 through 3, comprised of approximately 67 miles starting at I-64 near Evansville and ending at U.S. 231 near Crane Naval Surface Warfare Center, are completed and open to public travel. Section 4, stretching approximately 27 miles from U.S. 231 to meet the Project at State Road 37 southwest of the City of Bloomington, is under construction and scheduled to be completed and open to public travel in 2015. Section 6 is still in the planning stage, and construction has not yet started. Section 6 is approximately 26 miles long and meets the Project south of Martinsville and continues northward to I-465 in Indianapolis. The Project is intended to help Indiana complete its portion of the planned national I-69 corridor.

The Contracting Authority awarded the Project to the Company pursuant to a request for proposals, and the Contracting Authority and the Company have entered into the Public-Private Agreement, which governs the relationship between the Company and the Contracting Authority with respect to the Project. The specific components of the Project are set forth in, and governed by the terms of, the Public-Private Agreement. These components of the Project are described in further detail below.

The Project is being procured as a public-private partnership by the Contracting Authority based on an availability type payment structure. The Company is a single purpose entity existing solely for the purpose of carrying out the Project. The Company has no authority or right to impose any fee, toll, charge or other amount for the use of the Project. Also, neither the Issuer nor the Company has any rights to have taxes levied or to compel appropriations by the General Assembly of the State or any political subdivision of the State.

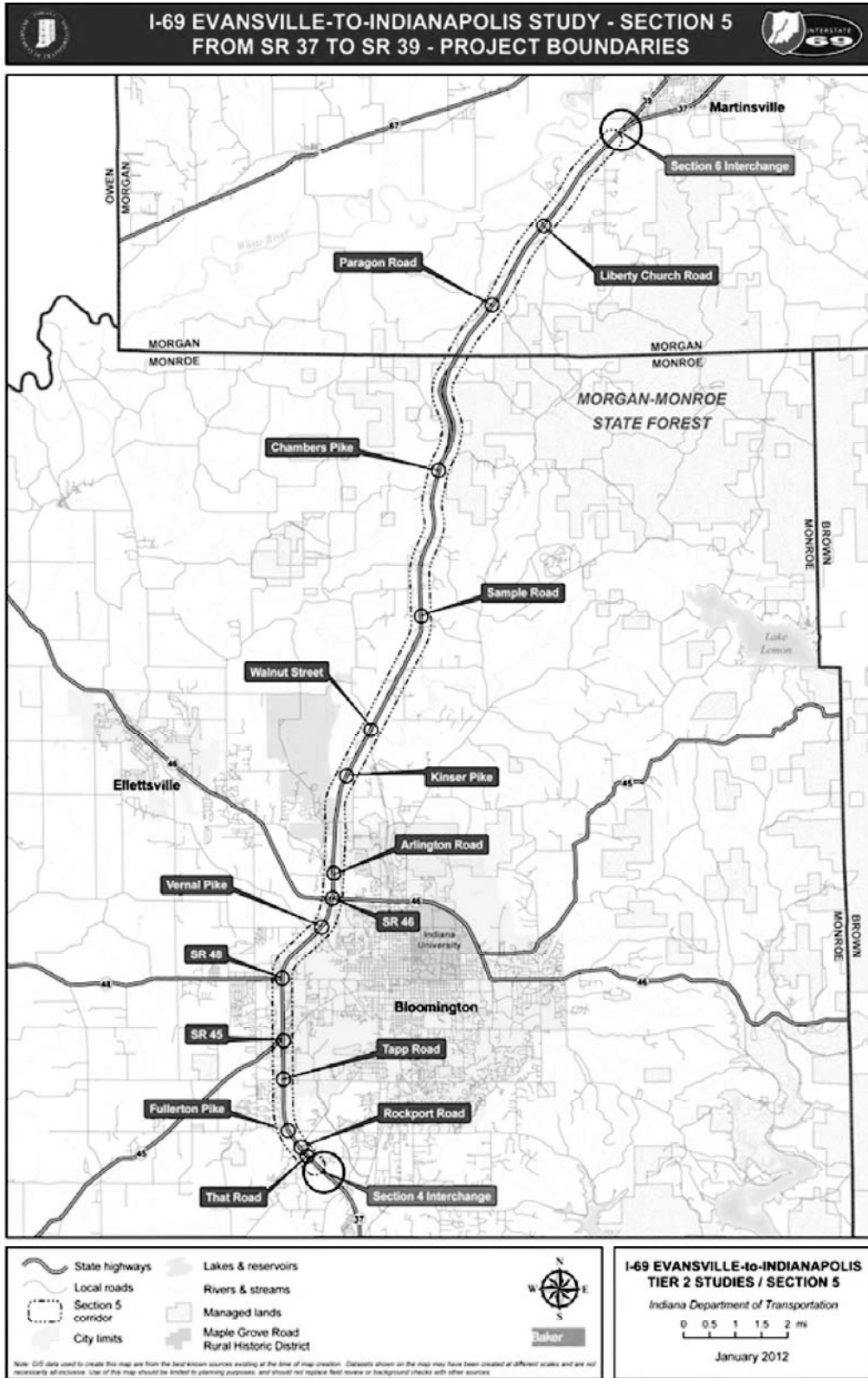
Key aspects of the design and construction of the Project include the following:

- **Rural Design Features**, including (a) a four-lane highway with two 12-foot-wide lanes in each direction; (b) lanes separated by either an 84-foot-wide depressed median or 60-foot-wide depressed median; (c) medians consisting of two 7-foot-wide usable inside shoulders where six of those feet are paved; (d) additional 12-foot-wide outer shoulders required in select locations for truck climbing lanes and ramp acceleration and deceleration lanes; and (e) providing new interchanges and grade-separated structures and bridges and improving existing structures; providing and improving various highway features such as drainage, signage and illumination;
- **Urban Design Features**, including (a) a six-lane divided highway with three 12-foot-wide lanes in each direction; (b) median treatment options including a depressed median 60 feet in width (initial cross-section) or paved shoulders separated by a concrete barrier wall (low-impact cross section); (c) additional 12-foot-wide lanes in locations warranting auxiliary lanes and ramp acceleration and deceleration lanes, and an 8-foot-wide to 12-foot-wide paved outside shoulder; and (d) providing new interchanges and grade-separated structures and bridges and improving existing structures; providing and improving various highway features such as drainage, signage and illumination; and
- **Local Access Roads Design Features**, including (a) roads designed for either side of the mainline at various points throughout the Project corridor; (b) providing access to otherwise landlocked properties; (c) using either 100-foot-wide median (initial cross-section) or barrier wall (low-impact cross-section) between

the interstate mainline and access roads; (d) paved shoulders, varying by specific alternative, ranging from five to eight feet; (e) minimum clear zone of 20 feet on each side without a barrier wall; and (f) cross-section for these lanes typically including two travel lanes (width between 11 and 12 feet).

The Project begins at State Road 37 in Bloomington, Indiana, and extends north approximately 21 miles to State Road 39 in Martinsville, Indiana. The Project extends through Monroe and Morgan Counties, Indiana, with the majority of the Project being in Monroe County. The following map sets forth the location of the Project:

[REMAINDER OF PAGE INTENTIONALLY BLANK]



Pursuant to the Public-Private Agreement, the Company is also responsible for the operation, maintenance and rehabilitation of the portions of the Project located within the O&M Limits over the term of the Public-Private Agreement. The O&M Limits consist of the Construction Period O&M Limits or the Operating Period O&M Limits,

as applicable. The Construction Period O&M Limits include all areas identified within the Operating Period O&M Limits plus all Elements and right of way of each state and local road within the Project Limits. The Operating Period O&M Limits start at the intersection of That Road West/State Road 37 and extend to the south bridge approach of the Indian Creek Bridge, and include the I-69 Mainline, all I-69 Mainline bridges, I-69 entrance and exit ramps, bridges that cross the I-69 Mainline, and fences along the Mainline. The Operating Period O&M Limits generally include: (a) where the limited access Project Right of Way is coincident with the Project Right of Way boundaries, all areas and Elements extending to the Project Right of Way boundaries; (b) where the limited access Project Right of Way does not coincide with the Project Right of Way boundaries, the Mainline and all areas and Elements between the Mainline and the limited access Project Right of Way boundaries, consistent with the principles and extents defined on the conceptual O&M Limits drawings, including any traffic barriers separating the adjacent cross road or frontage road from the Mainline and any drainage structures associated with the barrier; (c) where cross roads have interchanges with I-69, all areas and Elements of the cross roads within Project Right of Way boundaries up to the ramp termini, consistent with the principles and extents defined on the conceptual O&M Limits drawing; and (d) all temporary right of way in effect prior to Final Acceptance. The Operating Period O&M Limits do not include frontage roads and cross roads beyond the ramp terminals where such roads have interchanges with I-69, the Indiana Rail Road Company overpass located approximately 1,300 feet south of the State Road 48 interchange. The O&M Limits comprise an operating facility that will be available 24 hours per day, seven days per week, 365 days per year.

As noted above, the Project is intended to help Indiana complete its portion of the planned national I-69 corridor. However, the Company is not involved in any part of the national I-69 corridor other than the Project.

Key Objectives of the Project

The Contracting Authority's goals for the Project, explained in the instructions to proposers issued with respect to the Project, in no particular order of importance, are:

- provide congestion relief on State Road 37;
- reduce existing and forecasted traffic congestion, improving traffic safety and supporting local economic development initiatives;
- spur economic development within Monroe and Morgan Counties, Indiana, particularly in the areas of Bloomington, Indiana and Martinsville, Indiana;
- strengthen the transportation network in Southwest Indiana (including improved business accessibility to labor, suppliers and markets and improved personal accessibility for residents);
- reduce traffic safety problems and existing and forecasted traffic congestion;
- support economic development in Southwest Indiana;
- complete a key portion of the national I-69 corridor between Evansville, Indiana and Indianapolis, Indiana;
- minimize the cost and funds required to develop, design, construct, finance, operate and maintain the Project;
- achieve substantial completion for the Project by October 31, 2016;
- provide a safe project for workers and the traveling public;
- provide a high quality, durable and maintainable facility;

- meet Disadvantaged Business Enterprise (“DBE”) goals and project “on-the-job” training (“OJT”) program opportunities;
- seek private sector innovation and efficiencies, and encourage design solutions that respond to actual and anticipated environmental concerns, permits and commitments; and
- generate additional permanent and temporary jobs that include construction-related employment.

Implementation of the Project

The Public-Private Agreement governs the relationship between the Contracting Authority and the Company in connection with the design, procurement, construction, financing, operation and maintenance of the Project. See “PUBLIC-PRIVATE AGREEMENT” and APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT”.

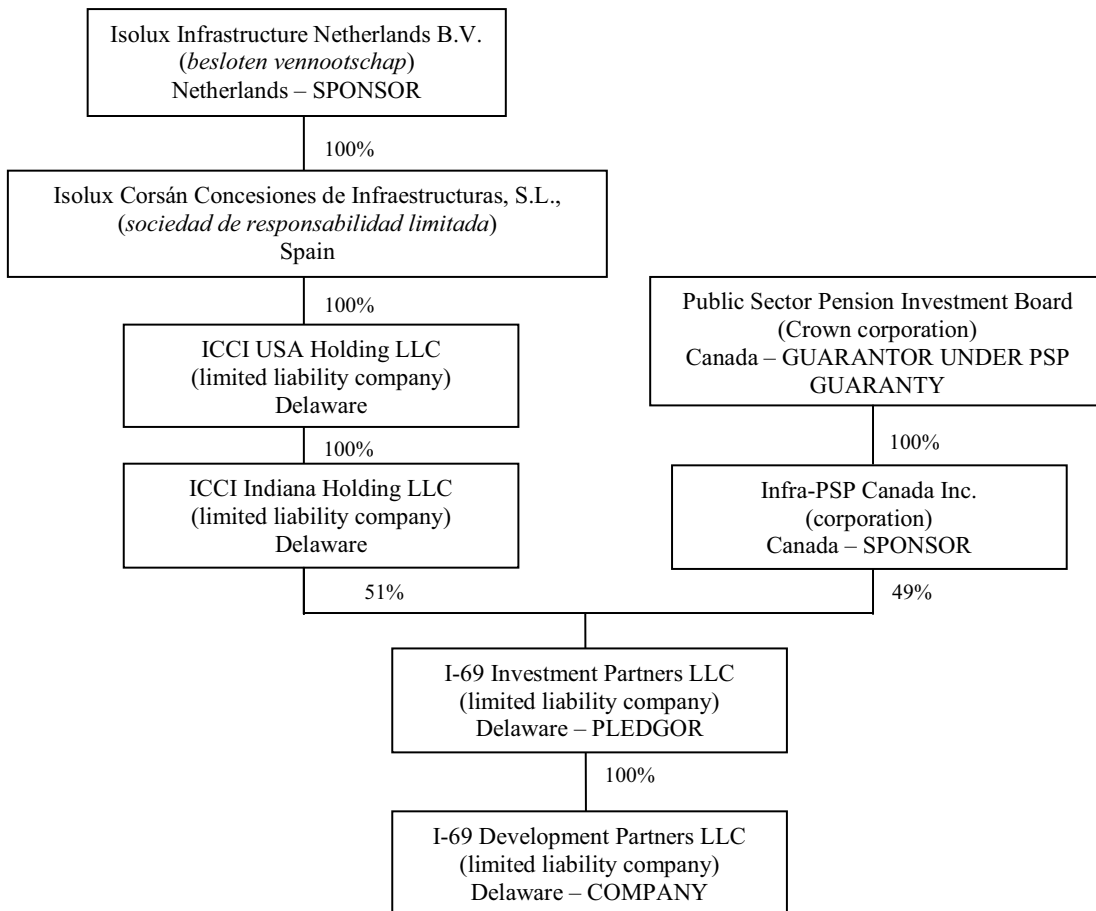
The Company and Corsán USA (by assignment) have entered into the Design-Build Contract for the design and construction of the Project, pursuant to the Design-Build Contract. See “DESIGN-BUILD CONTRACT” and APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE DESIGN-BUILD CONTRACT”.

It is contemplated that the operations and maintenance requirements of the Project will be self-performed by the Company pursuant to the Public-Private Agreement. See “PUBLIC-PRIVATE AGREEMENT” and APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT”.

PROJECT PARTICIPANTS

Company

The Company is a Delaware limited liability company formed on April 3, 2014, for the purpose of undertaking the Project which, among other things, includes entering into the Public-Private Agreement. The Company will not engage in any activity unrelated to the Project. The Company is indirectly owned by Isolux Infrastructure (51%) and Infra-PSP (49%) as follows:



Isolux Infrastructure is owned by the Isolux Group (80.77%) and by PSPEUR, S.à.r.l., an affiliate of Infra-PSP (19.23%).

Sponsors

The following summary of the Sponsors is not intended to be complete and is included solely to provide any potential investor in the Series 2014 Bonds with additional background regarding the source of the Equity Contributions described in this Official Statement and contemplated by the Equity Contribution Agreement. Potential investors in the Series 2014 Bonds should note that, as described elsewhere in this Official Statement, the Series 2014 Bonds will be payable from payments received from the Company under the Senior Loan Agreement. The Company's obligations thereunder are non-recourse obligations of the Issuer and in no event will all or any of the Sponsors have any obligation with respect to any payment related to the Series 2014 Bonds (except as relating to the Equity Contributions solely to the extent described herein and contemplated in the Equity Contribution Agreement). The obligation of each Sponsor to contribute equity to the Company under the Equity Contribution

Agreement will be secured by an Equity Letter of Credit or the PSP Guaranty, as applicable, to the extent set forth therein. See “FINANCING FOR THE PROJECT—Equity Contributions”. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Equity Contributions”.

Isolux Infrastructure

Overview. Isolux Infrastructure is a limited liability company (*besloten vennootschap*) organized under the laws of the Kingdom of the Netherlands and is one of the Company’s Sponsors. Isolux Infrastructure is owned by the Isolux Group (80.77%) and by PSPEUR, S.à.r.l., an affiliate of Infra-PSP (19.23%). Isolux Infrastructure indirectly owns 51% of the Pledgor, which in turn wholly owns the Company.

The Isolux Group is a privately held, global company specializing in large-scale infrastructure projects in five market sectors: heavy civil construction, concessions, engineering, energy and industrial services. In 2013, Isolux Group generated €3.20 billion in revenues and had an EBITDA of €569 million. In 2012, the Isolux Group underwent a corporate reorganization related to its global concessions business, which included formation of the Sponsor. PSP Investments acquired, indirectly through by PSPEUR, S.à.r.l., an affiliate of Infra-PSP, a 19.23% share in Isolux Infrastructure during the reorganization process.

Isolux Infrastructure is the holding company for the various concessions of Grupo Isolux. Isolux Infrastructure is diversified internationally and has presence in seven countries: Brazil, India, Italy, Mexico, Peru, Spain and the United States. Isolux Infrastructure is organized into three main divisions: highways, power transmission lines and solar photovoltaic fields, managing a global concessions portfolio of eight highway concessions with a total length of about 1,000 miles, nine power transmission lines totaling more than 3,700 miles, and managing and developing 284 MW of solar photovoltaic power fields. Isolux Infrastructure has an extensive track-record of performing O&M on the 850 miles of total highways in which it is an equity investor. These roads are geographically diverse, involve different climates, require different O&M methodologies and allow Isolux Infrastructure to bring their combined experience to the operation of the Project. In particular, of the eight highway concessions under management of Isolux Infrastructure, two are under construction, three are fully operational, and the remaining three, in which the construction part of the contract involves upgrades and expansion of existing roads, are simultaneously under construction and in operation. Altogether, the operations and maintenance activities associated with these eight highway concessions are performed over an aggregate length greater than 1,000 miles, including highways with two and three lanes per direction, two-lane roads and urban highways. Isolux Infrastructure’s current investment portfolio is in excess of \$1.3 billion (in equity), with approximately \$393 million invested in highways, \$910 million in power transmission lines and \$259 million in solar photovoltaic fields. Isolux Infrastructure employs more than 4,000 people worldwide.

The table below includes a selection of the highway experience of Isolux Infrastructure:

Project	Client	Location	Type of Project	Interest	Status
Via Bahia Concession Project	Agencia Nacional de Transportes Terrestres	Brazil	423-mile, 25-year toll road concession (concession for 25 years, beginning in 2009).	76.43%	Partly under construction and partly in operation. For the part that is in operations, Isolux Infrastructure is self-performing O&M, at an annual cost of \$39.5 million
National Highway 1 (NH-1)	National Highways Authority of India (NHAI)	India	181-mile highway concession (concession for 15 years, beginning in 2009).	61%	Partly under construction and partly in operation. Annual O&M cost is \$2.4 million.
National Highway2 (NH-2)	NHAI	India	120-mile highway concession (concession for 30 years, beginning in 2011).	25.50%	Partly under construction and partly in operation. Annual O&M cost is \$2.4 million.

Project	Client	Location	Type of Project	Interest	Status
National Highway 6 (NH-6)	NHAI	India	82-mile segment of National Highway No. 6 in Gujarat (toll road) (concession for 19 years, beginning in 2009).	25.50%	Under construction. The expected date for commencement of operation is September 2014.
National Highway 8 (NH-8)	NHAI	India	59-mile segment of National Highway No. 8 from Kishangarh to Beawar (toll road) (concession for 18 years, beginning in 2009).	25.50%	Construction began in November 2009, and the expected date for complete operation is November 2014.
Madrid Ocaña A-4 Expressway	Ministry of Public Works and Transport of Spain (<i>Ministerio de Fomento</i>)	Madrid and southern Spain	42.3-mile brownfield expressway concession.	51.25%	O&M began at execution of the concession agreement, and the concession company is self-performing this part of the work at an annual cost of \$4.8 million.
Monterrey–Saltillo Toll Highway and Saltillo Northwest Bypass	Secretariat of Communications and Transportation of Mexico (<i>Secretaría de Comunicaciones y Transportes</i>) (CTM)	Northern Mexico	59-mile greenfield toll concession (concession for 45 years, beginning in 2006).	100%	Partial operations in October 2009 and was completed in November 2012. Currently operating at an annual O&M cost of \$4.6 million.
PeroteBanderilla Toll Highway and Xalapa Bypass	CTM	State of Veracruz, Mexico	37-mile greenfield project; highways (concession for 45 years, beginning in 2006).	50%	Partial operations began in July 2012 and was completed in November 2012. Currently self-performing at an annual O&M cost of \$4.4 million.
Jefferson Parkway Public Highway Authority	Jefferson Parkway Public Highway Authority	Colorado, USA	Design/Build/Finance/Operation/Maintenance (DBFOM) of a 10 mile highway with a construction cost of \$204 million, under an exclusivity agreement.	100%	Currently under negotiations under an exclusivity agreement. Financial close process has not commenced.
Wind Energy Transmission Texas (WETT) Project	Public Utility Commission of Texas	Texas, USA	Construction, operation and maintenance of seven 345kV high-voltage transmission lines with a total length of around 375 miles and six substations. The project crosses 12 West Texas counties and connects the renewable resource rich areas in the west of the state with the load centers in the eastern and central areas of the state. Investment of more than \$900 million.	50%	Concession awarded in 2009. Construction activities began in late 2011 and commercial operations began January 2014.
Sol Orchard Project	Imperial Irrigation District	California, USA	24 MW photovoltaic field concessions under power purchase agreements.	Managing Member	Currently in operation.

Infra-PSP

Infra-PSP is a Sponsor and is a wholly owned subsidiary of PSP Investments.

PSP Investments will provide the PSP Guaranty to support the obligations of Infra-PSP under the Equity Contribution Agreement. See “FINANCING FOR THE PROJECT—Equity Contributions”. PSP Investments was established by the Canadian Parliament under the Public Sector Pension Investment Board Act for the management and investment of amounts transferred to it by the Government of Canada for the pension liabilities for service after April 1, 2000 under the pension plans for the Canadian Federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force. As of March 31, 2013, PSP Investments had consolidated net assets under management of over C\$76.1 billion. PSP Investments’ assets are invested in a diversified global portfolio including public equities, private equity, bonds and other fixed-income securities, real estate, infrastructure and renewable resources. PSP Investments is rated “AAA” by S&P and DBRS Limited. For additional information, visit www.investpsp.ca (which website is not incorporated herein). Since inception in 2006 of its Infrastructure Investments group, PSP Investments has built a diversified portfolio of high quality assets in the infrastructure, regulated utility and energy sectors by completing several direct investments in over a dozen countries around the world including in North America, Latin America, Europe and Australia. PSP Investments’ Infrastructure Investments group has a team of investment professionals dedicated to the infrastructure and energy sectors. The group has, to date, invested several billions of equity globally.

Pledgor

The following summary of the Pledgor is not intended to be complete and is included solely to provide any potential investor in the Series 2014 Bonds with additional background information on the Project Participants described in this Official Statement. Potential investors in the Series 2014 Bonds should note that, as described elsewhere in this Official Statement, the Series 2014 Bonds will be payable from payments received from the Company under the Senior Loan Agreement and in no event will the Pledgor have any obligation with respect to any payment related to the Series 2014 Bonds (except as relating to the Pledged Collateral pursuant to the Pledge Agreement and pursuant to the Equity Contribution Agreement). See “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Pledge Agreement” and “FINANCING FOR THE PROJECT—Equity Contributions”.

I-69 Investment Partners LLC

The Pledgor is a limited liability company organized under the laws of the State of Delaware. It is indirectly owned by Isolux Infrastructure (51%) and directly owned by Infra-PSP (49%). See “PROJECT PARTICIPANTS—Sponsors” above. The Pledgor is a holding company and has no operations or assets, except its ownership of the membership interests in the Company and activities incidental or related thereto.

Design-Build Contractor

The following summary of the Design-Build Contractor is not intended to be complete and is included solely to provide any potential investor in the Series 2014 Bonds with additional background regarding the entity that will be performing the D&C Work described in this Official Statement and contemplated in the Design-Build Contract.

The Company and Corsán Spain have entered into the Design-Build Contract for the performance of the D&C Work relating to the Project. Corsán Spain has assigned all of its rights and obligations under the Design-Build Contract to the Design-Build Contractor and the Design-Build Contractor has assumed all of Corsán Spain’s rights and obligations under the Design-Build Contract, pursuant to the DB Assignment and Amendment, with the approval of the Contracting Authority and the consent of the Company. Under the DB Assignment and Amendment, notwithstanding the Design-Build Contractor’s assumption of Corsán Spain’s rights and obligations under the Design-Build Contract, Corsán Spain has not been released from, and retains liability for, all of the Design-Build Contractor’s obligations under the Design-Build Contract. In addition, the Design-Build Contractor delivered a parent company guaranty, dated as of July 1, 2014, from Corsán Spain in favor of the Company and its successors and assignees, in respect of all obligations of the Design-Build Contractor under the Design-Build Contract. See “DESIGN-BUILD CONTRACT”.

Corsán Spain and Corsán USA are affiliates of the Company and part of the Isolux Group. Corsán Spain is a wholly-owned subsidiary of Isolux Group, and Corsán Spain is the controlling shareholder of Corsán USA, owning 51% of Corsán USA and controlling the management and operation of Corsán USA (with Isolux Ingeniería, S.A., part of the Isolux Group, owning the remainder 49%). Corsán Spain is the head company of the heavy civil construction division within the Isolux Group, having more than 80 years of experience in the construction industry and one of the largest construction contractors in Spain. Corsán Spain operates in two business segments, namely heavy civil construction (highways, railroads, waterworks, etc.), which represents 77% of its operations, and building construction, which represents the remaining 23% of its operations. According to their annual reports (available at www.isoluxcorsan.com, which website is not incorporated herein), Corsán Spain has a presence in 15 countries and four continents and a backlog of \$3.0 billion and revenues of \$1.2 billion for the fiscal year 2013, and is ranked 45 out of the top 225 International Contractors according to 2013 Engineering News Record. The aforementioned annual reports and other information are not incorporated by reference in this Official Statement and none of the Issuer, the Company or the Underwriters assumes any responsibility for the accurateness or completeness of the information contained in such annual reports or other information. Corsán Spain has been responsible for the design-build portion of all of the highway concession contracts awarded to Isolux Infrastructure described above. Additionally, Isolux Infrastructure has advised that Corsán Spain has never walked away from an uncompleted project.

In addition to the projects described in the table above for Isolux Infrastructure for which Corsán Spain acts as the design-build contractor, with the exception of the Wind Energy Transmission Texas (WETT) Project and the Sol Orchard Project in the United States for which Corsán USA has acted as the design-build contractor, the table below includes additional relevant experience of Corsán Spain and Corsán USA:

Project	Location	Type of Project	Role	Status
Ferrol–Vilalba Motorway (Stretch: Cabreiros–Cantábrico Motorway in Vilalba)	Spain	Construction of an 8.4-mile, four-lane segment of the AG-64 Ferrol–Vilalba Motorway, which includes two carriageways, a 6.5-foot median strip and an intermediate diamond interchange	Corsán Spain was the managing partner of the joint venture construction company, having a 70% share	Completed.
Highway Ronda de la Bahía de Santander, Segment II: Peñacastillo–Cacicedo	Spain	Construction of a 1.7-mile, four-lane segment of the S-30 highway, which included two carriageways, an intermediate diamond interchange, one-way ramps and frontage, 11 structures, nine of which were new and two of which were rehabilitation of existing structures, and four reinforced earth walls	Corsán Spain as sole contractor	During the process of construction, soil contamination was found that affected construction of an embankment, and Corsán worked with the client to design a soil treatment and undertake geotechnical investigations in order to solve the problem.
Solaner Project	San German PR	Construction of 30 MW photovoltaic power plant under power purchase agreement.	37.43% interest. Corsán USA as contractor.	Project awarded in early 2014. Under construction.
WoodFuels	Sims, NC	Pellets biomass production plant (450,000 tons/year)	Corsán USA as contractor.	Project awarded in early 2013. Under construction.
Headwaters	Indianapolis, IN	10 miles transmission lines and a 345V substation	Corsán USA as contractor.	Under construction
White Camp Solar	West Texas, TX	100 MW Photovoltaic solar plant	Corsán USA as contractor.	Not commenced.

For additional information, see “DESIGN-BUILD CONTRACT” and APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE DESIGN-BUILD CONTRACT”.

SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS

Sources of Payment Generally

The Series 2014 Bonds will be repaid by the Company from various sources of revenue, including Availability Payments and Milestone Payments under the Public-Private Agreement, Equity Contributions under the Equity Contribution Agreement and other available amounts (including Compensation Amounts and Termination Compensation, if any), as more fully described herein.

Collateral Generally

All obligations of the Company under the Series 2014 Bonds, the Senior Loan Agreement, any Additional Parity Bonds Loan Agreements (if executed), any Additional Parity Bonds (if issued) and the other Financing Documents (without duplication) will constitute direct, senior secured and unconditional obligations of the Company, which will rank *pari passu* and ratably without any preference or priority among themselves and will rank in priority to all unsecured obligations of the Company and will be secured by (a) a pledge by the Pledgor of its limited liability company interests in the Company, subject to certain limitations and as described under the caption “—Pledge Agreement” (the “Pledged Collateral”) and (b) all personal property interests of the Company, including all of its right, title and interest in and to the Project Revenues, the Public-Private Agreement and all other Assigned Agreements, the Indenture Account Collateral and the Project Accounts, subject to certain limitations and as described under the caption “—Security Agreement” (the “Security Collateral”, and together with the Pledged Collateral, the “Collateral”).

The Series 2014 Bonds

Except for payments received pursuant to the Senior Loan Agreement as described in the following sentence, the Owners of the Series 2014 Bonds may not look to any revenues of the Issuer for repayment of the Series 2014 Bonds. The only sources of repayment of the Series 2014 Bonds will be payments provided by the Company to the Issuer pursuant to the Senior Loan Agreement and the Security Interests that are part of the Trust Estate. The Series 2014 Bonds will be special and limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate under the Indenture, including the payments to be made by the Company to the Issuer under the Senior Loan Agreement. The Series 2014 Bonds will not be payable from taxes or appropriations made by the General Assembly of the State and will not constitute an indebtedness, or a pledge of the faith and credit, of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The special limited obligation of the Issuer to pay the amount of the principal of, or interest or premium, if any, on the Series 2014 Bonds will not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Issuer has no taxing power. The Owners of the Series 2014 Bonds will have, individually or collectively, no right to have taxes levied or compel appropriations by the General Assembly of the State or any political subdivision of the State for the payment of any or all of the amount of such principal of, or interest or premium, if any, on the Series 2014 Bonds.

Series 2014 Bond DSRA

The Series 2014 Bond DSRA will be created solely for the benefit of the Owners of the Series 2014 Bonds. The Company will cause the Series 2014 Bond DSRA to be funded to the Series 2014 Bond DSRA Requirement on or prior to the Substantial Completion Date from funds available to the Company in the Construction Account. At all times prior to the Substantial Completion Date, the aggregate amount in the Construction Account *plus* the aggregate stated amount of all Equity Letters of Credit (posted in accordance with the Equity Contribution Agreement) and the amount of Infra-PSP’s then-current Remaining Committed Amount (to the extent supported by the PSP Guaranty), *minus* any amounts on deposit in the Series 2014 Bond DSRA prior to the Substantial Completion Date will not be less than the projected Series 2014 Bond DSRA Requirement on the Substantial Completion Date.

The required balance of the Series 2014 Bond DSRA will be (A) on the Substantial Completion Date, the forecasted Series 2014 Mandatory Debt Service that is projected to become due and payable on or prior to the first

Series 2014 Payment Date to occur after the Substantial Completion Date and (B) on any Transfer Date after the Substantial Completion Date, the forecasted Series 2014 Mandatory Debt Service that is projected to become due and payable on or prior to the next Series 2014 Payment Date (the “Series 2014 Bond DSRA Requirement”). The required balance of the Debt Service Reserve Account with respect to any Other Permitted Senior Secured Indebtedness will be as set forth in the Other Senior Secured Documents (such required balance, and together with the Series 2014 Bond DSRA Requirement, for each Debt Service Reserve Account, the “DSRA Requirement”).

If an Event of Default occurs prior to the Substantial Completion Date, then the Collateral Agent will cause amounts in the Construction Account to be deposited in the Series 2014 Bond DSRA to fund the then applicable Series 2014 Bond DSRA Requirement. On each Transfer Date after the Substantial Completion Date, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited, in accordance with the provisions set forth under “PROJECT ACCOUNTS AND FLOW OF FUNDS— Project Accounts” below, into the Series 2014 Bond DSRA, in an amount necessary, together with amounts on deposit therein (if any), to cause the amounts on deposit in the Series 2014 Bond DSRA to equal the DSRA Requirement. In lieu of or in addition to cash or investments, at any time the Company may cause to be deposited to the credit of the Series 2014 Bond DSRA an Acceptable Letter of Credit, as described under the caption “PROJECT ACCOUNTS AND FLOW OF FUNDS— Project Accounts—Debt Service Reserve Accounts”.

More generally, amounts in the Series 2014 Bond DSRA will be used to pay debt service on the Series 2014 Bonds on the date such debt service is due if insufficient funds for that purpose are available in the Series 2014 Interest Sub-Account or the Series 2014 Principal Sub-Account (after giving pro forma effect to all transfers to such Sub-Accounts described under the captions “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Revenue Account” and “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Payment Account”), together with funds in the applicable account of the Series 2014 Debt Service Fund under the Indenture. Amounts in the Series 2014 Bond DSRA are pledged solely to the Owners of the Series 2014 Bonds.

Moneys on deposit in the Series 2014 Bond DSRA will in all cases be applied by the Collateral Agent in accordance with the Collateral Agency Agreement. See “PROJECT ACCOUNTS AND FLOW OF FUNDS— Project Accounts—Debt Service Reserve Accounts”.

Security Agreement

The Company and the Collateral Agent, for the benefit of the Secured Parties, will enter into a security agreement (the “Security Agreement”) in order to secure the prompt irrevocable and indefeasible payment in full when due of the Senior Secured Obligations. The Company will pledge and grant to the Collateral Agent, for the benefit of the Secured Parties, a first priority Security Interest (subject only to Permitted Security Interests) in all of its estate, right, title and interest in and to its property (to the extent permitted by Law and except as expressly provided in the Security Agreement, including where the grant of such Security Interest would be void, voidable, terminable or revocable by operation of Law or otherwise), including all property, whether owned at such time or in the future acquired by it and whether then existing or in the future coming into existence and wherever located.

The Security Collateral will include, without limitation, the following:

- (a) Project Revenues;
- (b) its rights, title and interest in, to and under the Public-Private Agreement, the Design-Build Contract, each other Material Project Contract and the other Assigned Agreements;
- (c) subject to the Indenture, the Indenture Account Collateral;
- (d) subject to the Collateral Agency Agreement, the Project Accounts (subject to the provisions of the Collateral Agency Agreement), all “securities accounts” (as defined in the UCC) and all accounts and general intangibles (including payment intangibles), instruments, equipment, inventory, agreements, contracts, tangible and intangible property and fixtures, governmental approvals, proceeds of insurance policies and other associated proceeds and profits, each as further detailed in the Security Agreement; provided, that:

- (1) no Secured Parties other than the Owners of the Series 2014 Bonds will have a Security Interest in the Series 2014 Bond DSRA, the Series 2014 Interest Account, the Series 2014 Interest Sub-Account, the Series 2014 Principal Sub-Account, the Series 2014 Rebate Fund or the Series 2014 Redemption Account or any Project Account Collateral or any “proceeds” (as defined under the UCC) related to any of the foregoing;
 - (2) no Secured Parties other than the applicable Other Senior Secured Creditors will have a Security Interest in any Debt Service Reserve Account with respect to such Other Senior Secured Creditors’ Other Permitted Senior Secured Indebtedness or other accounts similar to those listed in paragraph (1) above established with respect to such Other Permitted Senior Secured Indebtedness pursuant to the applicable Other Senior Secured Documents or the Collateral Agency Agreement or any Project Account Collateral or any “proceeds” (as defined under the UCC) related to any of the foregoing;
 - (3) the Secured Parties will not have any Security Interest in any PABs Rebate Fund, the Distribution Account, the Handback Requirements Reserve Account (other than, to the extent permitted by the Public-Private Agreement, any excess over the Handback Reserve Required Balance), or any amounts distributed therefrom;
 - (4) the Secured Parties will not have any Security Interest in any equipment subject to a purchase money lien or capital lease obligations (that in either case constitute Permitted Security Interests) if the applicable contract or other agreement prohibits or requires consent as a condition to the creation of any other lien on such equipment, but only to the extent that such consent cannot be obtained using commercially reasonable efforts; and
 - (5) the Secured Parties will not have any Security Interest, any right, title or interest in any of the items listed in this paragraph (d) which has been released from the Security Interest created under the Security Agreement pursuant to the Financing Documents and Other Senior Secured Document;
- (e) all Milestone Payments, Termination Compensation, Compensation Amounts and Delay Liquidated Damages; and
 - (f) all other amounts received or receivable by the Company under the Public-Private Agreement and any other Assigned Agreement.

Notwithstanding anything to the contrary in the Security Agreement, the Company will remain liable for all obligations under and in respect of the Security Collateral and nothing contained in the Security Agreement is intended to, or will be, a delegation of its duties to the Collateral Agent or the Secured Parties.

Remedies

If a Senior Event of Default has occurred and is continuing, to the extent permitted by applicable law and subject to the Collateral Agency Agreement and any Intercreditor Agreement, the Collateral Agent may exercise remedies authorized by law, as further detailed in the Security Agreement, including, without limitation: (a) the right to require the Company to assemble the Security Collateral (to the extent such Security Collateral is moveable) owned by it at such place or places designated by the Collateral Agent; (b) the right to make any reasonable compromise or settlement with respect to any of the Security Collateral and to extend the time of payment, arrange for payment in installments, or otherwise modify the terms of all or any part of the Security Collateral; (c) the right to, in its name or in the name of the Company or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for all or any part of the Security Collateral, but will be under no obligation to do so; (d) the right to, upon 15-days’ prior written notice to the Company of the time and place, with respect to the Security Collateral or any part thereof that will then be or will thereafter come into the possession, custody or control of the Collateral Agent or the Secured Parties or any of their respective agents, sell, lease, assign or otherwise dispose of all or any part of such Security Collateral, at such place or places

as the Collateral Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is described in this clause (d) or by applicable law and cannot be waived); (e) the right to exercise, all of the rights, remedies, powers and privileges with respect to the Security Collateral of a secured party under the UCC; and (f) to the full extent provided by law, the right to have a court having jurisdiction appoint a receiver, which receiver will take charge and possession of and protect, preserve, replace and repair the Security Collateral or any part thereof, and manage and operate the same, and receive and collect all rents, income, receipts, royalties, revenues, issues and profits therefrom.

Pledge Agreement

The Pledgor and the Collateral Agent, for the benefit of the Secured Parties, will enter into the Pledge Agreement (the "Pledge Agreement") in order to secure the prompt irrevocable and indefeasible payment in full when due of the Senior Secured Obligations.

Grant

The Pledgor will assign, pledge and grant to the Collateral Agent, for the benefit of the Secured Parties, a first priority security interest (subject only to Permitted Security Interests) in all of its estate, right, title and interest in and to the following property, whether owned at such time or thereafter acquired:

- (a) all of its limited liability company interests in the Company and all of its options, warrants and rights to purchase limited liability company interests in the Company and dividends, distributions, cash, securities, instruments and other property from time to time paid, payable or otherwise distributed in respect of or in exchange for all or any part of its limited liability company interests in the Company and all proceeds thereof ("Pledged Membership Interests");
- (b) any Indebtedness owed to the Pledgor by the Company from time to time, including any instruments (as such term is defined in the UCC) or payment intangibles (as such term is defined in the UCC) evidencing or relating to such Indebtedness; and
- (c) all proceeds, products and accessions of and to any and all of the foregoing, including, without limitation, "proceeds" as defined in the UCC, including whatever is received upon any sale, exchange, collection or other disposition of any of the Pledged Membership Interests, and any property into which any of the Pledged Membership Interests are converted, whether cash or non-cash proceeds, and any and all other amounts paid or payable under or in connection with any of the Pledged Membership Interests;

provided, that (1) the Secured Parties will not have any Security Interest in any amounts distributed or paid to the Company or the Pledgor from the Distribution Account in accordance with the Collateral Agency Agreement or on deposit therein and (2) the Secured Parties will not have any Security Interest in any amounts distributed or paid to the Pledgor or any other person as payment or reimbursement for O&M Expenditures, Restoration Costs, Major Maintenance Costs, costs with respect to Handback Requirements, Project Costs or other payments or reimbursements of amounts paid by the Pledgor (or any of its Affiliates) in accordance with the Financing Documents and the Other Senior Secured Documents

Additional Pledged Collateral and Additional Membership Interests

Subject to certain distribution and voting rights described in the Pledge Agreement, upon obtaining any additional Pledged Collateral, the Pledgor will be obligated to hold such Pledged Collateral in trust for the Collateral Agent, segregate such Pledged Collateral from its other property or funds and promptly deliver the certificates or instruments evidencing such Pledged Collateral (if any) to the Collateral Agent, in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment, where applicable.

The Pledgor will cause the Company to not issue any limited liability company interests or other equity interests or other securities in addition to the Pledged Membership Interests, except upon the satisfaction of the following conditions (a “Qualified Issuance”): (a) the Collateral Agent must have received a certificate of the Company and the transferee of the limited liability company interests or other equity interests or other securities, as applicable, certifying that such Qualified Issuance does not result in (and will not result in after giving effect thereto) an Event of Default under the Senior Loan Agreement as a result of the occurrence of a Change of Control (subject to the conditions set forth in the Senior Loan Agreement), and (b) unless the transferee of the limited liability company interests or other equity interests or other securities is the Pledgor, the transferee must (i) accede to the Pledge Agreement and agree to be bound by the terms thereof as a “Pledgor” thereunder by delivery of an executed joinder agreement, in form and substance reasonably satisfactory to the Collateral Agent; (ii) cause such limited liability company interests or other equity interests or other securities to be pledged as Pledged Collateral in accordance with the Pledge Agreement; and (iii) deliver to the Collateral Agent a legal opinion with respect to such transferee, and with respect to Pledgor and the Pledge Agreement, covering the Security Interests in the relevant Pledged Collateral.

Remedies

Upon the occurrence and during the continuance of a Senior Event of Default, to the extent permitted by applicable law and subject to the Collateral Agency Agreement and any Intercreditor Agreement, the Collateral Agent will have the right to exercise, in addition to all other rights and remedies granted to it, all rights and remedies with respect to the Pledged Collateral of a secured party under the UCC and such additional rights, remedies, powers and privileges to which a secured party is entitled under the laws in effect in any jurisdiction where any rights, remedies, powers and privileges in respect of the Pledge Agreement or the Pledged Collateral may be asserted, including the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Collateral as if the Collateral Agent were the sole and absolute owner of the Pledged Collateral.

Without limiting the generality of the foregoing, the Collateral Agent, without demand, presentment, protest or advertisement (except as required by law), will have the right in such circumstances, upon ten Business Days prior written notice to the Pledgor of the time and place, to sell, lease, assign, give option or options to purchase, or otherwise dispose of all or any part of such Pledged Collateral at such place or places as the Collateral Agent may determine, for cash, for credit or for future delivery (without thereby assuming any credit risk) and at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place of any such sale (except such notice as is required by the Pledge Agreement or by applicable statute and cannot be waived) and the Collateral Agent or any other person may be the purchaser, lessee or recipient of any or all of the Pledged Collateral so disposed of and thereafter hold the same absolutely free from any claim or right of whatsoever kind.

Non-Recourse to Pledgor

Notwithstanding anything to the contrary contained in the Pledge Agreement, (a) neither the Pledgor nor any past, present or future officers, directors, employees, shareholders, agents, attorneys or representatives of the Pledgor nor any Affiliate of the Pledgor (collectively, the “Non-Recourse Parties”) will have any obligations or liabilities under the Financing Documents or Other Senior Secured Documents or be liable for any amount payable under the Pledge Agreement or any other Financing Document or Other Senior Secured Document, other than obligations or liabilities with respect to any Non-Recourse Party arising under any Financing Document or Other Senior Secured Document to which such Non-Recourse Party is a party to the extent expressly contemplated thereby; (b) no Secured Party will seek a money judgment or deficiency or personal judgment (other than with respect to Pledged Collateral) against any Non-Recourse Party for payment of the Indebtedness secured by the Pledge Agreement; and (c) no property or assets of any Non-Recourse Party, other than the Pledged Collateral, will be sold, levied upon or otherwise used to satisfy any judgment rendered in connection with any action brought with respect to the Pledge Agreement. The foregoing acknowledgments, agreements and waivers will survive the termination of the Pledge Agreement, will be enforceable by any Non-Recourse Party and are a material inducement for the Pledgor’s execution of the Pledge Agreement. None of the provisions described in this paragraph will limit or affect, or be construed to limit or affect, the obligations and liabilities of the Pledgor arising under the Pledge Agreement to the extent expressly contemplated thereby or arising from liability pursuant to any applicable Law for

the fraudulent actions of the Pledgor or, with respect to any other Non-Recourse Party, arising under any Financing Document or Other Senior Secured Document to which such Non-Recourse Party is a party to the extent expressly contemplated thereby. Notwithstanding anything to the contrary contained in the Pledge Agreement, the aggregate liability of the Pledgor under the Pledge Agreement will in all circumstances be limited to the Pledged Collateral and recourse of the Collateral Agent and other Secured Parties with respect to the obligations of Pledgor under the Pledge Agreement will be limited to the Pledged Collateral.

Collateral Agency Agreement

The Collateral Agency Agreement will be entered into among the Company, the Collateral Agent, on behalf of itself and the other Secured Parties, the Trustee, on behalf of the Owners of the Series 2014 Bonds and as the Creditor Representative, and the Securities Intermediary, on behalf of itself and the other Secured Parties.

Pursuant to the terms of the Collateral Agency Agreement, U.S. Bank National Association will be appointed as collateral agent with respect to the Security Interests in and to the Collateral and the rights and remedies set forth under the Security Documents. Certain Project Accounts will be established in the name of the Company in accordance with the Collateral Agency Agreement. As described therein, the Company will pledge and grant to the Collateral Agent, for the benefit of the Secured Parties, a Security Interest in and on such Project Accounts and the funds and investments on deposit therein, subject to the provisions of the Collateral Agency Agreement and other Security Documents. The proceeds of the Series 2014 Bonds, as well as Milestone Payments, Availability Payments and other revenues from the operation of the Project, will be deposited into certain Project Accounts, and the Company may authorize the Collateral Agent to credit funds to or deposit funds in, and to withdraw and transfer funds from, each Project Account, including the withdrawal of proceeds of the Series 2014 Bonds to pay for or reimburse Project Costs, subject to, with certain exceptions, the satisfaction by the Company of certain requirements for withdrawals and transfers set forth in the Collateral Agency Agreement. See “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts” for a further description of the Project Accounts. The flow of funds is set forth in the Collateral Agency Agreement and is summarized in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Revenue Account”.

Intercreditor Terms Among the Secured Parties

General

Prior to the issuance of any Senior Secured Obligations other than the Bonds, the Collateral Agent will be instructed by the Trustee acting at the direction of the Owners. In connection with the incurrence of any Senior Secured Obligations other than the Bonds (and as a condition to such incurrence), the Company is required to ensure that the provider of such Senior Secured Obligations shall have entered into an intercreditor agreement substantially in the form attached to the Senior Loan Agreement (the “Intercreditor Agreement”) with the Company, the Trustee, the Collateral Agent and a person to be appointed as the intercreditor agent thereunder (the “Intercreditor Agent”). The form of Intercreditor Agreement generally sets forth the parties’ rights and obligations with respect to (i) the exercise and enforcement of remedies against the Collateral, (ii) the sharing of the Collateral, and (iii) voting requirement in respect of certain modifications to the Financing Documents, including certain fundamental modifications with respect to the flow of funds and the Collateral. With certain exceptions, all collateral security pledged under the Security Documents will be for the joint benefit of all the Secured Parties, and, subject to the Intercreditor Agreement and the provisions set forth in each Senior Secured Document which affects the allocation of funds among the Secured Parties party to such Senior Secured Document, all amounts paid to the Collateral Agent or realized by the Collateral Agent will be paid, to the extent funds are available, to each Secured Party, without priority of any one over any other in accordance with the Collateral Agency Agreement.

Exercise of Remedies

If the Majority Voting Parties elect to exercise remedies, then the Intercreditor Agent will follow the written instruction regarding the exercise of remedies delivered by the Majority Voting Parties, which may be in the form of an Intercreditor Vote (the “Remedies Instruction”). Each Remedies Instruction will specify the particular action that the Majority Voting Parties propose to cause the Intercreditor Agent to take. The Majority Voting Parties will include the party entitled to cast the votes under the Intercreditor Agreement for each facility (the “Designated

Voting Party”); provided, that (a) the Trustee will act as Designated Voting Party with respect to the Series 2014 Loan and any other Senior On-Loan, acting in accordance with the Senior Loan Agreement and any relevant Additional Parity Bonds Loan Agreement; (b) the applicable agent with respect to any Other Permitted Senior Secured Indebtedness (other than the Bonds) will act as Designated Voting Party with respect to such Other Permitted Senior Secured Indebtedness, in accordance with the terms and provisions of the applicable Other Senior Secured Documents; and (c) except as set forth in the Intercreditor Agreement, the counterparty to each Senior Hedging Contract (or an agent on such counterparty’s behalf) will act as Designated Voting Party thereof. Each Designated Voting Party will act (to the extent applicable) at the direction of the requisite percentage of Secured Parties (if any) needed to take such action or exercise such right pursuant to the relevant the Senior Secured Documents under their respective Senior Secured Debt (to the extent applicable) representing more than 50% of the Combined Exposure at such time; provided, that each Designated Voting Party acting at the requisite percentage of the Secured Parties needed to take such action or exercise such right will be deemed to be acting on behalf of the Secured Parties holding 100% of the aggregate principal amount of the outstanding relevant Senior Secured Obligations for the purposes of calculating 50% of the Combined Exposure. The Combined Exposure (the “Combined Exposure”) will be, as of any date of calculation, the sum (calculated without duplication) of the following, to the extent the same is held by any Secured Party: (a) the aggregate principal amount of outstanding Senior Secured Obligations; (b) other than with respect to any enforcement action, the aggregate amount of all available undrawn financing commitments of Senior Secured Debt which the relevant Secured Parties have no right to terminate other than upon the occurrence of an event of default (howsoever defined) thereunder; and (c) the agreement value of each Senior Hedging Contract, subject to certain limitations and adjustments in representation in respect of such Senior Hedging Contracts.

At the direction of the Majority Voting Parties pursuant to a Remedies Instruction, the Intercreditor Agent will exercise the remedies provided therein (provided, that the relevant Security Documents permit such remedy) including, if so directed, to promptly instruct the Collateral Agent to seek to enforce the Security Documents, to realize upon the Collateral or, in the case of a proceeding against the Company, the Pledgor, each Sponsor (but only until the termination of the Equity Contribution Agreement or the release of such Sponsor from its obligations thereunder) or any other person under any applicable law, to seek to enforce the claims of the Secured Parties thereunder.

Amounts Not Subject to Sharing

Notwithstanding any other provision of the Intercreditor Agreement or any other Senior Secured Document, no Secured Party will have any obligation to share: (a) any closing or commitment fee or an indemnity against or reimbursement under such any Senior Secured Document; (b) any non pro rata prepayment pursuant to any Senior Secured Document; (c) any payment of fees made to the Intercreditor Agent, the Collateral Agent, the Trustee or any agent pursuant to any separate fee arrangements; and (d) any payment made from a Debt Service Reserve Account or from the liquidation of any Collateral that benefit certain classes of Secured Parties but not all Secured Parties.

Direct Agreements

The following direct agreements will be entered into in connection with the Project:

(a) The Contracting Authority, the Company and the Collateral Agent will enter into the Lenders’ Direct Agreement that will set forth certain assurances of the rights of the Secured Parties with respect to the Public-Private Agreement in the event of a default thereunder by the Company, including, subject to certain terms and conditions specified therein, step-in and cure rights, forbearance obligations of the Contracting Authority with respect to its exercise of remedies under the Public-Private Agreement, rights of substitution and other rights of the Secured Parties; and

(b) The Design-Build Contractor, the Company and the Collateral Agent will enter into the Design-Build Contractor Direct Agreement providing for the Design-Build Contractor’s consent to the pledge and assignment of, and the granting of a lien on, all of the Company’s right, title and interest in the Design-Build Contract, and certain assurances of the Collateral Agent’s rights with respect to the Design-Build Contract generally, including, subject to certain terms and conditions specified therein, step-in and cure rights, forbearance

obligations of the Design-Build Contractor with respect to its exercise of remedies under the Design-Build Contract, rights of substitution and other rights of the Collateral Agent for the benefit of the Secured Parties.

Issuer Not Liable on the Series 2014 Bonds

The Series 2014 Bonds will be special and limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate under the Indenture, including the payments to be made by the Company to the Issuer under the Senior Loan Agreement, and will not be payable from taxes or appropriations made by the General Assembly of the State. The Series 2014 Bonds will not constitute an indebtedness, or a pledge of the faith and credit, of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The special limited obligation of the Issuer to pay the amount of the principal of, or interest or premium, if any, on the Series 2014 Bonds will not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Issuer has no taxing power. The Owners of the Series 2014 Bonds will have, individually or collectively, no right to have taxes levied or compel appropriations by the General Assembly of the State or any political subdivision of the State for the payment of any or all of the amount of such principal of, or interest or premium, if any, on the Series 2014 Bonds.

FINANCING FOR THE PROJECT

Senior Debt

The initial senior debt to be incurred in connection with the financing of the Project will be comprised of the Series 2014 Bonds, which will be issued pursuant to the Indenture. Upon the issuance of the Series 2014 Bonds, all of the proceeds of such Series 2014 Bonds will be loaned by the Issuer to the Company on the Closing Date in accordance with and subject to the terms of the Senior Loan Agreement, to be entered into between the Company and the Issuer, and will be available to the Company, subject to the terms and conditions set forth in the Senior Loan Agreement, the Indenture and the Collateral Agency Agreement, to pay a portion of the Project Costs and, if applicable, to fund the Series 2014 Bond DSRA. Pursuant to the Senior Loan Agreement, the Company will agree to make payments to the Trustee in the amounts and on the dates required to pay the principal of, premium, if any, and interest on the Series 2014 Bonds and will agree to comply with various covenants for the benefit of the Trustee and the Owners of the Series 2014 Bonds. See “FINANCING FOR THE PROJECT—Senior Loan Agreement”. The proceeds of the Series 2014 Bonds, net of any underwriting discount, will be deposited initially into the PABs Proceeds Sub-Account of the Construction Account and invested in Permitted Investments at the direction of the Company. Revenues and certain other cash available to the Company will be applied to the payment of the principal of, premium, if any, and interest on the Series 2014 Bonds to the extent described herein and in accordance with the Collateral Agency Agreement and the Indenture. See “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Revenue Account”.

Senior Loan Agreement

Generally. The Company and the Issuer will enter into the Senior Loan Agreement, pursuant to which the proceeds of the issuance of the Series 2014 Bonds will be loaned to the Company on the date of issuance of the Series 2014 Bonds, subject to the terms and conditions of the Senior Loan Agreement. The net proceeds received from the sale of the Series 2014 Bonds will be deposited directly into the PABs Proceeds Sub-Account of the Construction Account. The Company will use the proceeds of the Series 2014 Loan (a) to pay a portion of the Project Costs and (b) if applicable, to fund the Series 2014 Bond DSRA. In order to secure the repayment of the Series 2014 Bonds, all of the Issuer’s right, title and interest in and to the Senior Loan Agreement (except for Reserved Rights) will be assigned to, and are subject to a security interest in favor of, the Trustee in accordance with the Indenture.

Compliance with the Indenture. In accordance with any applicable provisions of the Indenture, at the request of the Company, the Issuer will take any action directed by the Company to the extent required under, or permitted by, the provisions of the Indenture or the Senior Loan Agreement. The Company will take all action required to be taken by the Company in the Indenture as if the Company were a party to the Indenture.

Amounts Payable. The Company will repay the Series 2014 Loan, as follows: on or before any Interest Payment Date for the Series 2014 Bonds or any other date that any payment of interest, principal or Redemption Price on the Series 2014 Bonds is required to be made in respect of the Series 2014 Bonds pursuant to the Indenture (which payments for principal and interest will be in the respective amounts set forth on the debt service schedule attached to the Senior Loan Agreement and as amended from time to time pursuant to the Indenture), until the payment of interest, principal, or Redemption Price on the Series 2014 Bonds have been fully paid or provision for the payment thereof has been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the applicable Account of the Series 2014 Debt Service Fund, will enable the Trustee to pay to the Owners of the Series 2014 Bonds the amount due and payable on such date as interest, principal or Redemption Price on the Series 2014 Bonds as provided in the Indenture. All payments made by the Company will be made free and clear of (and grossed up for) any tax or stamp duty. The Company will also pay to the Issuer the Issuer’s reasonable costs, fees and expenses directly related to the issuance of the Series 2014 Bonds, including the reasonable fees and expenses of its counsel.

Obligations of Company Unconditional. The obligations of the Company to make the payments as required above and to perform and observe all covenants under the Senior Loan Agreement will be absolute and unconditional.

Prepayment and Redemption. The Company will have the option to prepay its obligations under the Senior Loan Agreement at the times and in the amounts as necessary to cause the Issuer to redeem the Series 2014 Bonds in accordance with the terms of the Indenture and the Series 2014 Bonds, as further described under the caption “THE SERIES 2014 BONDS—Redemption of Series 2014 Bonds Prior to Maturity”. The Issuer, at the request of the Company, if applicable, will take all steps (other than the payment of funds necessary to effect such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the Outstanding Series 2014 Bonds, as may be specified by the Company and required by the Indenture, on the date established for such redemption. See “THE SERIES 2014 BONDS—Redemption of Series 2014 Bonds Prior to Maturity”. Upon any such redemption in full and payment of all amounts as required by the Indenture, the Senior Loan Agreement will terminate as provided therein.

Company to Provide Funds. If proceeds derived from the Series 2014 Loan, and any other available (or to be available) funds are not sufficient to finance the Project Costs on the Closing Date, the Company will not be entitled to any reimbursement from the Issuer or the Trustee for the payment of such excess costs nor will the Company be entitled to any abatement, diminution or postponement of its payment obligations under the Senior Loan Agreement.

Certain Covenants of the Company. Pursuant to the Senior Loan Agreement, the Company will agree to comply with certain covenants (which covenants may be qualified by materiality and other exceptions), including, but not limited to the following:

(a) the Company will not, unless required or permitted under the Public-Private Agreement, abandon all or a material portion of the Project;

(b) the Company will engage solely in the business of financing, developing, designing, constructing, insuring, managing, operating, maintaining, repairing and performing rehabilitation work on the Project and activities relevant and incidental thereto and will maintain its legal existence and good standing, its authorization to do business in the State and qualification to do business in every jurisdiction where such qualification is material to the conduct of its business, and its material rights, franchises, privileges and consents necessary for the maintenance of its existence; and the Company will use commercially reasonable efforts to continue to be disregarded and not treated as a separate entity for federal and State income tax purposes;

(c) the Company will operate and maintain the Project and all property material to the conduct of its business in good working order and condition (ordinary wear and tear excepted) (or cause the same to be operated and maintained) in accordance with the Public-Private Agreement;

(d) the Company will maintain insurance policies required to be maintained by the Company in accordance with the Transaction Documents and will cause the Design-Build Contractor to maintain the insurance policies required to be maintained by the Design-Build Contractor to satisfy the requirements of the Public-Private Agreement;

(e) the Company will keep proper records and books of accounts in accordance with generally accepted accounting principles;

(f) the Company will retain independent auditors of nationally recognized standing to audit its annual financial statements;

(g) the Company will deliver certain financial information to the Trustee, certificates, reports, notices and other documents related to financial and operational matters of the Company, including a copy of the annual operating budget of the Company, a construction progress report, and notices of any defaults or events of default, material penalties or damages due by the Company under any Material Project Contract or other material adverse events or material insurance claims related to the Material Project Contract, and details of any material litigation;

(h) the Company will deliver to the Trustee any information required to be delivered by the Company pursuant to the Borrower Continuing Disclosure Agreement entered into with respect to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended;

(i) the Company will deliver to the Dissemination Agent for delivery to the MSRB via EMMA any information required to be delivered by the Company to the Trustee (including the information described in paragraph (g) above) and any information required to be delivered by the Company pursuant to the Borrower Continuing Disclosure Agreement;

(j) the Company will establish and maintain each fund or account required from time to time by the Financing Documents and the Public-Private Agreement and will not maintain or permit to be maintained any accounts other than as permitted and contemplated in the Collateral Agency Agreement, the Indenture, any other Financing Document or the Public-Private Agreement;

(k) the Company will comply with all applicable laws, as and when required, except where any such failure to comply could not reasonably be expected to result in a Material Adverse Effect;

(l) the Company will use the proceeds of the Series 2014 Bonds to pay the Project Costs and if applicable, to fund the Series 2014 Bond DSRA and will comply with the procedures set forth in the Federal Tax Certificate implementing this covenant;

(m) the Company will not take any action or omit to take any action with respect to the Series 2014 Bonds if such action or omission (i) would cause the interest on the Series 2014 Bonds to lose its excludability from gross income for federal income tax purposes under Section 103 of the Code or (ii) would cause interest on the Series 2014 Bonds to lose its exemption from income taxation in the State;

(n) at the request of the Trustee, the Company will execute and deliver any supplements and further instruments as may reasonably be required for carrying out the expressed intentions of the Senior Loan Agreement and as may be necessary or desirable for establishing and maintaining the Security Interests (whether existing or subsequently arising) granted pursuant to the Security Documents;

(o) the Company will file and record the Security Interests created by the Security Documents and will continue the Security Interests created by the Security Documents for so long as any of the Series 2014 Bonds are Outstanding;

(p) the Company will obtain on a reasonably timely basis and maintain in full force and effect all required Governmental Approvals, except where the failure to obtain or maintain any such Governmental Approval (a) is permitted by the Public-Private Agreement, including any provision affording the Company any relief or cure period, or (b) could not reasonably be expected to have a Material Adverse Effect (taking into consideration any provision affording the Company any relief or cure period);

(q) the Company will timely pay and discharge all liabilities for Taxes prior to the date on which penalties, fines or interest attach thereto; provided, that the Company may permit any such Tax to remain unpaid if (1) it is being contested in good faith and adequate reserves have been provided and are maintained in accordance with generally accepted accounting principles or (2) the failure to pay could not reasonably be expected to have a Material Adverse Effect;

(r) the Company will not engage at any time in any business other than the development, construction and operation of the Project and any activities reasonably relevant and incidental thereto;

(s) the Company will not (i) enter into any transaction to merge or consolidate, or liquidate, wind up or dissolve itself, or suffer any liquidation or dissolution, or convey, sell, lease, assign, transfer or otherwise dispose of all or substantially all of its property or assets; (ii) amend or modify its organizational documentation (including the Operating Agreement) in a manner that is materially adverse to the Secured Parties; (iii) sell, lease, assign, transfer or otherwise dispose of property or assets in excess of \$1,000,000 per year, except in certain limited circumstances; (iv) declare and pay dividends or make any other distribution in contravention of the Financing Documents; or (v) except as permitted by the Public-Private Agreement and the Financing Documents, enter into any partnership, joint venture, profit-sharing or similar arrangement whereby the Company's income or profits are

shared with any person (except as contemplated in the Company's organizational documents) or form any subsidiaries;

(t) the Company will not enter into any material transaction or agreement with any Affiliate unless entered into on fair and commercially reasonable terms that are no less favorable to the Company than the Company could reasonably obtain in a comparable arm's-length transaction with a person that is not an Affiliate;

(u) the Company will not create, incur, issue, assume or otherwise become liable for any Indebtedness other than Permitted Indebtedness;

(v) the Company will not make any investments other than Permitted Investments and Eligible Investments held in the Authority Accounts;

(w) within a certain period after each Company Fiscal Quarter occurring after the Substantial Completion Date, the Company will deliver to the Trustee and the Issuer a report showing the operating data for the Project for the previous quarter, including total Project Revenues and total O&M Expenditures incurred; and within a certain period after the end of each Company Fiscal Year occurring after the Substantial Completion Date, the Company will deliver to the Trustee and the Issuer a report showing (1) the variances (calculated on a quarterly basis comparing against the corresponding quarter for the previous Company Fiscal Year) for such periods between the actual Project Revenues and the budgeted Project Revenues and the actual O&M Expenditures incurred and the budgeted O&M Expenditures, together with a brief narrative explanation of variances of 10% or more, and (2) an estimate of the operating costs for the next Company Fiscal Year;

(x) the Company will not, at any time, change its name, jurisdiction of formation or its principal place of business, or its Company Fiscal Year, without prior written notice to the Collateral Agent, the Issuer and the Trustee;

(y) the Company will not create, incur, assume or permit to exist any Security Interest upon any of its assets, except Permitted Security Interests;

(z) the Company will give the Trustee and its consultants and representatives access to the Project site, upon reasonable prior notice to the Company;

(aa) the Company will use commercially reasonable efforts to cooperate with each Nationally Recognized Rating Agency rating the Series 2014 Bonds in connection with any review which may be undertaken by such Nationally Recognized Rating Agency;

(bb) the Company (1) will (i) perform in all material respects all its covenants and obligations under each Material Project Contract and (ii) enforce against each of the other parties thereto the Company's rights and each of such parties' covenants and obligations thereunder, except to the extent that failure to perform or enforce could not reasonably be expected to have a Material Adverse Effect; (2) will perform all work in accordance with each applicable Material Project Contract, except where failure to do so could not reasonably be expected to have a Material Adverse Effect, and (3) will not enter into any new Material Project Contract other than in the ordinary course or amend or waive in any material respect, or terminate, a Material Project Contract, in each case without the prior written consent of the Trustee as provided in the Senior Loan Agreement and subject to the exceptions in the Senior Loan Agreement;

(cc) the Company will enter into direct agreements for the Public-Private Agreement and the Design-Build Contract and use commercially reasonable efforts to enter into direct agreements in respect of each other Material Project Contract;

(dd) the Company will ensure that, prior to the issuance after the Closing Date of any Senior Secured Obligations other than the Series 2014 Bonds and the Additional Parity Bonds, the provider of such Senior Secured Obligations will have entered into an Intercreditor Agreement;

(ee) the Company will not engage in any hedging transactions, except with respect to Permitted Indebtedness, will not permit the aggregate notional amount of the transactions under the Senior Hedging Contracts (if any) in respect of any settlement date to exceed, for a period of 30 or more consecutive days, 105% of the projected aggregate outstanding principal amount on such settlement date of all Other Permitted Senior Secured Indebtedness bearing interest at a floating rate, and will enter into transactions under Senior Hedging Contract as required by the Senior Loan Agreement; and

(ff) prior to or concurrently with the incurrence of any Senior Secured Obligations bearing interest at a floating rate of interest, the Company will (if necessary) enter into transactions under Senior Hedging Contracts such that, after giving pro forma effect to the incurrence of such Senior Secured Obligations and the execution of the transactions under such Senior Hedging Contracts, not more than 15% of the aggregate principal amount of all Senior Secured Obligations having a maturity of more than five years hence bears interest at an unhedged floating rate of interest.

For more detailed information, see APPENDIX G—“SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LOAN AGREEMENT—Covenants of the Company”.

Events of Default. The following events will be “Events of Default” under the Senior Loan Agreement (subject to certain cure periods, materiality and other qualifications, as applicable).

(a) failure by the Company to pay any amount required to be paid as described under the caption “—Senior Loan Agreement—Amounts Payable” above or other amounts pursuant to the Financing Documents;

(b) any representation or warranty made by the Company in any Financing Document to which it is a party or in any certificate or other document delivered by it in connection therewith proves to have been incorrect when made and a Material Adverse Event could reasonably be expected to result therefrom;

(c) failure by the Company to comply in any material respect with any covenant or agreement under the Financing Documents, other than as referred to in (a) above or (m) below;

(d) any Company Default (under the Public-Private Agreement) has occurred and is continuing which gives the Contracting Authority the right to terminate the Public-Private Agreement;

(e) the Public-Private Agreement otherwise has expired or been terminated pursuant to its terms due to the occurrence of a Company Default (under the Public-Private Agreement) or an IFA Default or the Public-Private Agreement ceases to be valid and binding and in full force and effect;

(f) any Material Project Contract (other than the Public-Private Agreement) is terminated or becomes void, voidable or unenforceable prior to the expiration of its term in accordance therewith and such event could reasonably be expected to have a Material Adverse Effect and the Company has not entered into a replacement contract which is permissible under the terms of the Public-Private Agreement within the applicable time period required under the Senior Loan Agreement;

(g) failure by the Company to perform or observe any material term or obligation in any Material Project Contract (other than the Public-Private Agreement) to which it is a party and such failure could reasonably be expected to have a Material Adverse Effect;

(h) the occurrence of a Bankruptcy Event with respect to the Issuer or the Company or the occurrence of a Bankruptcy Event during the Construction Period with respect to the Design-Build Contractor;

(i) an Indenture Event of Default;

(j) a “Senior Event of Default” (or any analogous event) occurs under any Other Senior Secured Document governing Other Permitted Senior Secured Indebtedness having outstanding commitments and indebtedness in excess of \$10,000,000;

(k) a final non-appealable judgment that involves the payment of money in excess of \$10,000,000 against the Company and such judgment remains unsatisfied;

(l) any Financing Document (other than a Security Document) ceases to be in full force and effect, unless such Financing Document is replaced by a substantially similar document;

(m) any Security Document ceases, except in accordance with its terms or as expressly permitted under the Financing Documents, to be effective to grant a perfected Security Interest on any material portion of the Collateral described therein, other than as a result of any action or inaction of the Trustee, the Collateral Agent or any other Secured Party;

(n) the Company abandons the Project;

(o) any Equity Contribution is not made as and when required in accordance with the Equity Contribution Agreement;

(p) any Equity Letter of Credit supporting remaining equity commitments expires or otherwise ceases to be valid or effective at any time that the Sponsor on whose behalf such Equity Letter of Credit was issued has any remaining commitments under the Equity Contribution Agreement and such Equity Letter of Credit is not drawn in full or replaced prior to the expiration thereof;

(q) the PSP Guaranty (i) terminates or otherwise ceases to be valid or effective, (ii) becomes invalid, impaired or unenforceable or (iii) is asserted by PSP Investments to be invalid, impaired or unenforceable or is otherwise disaffirmed or repudiated by PSP Investments, in each case, at any time Infra-PSP has remaining commitments under the Equity Contribution Agreement;

(r) the occurrence of a Change of Control (i) prior to the second anniversary of the Substantial Completion Date unless consented to by the Contracting Authority, or (ii) thereafter in violation of the Public-Private Agreement that has not been waived or consented to by the Contracting Authority;

(s) failure to achieve the Substantial Completion Date by the Bondholder Long Stop Date; and

(t) any Insurance Policy required to be maintained by the Company under the Senior Loan Agreement is not, or ceases to be, in full force and effect at any time when it is required to be in effect.

See APPENDIX G—“SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LOAN AGREEMENT—Events of Default Defined”.

Remedies on Event of Default. Whenever any Event of Default referred to under the caption “—Events of Default” above will have occurred and be continuing, the Trustee (with the written direction of the Owners of a majority of the aggregate principal amount of Outstanding Series 2014 Bonds and any Outstanding Additional Parity Bonds in accordance with the Indenture) will have the right to, in conjunction with its available remedies under the Indenture, take one or any combination of the following remedial steps, by notice to the Company and the Collateral Agent:

(a) declare that all or any part of any amount outstanding under the Senior Loan Agreement is (1) immediately due and payable, and/or (2) payable on demand by the Trustee, and any such notice will take effect in accordance with its terms but only if all amounts payable with respect to the Outstanding Series 2014 Bonds and Additional Parity Bonds are being accelerated pursuant to the Indenture, or if all of the Outstanding Series 2014 Bonds and Additional Parity Bonds are being defeased pursuant to the terms of the Indenture or otherwise paid in full; provided, that in the case of an Event of Default with respect to the bankruptcy of the Company, all amounts outstanding under the Senior Loan Agreement will become due and payable without any action or notice;

(b) pursuant to the terms of any of the Security Documents, direct the Collateral Agent to take or cause to be taken (or vote in favor of the taking or causing to be taken in accordance with any Intercreditor

Agreement) any and all actions necessary or desirable to implement any available remedies with respect to the Collateral under any of the Security Documents;

(c) have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Company during regular business hours of the Company and following prior reasonable notice; or

(d) take on behalf of the Trustee or the Owners (or vote in favor of the taking under any Intercreditor Agreement) other action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company under the Senior Loan Agreement or to enforce the rights of the Owners.

Any amounts collected pursuant to action taken as described under this caption “—Remedies on Event of Default” and the Security Documents paid to the Trustee will be applied in accordance with the provisions of the Collateral Agency Agreement and the Indenture.

Any rights and remedies as are given to the Issuer under the Senior Loan Agreement will also extend to the Owners of the Series 2014 Bonds and any Additional Parity Bonds, and the Trustee, subject to the provisions of the Indenture, will be entitled to the benefit of all covenants and agreements contained in the Senior Loan Agreement, subject to the terms of the Security Documents.

Rescission and Waiver

(a) The Trustee or the Issuer, as applicable, will rescind any acceleration and its consequences immediately after the acceleration of the Series 2014 Bonds has been rescinded in accordance with the Indenture.

(b) The Trustee or the Issuer, as applicable, will waive any Event of Default immediately after any such Event of Default has been waived in accordance with the Indenture.

(c) The Trustee or the Issuer, as applicable, will have the right, but will be under no obligation (except with respect to paragraphs (a) and (b) above), to waive any other Event of Default at any time.

In case of any such waiver or rescission, then and in every such case, the Issuer, the Trustee and the Company will be restored to their former positions and rights, but no such waiver will extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Amendments, Changes and Modifications. Subsequent to the issuance of the Series 2014 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise expressly provided in the Senior Loan Agreement, the Senior Loan Agreement may not be amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture. Any amendment will be duly executed in writing by the Issuer and the Company.

For more detailed information relating to the terms of the Senior Loan Agreement in general, including provisions relating to covenants, defaults and terminations, see APPENDIX G—“SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LOAN AGREEMENT”.

Equity Contributions

Overview. Pursuant to the Equity Contribution Agreement to be entered into among the Sponsors, the Pledgor, the Company and the Collateral Agent on the Closing Date, each Sponsor will agree to contribute to the Company its respective Committed Contribution Amount at the times and in the amounts determined pursuant to the Equity Contribution Agreement, and amounts previously provided to the Company by a Sponsor or funded by a Sponsor to pay for Project Costs will be credited against such Sponsor’s Committed Contribution Amount. Equity Contributions will be deposited into the Equity Contribution Sub-Account of the Construction Account and applied in accordance with the Collateral Agency Agreement. On each date when an Equity Contribution is required to be

paid under the Equity Contribution Agreement, each Sponsor is responsible for its Pro Rata Share of such Equity Contribution. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Equity Contributions”. The obligations of the Sponsors under the Equity Contribution Agreement are several and not joint.

Subject to the provisions of the Equity Contribution Agreement, the Sponsors may assign a portion of its Committed Contribution Amount, and its corresponding rights and obligations thereunder in respect of such assigned portion of its Committed Contribution Amount, to any person that owns or will own a direct or indirect equity interest in the Company and has shareholders’ equity of not less than \$200,000,000 (a “Qualified Transferee”); provided that such transfer does not constitute a Change of Control (a “Qualified Transfer”). The Qualified Transferee will, among other things, execute a joinder agreement substantially in the form attached to the Equity Contribution Agreement and will deliver to the Collateral Agent an Equity Letter of Credit with a stated amount equal to the Required Equity LC Amount of the Qualified Transferee (after giving pro forma effect to the Qualified Transfer), following which, the Collateral Agent will deliver a reduction notice in respect of the Equity Letter of Credit posted by the transferring Sponsor in aggregate amount equal to the stated amount of the Equity Letter of Credit posted by the Qualified Transferee. The Qualified Transferee will then become a Sponsor in respect of the Committed Contribution Amount and the Committed Contribution Amount of the transferring Sponsor will be correspondingly reduced and such transferring Sponsor will be released from its obligations in respect of the Committed Contribution Amount transferred to the Qualified Transferee and, as applicable, its obligations under the Equity Contribution Agreement to the extent of such transfer.

Equity Contributions. Under the terms of the Equity Contribution Agreement each Sponsor is required to make Equity Contributions on the Business Day immediately preceding the requested disbursement of funds from the PABs Proceeds Sub-Account to pay or reimburse a prior payment of Project Costs as reflected in the applicable Construction Account Withdrawal Certificate submitted by the Company under the Collateral Agency Agreement. In addition, each Sponsor is obligated to make Equity Contributions in an amount equal to its respective Remaining Committed Amounts upon three Business Days’ notice from the Collateral Agent following the occurrence and during the continuance of an Event of Default; provided, that upon the occurrence of an Event of Default arising out of any Bankruptcy Event in respect of the Company, no demand or notice of the Collateral Agent will be required, and the foregoing contributions by each Sponsor will be immediately required. The Collateral Agent will (i) in the case of an Equity Event of Default in respect of any Sponsor (other than Infra-PSP), be entitled to draw the full available amount of any Equity Letter of Credit delivered by such Sponsor subject to such Equity Event of Default and (ii) in the case of an Equity Event of Default in respect of Infra-PSP, be entitled to proceed against the PSP Guaranty in an amount equal to Infra-PSP’s then-current Remaining Committed Amount. The Collateral Agent will deposit any proceeds thus obtained into the Equity Contribution Sub-Account in satisfaction, on a dollar-for-dollar basis, of such Sponsor’s Remaining Committed Amount. In the event that the relevant Sponsor’s Remaining Committed Amount is greater than the amount deposited into the Equity Contribution Sub-Account in accordance with the above, such Sponsor will make a Capital Contribution in an amount equal to such deficiency within three Business Days after such draw. “Equity Events of Default” means (a) in respect of any Sponsor, the failure by any Sponsor to contribute equity as required in the Equity Contribution Agreement, which remains unremedied for ten Business Days, (b) in respect of any Sponsor, the occurrence of a Bankruptcy Event in respect of any Sponsor, (c) in respect of Infra-PSP, if PSP Investments is rated lower than “BBB/Baa2” or the equivalent by a Nationally Recognized Rating Agency, (d) in respect of Infra-PSP, if a Bankruptcy Event occurs in respect of PSP Investments, and (e) in respect of Infra-PSP, the occurrence of the actual invalidity, impairment or repudiation of the PSP Guaranty or the assertion by PSP Investments of the invalidity, impairment or repudiation of the PSP Guaranty. The Sponsors will not be required to make Equity Contributions unless the Company has requested release of the proceeds of the Series 2014 Bonds or upon demand following an Event of Default or (with respect to the Sponsors individually) an Equity Event of Default. As a result, there is no committed source of funding after a drawstop of the release of Series 2014 Bond proceeds from the PABs Proceeds Sub-Account and prior to the occurrence and continuance of a Credit Event of Default.

Equity Letters of Credit. Except as set forth below under the caption “—PSP Guaranty” in respect of Infra-PSP, the obligations of each Sponsor to fund Equity Contributions will be supported by an Equity Letter of Credit. The initial face amount of each such Sponsor’s Equity Letter of Credit is required to be no less than the Committed Contribution Amount of such Sponsor, as may be reduced by such Sponsor’s pro rata share of 15% of the aggregate decreases in Project Costs arising from Change Orders, Directive Letters and other decreases in Project Costs, and subsequently increased by such Sponsor’s pro rata share of 15% of the aggregate increases in Project Costs from the

same set of causes (not to exceed the Committed Contribution Amount). Each Equity Letter of Credit delivered by or on behalf of such Sponsors will be reduced over time by the cumulative amount of all Capital Contributions previously made by such Sponsor (or by drawing on such Equity Letter of Credit). Notwithstanding the foregoing, each Sponsor may elect to deposit cash into the Equity Contribution Sub-Account in satisfaction, on a dollar-for-dollar basis, of all or any portion of such Sponsor's obligation to deliver and maintain an equity letter of credit pursuant to the Equity Contribution Agreement.

Each Equity Letter of Credit will be delivered in substantially the form to be attached to the Equity Contribution Agreement (or in such other form reasonably satisfactory to the Collateral Agent), and will (a) be issued by an Acceptable Equity LC Bank and (b) allow drawing (i) during the ten day period prior to its expiry (unless otherwise replaced), (ii) after 60 consecutive days have elapsed since a downgrade of the issuer of the Equity Letter of Credit such that it is no longer an Acceptable Equity LC Bank (but such issuing bank has not suffered an Issuing Bank Ratings Event) and the applicable Sponsor has not arranged for the replacement thereof with an Acceptable Equity Letter of Credit on or before the date which is 60 days following the date on which the issuing bank ceases to be an Acceptable Equity LC Bank, and (iii) if the issuing bank of any Equity Letter of Credit suffers an Issuing Bank Ratings Event. In addition, each Equity Letter of Credit will allow drawing for the full amount of the Committed Contribution Amount of such Sponsor if (i) such Sponsor does not contribute equity as required in the Equity Contribution Agreement and such failure remains unremedied for ten Business Days, or (ii) with respect to any Sponsor, a Bankruptcy Event occurs in respect of such Sponsor. In the event there is any shortfall between such amount and the value of the Equity Letter of Credit and such Sponsor's Remaining Committed Amount, upon three Business Days' notice from the Collateral Agent, such Sponsor will be required to make a Capital Contribution in the amount of its Remaining Committed Amount.

PSP Guaranty. Infra-PSP will obtain a corporate guaranty from its parent company, PSP Investments, in support of the full and prompt payment and performance when due of the obligations of Infra-PSP to make Capital Contributions pursuant to the Equity Contribution Agreement, in favor of the Collateral Agent for the benefit of the Secured Parties (the "PSP Guaranty"). PSP Investments will provide the PSP Guaranty in respect of the Committed Contribution Amount of Infra-PSP; provided, that the PSP Guaranty will, by its stated terms at all times, provide credit support for the obligations of Infra-PSP under the Equity Contribution Agreement in an amount not less than the then-current Remaining Committed Amount of Infra-PSP. The liability of PSP Investments under the PSP Guaranty will be irrevocable, absolute, independent and unconditional, and will not be affected by any circumstance which might constitute a discharge of a surety or guarantor other than the indefeasible payment and performance in full of all of the obligations of Infra-PSP under the Equity Contribution Agreement.

Limitation of Liability. Under the terms of the Equity Contribution Agreement, the aggregate liability of the Pledgor under the Equity Contribution Agreement will in all circumstances be limited to the aggregate of the then-current Remaining Committed Amounts and the aggregate liability of each Sponsor under the Equity Contribution Agreement will in all circumstances be limited to its then-current Remaining Committed Amount.

Milestone Payments and Availability Payments

Pursuant to the Public-Private Agreement, the Contracting Authority has agreed to pay Milestone Payments totaling up to \$80,000,000 upon satisfactory achievement of certain Milestones during the Construction Period, subject to a maximum aggregate Milestone Payment schedule and certain adjustments and other requirements under the Public-Private Agreement. The final Milestone Payment is subject to reduction of up to \$10,000,000 for failure to meet certain requirements under the Public-Private Agreement. The Milestone Payments will be applied by the Company to pay Project Costs, including payments of principal and interest on the Series 2014 Bonds.

Following the Substantial Completion Date and continuing during the term of the Public-Private Agreement, the Company will be eligible to receive Availability Payments from the Contracting Authority based on the portions of the Project located within the O&M Limits being open and available for public traffic. These Availability Payments will constitute the primary source of Project Revenues and such payments are expected to exceed amounts required to pay principal of, interest and premium, if any, on the Series 2014 Bonds and operations and maintenance costs of the portions of the Project located within the O&M Limits during the Operating Period. The Availability Payments will be disbursed monthly, will be calculated for each quarter of each State Fiscal Year and may be adjusted for certain Unavailability Events, where the portions of the Project located within the O&M

Limits are not available to public traffic, and the accumulation of Noncompliance Points, which are assessed if the Company causes a Noncompliance Event (in most cases, a failure to meet certain performance standards under the Public-Private Agreement).

For additional information on the payment of Milestone Payments and Availability Payments, see “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Appropriation Risk”, “PUBLIC-PRIVATE AGREEMENT—Payments under the Public-Private Agreement”, “PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement—Limited Obligations; Covenant to Seek Appropriations—Limited Obligation”, “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW” and APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT”.

RISK FACTORS

THE PURCHASE OF THE SERIES 2014 BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2014 BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, INCLUDING ALL APPENDICES HERETO. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW, WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE SERIES 2014 BONDS AND WHICH COULD ALSO AFFECT THE MARKET PRICE OF THE SERIES 2014 BONDS TO AN EXTENT THAT CANNOT BE DETERMINED.

The following discussion is not meant to be an exhaustive list of the risks and other factors that should be considered in connection with the purchase of the Series 2014 Bonds and does not necessarily reflect the relative importance of the various risks and other factors. Any one or more of the risks described, and others, could adversely affect the Company and/or the Indiana Finance Authority (in its capacity as Issuer or Contracting Authority) and could lead to substantial decreases in the market value and/or the liquidity of the Series 2014 Bonds. There can be no assurance that other risk factors will not become material in the future.

Risks Relating to the Indiana Finance Authority and the Company

Series 2014 Bonds are Special, Limited Obligations

The Series 2014 Bonds will be special and limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate under the Indenture, including the payments to be made by the Company to the Issuer under the Senior Loan Agreement and will not be payable from taxes or appropriations made by the General Assembly of the State. The Series 2014 Bonds will not constitute an indebtedness, or a pledge of the faith and credit, of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The special limited obligation of the Issuer to pay the amount of the principal of, or interest or premium, if any, on the Series 2014 Bonds will not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Issuer has no taxing power. The Owners of the Series 2014 Bonds will have, individually or collectively, no right to have taxes levied or to compel appropriations by the General Assembly of the State or any political subdivision of the State for the payment of any or all of the amount of such principal of, or interest or premium, if any, on the Series 2014 Bonds.

The Issuer has previously sold and delivered numerous series of bonds or notes secured by instruments separate and apart from the Indenture and the Senior Loan Agreement that will secure the Series 2014 Bonds. Other than with respect to Additional Parity Bonds, the owners of such bonds and notes have no claim on assets, funds or revenues of the Issuer that will secure the Series 2014 Bonds and the Owners of the Series 2014 Bonds will have no claims on assets, funds or revenues of the Issuer securing such other bonds and notes. Other than with respect to Additional Parity Bonds, issues which may be sold by the Issuer in the future will be created under separate and distinct indentures or resolutions and will be secured by instruments, properties and revenues separate from those that will secure the Series 2014 Bonds, and the Owners of the Series 2014 Bonds will have no claims on such future assets, funds or revenues of the Issuer that will secure such other future bonds and notes.

Company is a Single Purpose Entity

The Company was formed for the purpose of entering into the Public-Private Agreement and undertaking the Project and performing the activities related thereto, including the activities contemplated by the Transaction Documents. Substantially all of the Company's rights under the Public-Private Agreement and the other Material Project Contracts will be pledged and assigned as security for the Company's financial obligations in connection with the Project. No assurance can be given, however, that the funds available to the Trustee will be sufficient to make payments to be paid from the Trust Estate, including payments to be made of principal of, or interest or premium, if any, on the Series 2014 Bonds.

Appropriation Risk

The source of funds for payment of the Milestone Payments, Availability Payments, Compensation Amounts, Termination Compensation and other amounts due to the Company under the Public-Private Agreement is subject to the availability of funds appropriated by the General Assembly of the State. The source of funds for payment of the amounts owed by the Department to the Contracting Authority under the Use Agreement and the Milestone Agreement is subject to the availability of funds appropriated by the General Assembly of the State. See “PUBLIC-PRIVATE AGREEMENT”, “CONTRACTING AUTHORITY AGREEMENTS” and “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW” herein. A failure by the General Assembly of the State to appropriate adequate funds for the Contracting Authority to fulfill its obligations pursuant to the Public-Private Agreement and for the Department to fulfill its obligations under the Milestone Agreement and the Use Agreement may adversely impact the Company’s ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer’s ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Amounts owed by the Contracting Authority to the Company under the Public-Private Agreement, including Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation, are limited obligations of the Contracting Authority payable from funds appropriated for such purposes. The obligation of the Contracting Authority to pay such amounts does not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligation of the Contracting Authority to pay such amounts does not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Indiana Finance Authority has no taxing power. The Company does not, and the Owners of the Series 2014 Bonds will not, individually or collectively, have any right to have taxes levied or compel appropriations by the General Assembly of the State for any payment of amounts owed by the Contracting Authority to the Company under the Public-Private Agreement. Any of the above may adversely impact the Company’s ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer’s ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

The amounts owed by the Department to the Contracting Authority under the Use Agreement and the Milestone Agreement are limited obligations of the Department payable from funds appropriated for such purposes and do not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligation of the Department to pay such amounts does not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. None of the Contracting Authority or the Company has, or the Owners of the Series 2014 Bonds, individually or collectively, will have any right to have taxes levied or compel appropriations by the General Assembly of the State for any payments owed by the Department under the Use Agreement or the Milestone Agreement.

To the extent that the General Assembly of the State fails to appropriate sufficient funds for the Contracting Authority to pay Milestone Payments or Availability Payments, there may not be sufficient funding for the Company to complete the Project, the Public-Private Agreement may be terminated and there may be insufficient funds from the Company to service and repay the Series 2014 Bonds. To the extent that the General Assembly of the State fails to appropriate sufficient funds for the Contracting Authority to pay any Termination Compensation, the Company may not be paid any Termination Compensation due and the Series 2014 Bonds may not be repaid in full or at all. To the extent that a Relief Event occurs for which the Company is owed a Compensation Amount, if the General Assembly of the State fails to appropriate sufficient funds for the Contracting Authority to pay any such Compensation Amounts, the Company may not receive such Compensation Amount from the Contracting Authority, which may thereby limit or prevent payments of principal of, or interest or premium, if any, on, the Series 2014 Bonds.

Conflicting Interests of the Parties

As in any commercial arrangement, parties may disagree about the appropriate course of action to be taken, particularly if adverse events occur. The Indiana Finance Authority, as both the Issuer and the Contracting

Authority, and the Company and the Design-Build Contractor have different priorities and interests and may have difficulty in resolving disputes should their interests diverge. Similarly, the Indiana Finance Authority, as both the Issuer and the Contracting Authority, and the Trustee, on behalf of the Owners of the Series 2014 Bonds and other Secured Parties, and the Collateral Agent, on behalf of the Secured Parties, may have different interests and priorities following a default or other adverse event under the Public-Private Agreement, and no assurance can be given that the Issuer will be willing or able to take into account the interests of the Owners of the Series 2014 Bonds if an event occurs that would entitle the Contracting Authority to terminate or to take other remedial action under the Public-Private Agreement.

Political Risk and Community Risk

Political pressure affecting the State, the Contracting Authority or the Department could have direct and substantial effects on the amount of funds available to the Contracting Authority for any particular project or the Department, in general, and may result in a decrease of or no appropriations of funds for the Project by the General Assembly of the State, which could affect the Company's ability to satisfy its payment obligations under the Senior Loan Agreement and, in turn, the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds. No assurance can be given that the Contracting Authority will always have sufficient resources to perform its monetary or other obligations under the Public-Private Agreement.

Construction of the Project and operation of the portions of the Project located within the O&M Limits could have considerable local business and community impacts, such as noise, dust, vibrations and increased traffic congestion during the Construction Period and the Operating Period. Addressing these impacts to the satisfaction of local residents and businesses could result in delays and/or in increased costs. To the extent these delays or increased costs are not Relief Events for which the Company is entitled to schedule or monetary relief under the Public-Private Agreement, it could impact the Company's ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Third Party Beneficiary Risk

The Company is not a party to the Use Agreement or the Milestone Agreement, and while the Contracting Authority has contractually agreed to use its best efforts to enforce its rights under such agreements, the Company has no rights under such agreements. Additionally, as the Use Agreement and the Milestone Agreement expressly state that they confer no rights upon any party other than the parties thereto, the Company will not be able to enforce such agreements against the Department. This may limit the Company's ability to seek payment for any amounts owed under the Public-Private Agreement, and it could affect the Company's ability to satisfy its payment obligations under the Senior Loan Agreement and, in turn, the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Termination of Milestone Agreement and Use Agreement

The Department and the Contracting Authority have entered into the Milestone Agreement and the Use Agreement, pursuant to which the Department has agreed to make certain payments to the Contracting Authority, which payments are expected to fund the Contracting Authority's obligations to make Milestone Payments, Availability Payments and other payments to the Company under the Public-Private Agreement. The Milestone Agreement and the Use Agreement are short-term agreements and may be terminated in the event the General Assembly of the State fails to appropriate sufficient funds to satisfy the obligations of the Department thereunder to make payments to the Contracting Authority and for other reasons. In the event such agreements are not extended or are otherwise terminated, the Department would no longer have any obligation to make payments to the Contracting Authority or to seek appropriations by the General Assembly of the State therefor, which may limit the ability of the Contracting Authority to perform its payment and other obligations under the Public-Private Agreement and may adversely impact the Company's ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds. See "CONTRACTING AUTHORITY AGREEMENTS—Milestone Agreement" and "—Use Agreement".

Equity Contributions

The Equity Contributions required to be made by the Sponsors are not required to be made prior to the issuance of the Series 2014 Bonds. The obligation to make Equity Contributions is conditioned on either (a) the disbursement of the proceeds of the Series 2014 Bonds (and hence the satisfaction of the conditions precedent to such disbursement), (b) an Event of Default of the Company or (c) an Equity Event of Default related to the relevant Sponsor or its respective credit support. As a result, there is potentially no committed source of funding for Project Costs (including the funding of the Series 2014 Bond DSRA) after a drawstop of the release of the proceeds of the Series 2014 Bonds and prior to the occurrence and continuance of an Event of Default arising from non-payment of Project Costs (including the funding of the Series 2014 Bond DSRA). Additionally, while the obligations of the Sponsors to make Equity Contributions will be supported by an Equity Letter of Credit (or cash) in the case of Isolux Infrastructure and any additional Sponsors and the PSP Guaranty in the case of Infra-PSP, the Sponsors may be unable or unwilling to make Equity Contributions and the Equity Letters of Credit or the PSP Guaranty, as applicable, may not be honored. See “FINANCING FOR THE PROJECT—Equity Contributions—Equity Letters of Credit” and “FINANCING FOR THE PROJECT—Equity Contributions— PSP Guaranty”.

Risks Relating to the Project

Pass-Through Risks

The Design-Build Contract is structured to pass through, for fixed compensation, to the Design-Build Contractor substantially all of the Company’s obligations and risks under the Public-Private Agreement with respect to the design and construction of the Project, subject to limited exceptions. For example, the payment of Compensation Amounts may be subject, in certain cases, to deductibles to be borne by the Company and may not be passed through to the Design-Build Contractor. See “RISK FACTORS—Risks Relating to the Public-Private Agreement—Events of Force Majeure; Limited Insurance Coverage; Relief Event Deductibles and Compensation Deferral” and “PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement—Compensation for Relief Events”. There can be no assurance that in all cases all of such responsibilities and risks have been passed through or that events will not occur that would result in increases in the amounts payable to the Design-Build Contractor that may not be reimbursed or are otherwise not provided for under the Public-Private Agreement. Reductions in payments by the Contracting Authority to the Company because of non-performance by the Design-Build Contractor are offset against amounts payable from the Company to the Design-Build Contractor or may be offset from certain security held by the Company; however, the Company may not be able to offset in all cases such reductions in payments by the Contracting Authority, and under some circumstances such reductions in payments by the Contracting Authority may exceed the amounts for which the Design-Build Contractor is responsible. See “DESIGN-BUILD CONTRACT—Performance Security”.

Construction Risks

General. As with any major construction effort, the construction of the Project involves many risks that could result in cost overruns, delays or failure to complete the Project. Some of the risks to completing the Project on time and within budget include shortages of materials and labor, work stoppages, labor disputes, bad weather, floods, earthquakes and other casualties, unforeseen engineering, environmental or geological problems, changes in law, discovery of unidentified geologic or hazardous materials or unidentified utilities, third-party litigation, difficulties in obtaining or renewing permits or other federal, state or local government approvals, changes in federal and state or local design or building requirements and permit conditions, any of which could increase the cost and delay of the construction and start-up of the Project. Increased construction costs (including as a result of delays or overruns) could adversely impact the Company’s cash flow, its ability to comply with the Public-Private Agreement and to make timely payments of amounts due under the Senior Loan Agreement, which could, in turn, affect the Issuer’s ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds. Although the Design-Build Contract requires the Design-Build Contractor to achieve certain construction milestones and ultimately to achieve DB Substantial Completion in advance of the date required in the Public-Private Agreement, this schedule may be extended under certain circumstances. Failure to meet any of the construction milestones under the Public-Private Agreement may result in delayed payment of Milestone Payments that could impact the Company’s ability to make timely payments of amounts due under the Senior Loan Agreement

and the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Some, but not all, of these events may be covered by the Company's builders' risk insurance, by the Contracting Authority pursuant to provisions of the Public-Private Agreement that require payment of Compensation Amounts, extensions of deadlines or other relief for events of *force majeure* and other Relief Events, but these payments may be subject to deductibles and no assurance can be given that if such uncontrollable events occur the Company would have or would be able to obtain sufficient funds to cause the Design-Build Contractor to complete construction on time or the Issuer to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Contractors, Utility Owners and Railroads. In addition, the Company or the Design-Build Contractor may outsource to other contract counterparties certain obligations under the Public-Private Agreement and the Design-Build Contract. However, there can be no assurances that such contract counterparties will perform their obligations under the relevant agreements. Further, despite the fact that the Design-Build Contract is a fixed-price contract and that many risks have been contractually allocated to the Design-Build Contractor under the Design-Build Contract or to the Contracting Authority under the Public-Private Agreement, not all of these risks have been shifted to such counterparties or can be insured and there can be no assurance that the Project will be completed on the projected timetable or in line with the budget and other assumptions described in this Official Statement. Lack of coordination among the Company, the Contracting Authority, the Design-Build Contractor, the Utility Owners or other third parties with respect to completion of the Work or their inspections on schedule could also result in delays or cost overruns or both. In particular, the Construction Work under the Public-Private Agreement will require relocation of certain utilities, which will require negotiation with the applicable Utility Owner and the Contracting Authority in connection with required works, compensation, work schedules and performance of works by the applicable Utility Owner. Increased costs that result from delays or change orders caused by actions of the Contracting Authority, the Company, Utility Owners or other third parties or by events of *force majeure*, changes in applicable laws or other uncontrollable circumstances may not be covered under the fixed price and schedule set forth in the Design-Build Contract and may not require payment by the Design-Build Contractor of liquidated damages, to the extent the Design-Build Contractor did not cause or contribute to such event. In addition, Utility Owners may be compensated by either the Contracting Authority or the Contractor (on behalf of the Company pursuant to the terms of the Design-Build Contract), depending on the type of utility and works to be done. See "PUBLIC-PRIVATE AGREEMENT—Utility Adjustment Work". Certain events related to utilities may constitute Relief Events, including, but subject to certain conditions, (i) an unreasonable and unjustified delay by a Utility Owner to enter into an agreement with the Company or to perform under its agreement with the Contracting Authority or the Company or (ii) the discovery of an Unknown Utility that directly affects the Construction Work. Although the Company may be entitled to schedule relief and/or compensation for certain costs, suffered or incurred as a result of any such Relief Event, no assurance can be given that any of the above will not result in increased costs and delays to the Project. See "RISK FACTORS—Risks Relating to the Public-Private Agreement—Events of Force Majeure; Limited Insurance Coverage; Relief Event Deductibles and Compensation Deferral".

In addition, the Company is responsible for coordinating with all railroad owners or operators that may be impacted by the Work. Railroad coordination is required with CSX Transportation and Indiana Rail Road Company, which have railroad tracks that cross the Project. Railroad owners or operators that are affected by the Work have final approval rights for the design of any Work which may affect their facilities. In addition, any conflicting design between Work and the affected facilities must be made to conform to the railroad facilities. The Company is responsible for obtaining all required approvals, permits, petitions, and agreements required for any railroad-related Work, as well as all related costs, fees and Work. The Company will not be granted any time extensions or compensation for the railroad-related Work. The aforementioned could result in increased construction costs and delays, which could adversely impact the Company's cash flow, its ability to comply with the Public-Private Agreement and to make timely payments of amounts due under the Senior Loan Agreement, which could, in turn, affect the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds

Insurance and Liquidated Damages. Not all risks are insured, and it is not possible to obtain insurance for all *force majeure* events and other contingencies described in the Design-Build Contract and the Public-Private Agreement. See "RISK FACTORS—Risks Relating to the Public-Private Agreement—Events of Force Majeure;

Limited Insurance Coverage; Relief Event Deductibles and Compensation Deferral ”. In addition, the amount of liquidated damages the Design-Build Contractor could be required to pay under the Design-Build Contract for delay is limited by the terms of the Design-Build Contract and may not be sufficient to cover all of the Company’s losses in the event of a delay or a failure to complete the required Work in accordance with the Public-Private Agreement. In addition, the Design-Build Contractor has not waived its rights to contest a demand for payment of liquidated damages, and the issuer of the Design-Build Contractor’s performance bond is not guaranteeing performance by the Design-Build Contractor under all circumstances and may assert as a defense to payment any defenses the Design-Build Contractor claims or has. No assurance can be given that available contingency funds, insurance or other funds will be sufficient should delays occur or should the Company have payment obligations that are not satisfied by or included in the responsibility of the Design-Build Contractor under the Design-Build Contract.

Construction of Operations and Maintenance Management Center. Some of the risks that the Contracting Authority has chosen to bear under the Relief Event regime set forth in the Public-Private Agreement, subject to exceptions, apply only to events that occur within or near the Project Right of Way or on Additional Properties that are required due to IFA Changes. The Additional Property on which the Operations and Maintenance Management Center will be located will not be fully covered by the Relief Event regime of the Public-Private Agreement. Therefore, the occurrence of certain events (that would be considered Relief Events if they affected the Project Right of Way) resulting in any delays or increased costs associated with the construction and operation of the Operations and Maintenance Management Center will not be deemed a Relief Event for which the Company is entitled to schedule or monetary relief under the Public-Private Agreement, and could impact the Company’s ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer’s ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Changes in Law

Although the change in laws provisions in the Public-Private Agreement are intended to protect the Company from certain Changes in Law, changes in the laws related to the Project may nonetheless impact the Company’s ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer’s ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds. In addition, both the Company and the Project are subject to various laws, policies and regulations, including, among others, laws governing environmental protections and tax policies. The Project and the Company’s business, financial condition and results of operations may be adversely affected by changes in such laws, policies or regulations. To the extent that the Company or any other parties that are involved in the Project require expenditures of additional funds not budgeted-for in order to be in compliance with any new or amended policies, regulations or laws, and assuming that no compensation or other relief is provided pursuant to the terms and conditions of the Public-Private Agreement, such unanticipated expenditures could negatively impact the Company’s cash flow and thus its ability to satisfy its payment obligations under the Senior Loan Agreement and, thus, the Issuer’s ability to satisfy its payment obligations under the Series 2014 Bonds. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events—Relief for Relief Events”. Furthermore, to the extent that the Company or any other third party that contracts with the Company requires additional time in order to be in compliance with any new or amended policies, regulations or laws, and as a result, completion of construction of the Project is delayed, the Company may suffer a delay in the commencement of the payment of Availability Payments from the Contracting Authority under the Public-Private Agreement and hence have less revenues for servicing its debt obligations, including its payment obligations under the Senior Loan Agreement (and, in turn, the Issuer’s obligation to make timely payments of principal of, or interest or premium, if any, on the Series 2014 Bonds). Depending on the extent of the delay and assuming that no compensation or schedule relief is provided pursuant to the terms and conditions of the Public-Private Agreement, this delay may result in a breach of the Company’s obligations under the Public-Private Agreement, which could give rise to the assessment of Noncompliance Points, and corresponding reductions in the Milestone Payments or Availability Payments, as applicable, otherwise owed to the Company under the Public-Private Agreement, and potentially, could give rise to a right of the Contracting Authority to terminate the Public-Private Agreement. See “RISK FACTORS—Risks Relating to the Public-Private Agreement—Failure to Comply with Public-Private Agreement; Termination of the Public-Private Agreement”. To the extent that any of the foregoing occurs, the Company may have a limited ability, or no ability, to continue making payments pursuant to the Senior Loan Agreement, and, in turn, the Issuer’s ability to make timely payments of principal of, or interest or premium, if any, on the Series 2014 Bonds would be adversely affected.

Environmental and Permitting Risks

Environmental Contamination or Conditions. Environmental laws, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (“CERCLA”), impose liability on owners or operators for the clean-up costs associated with remediating contaminated property. The Company could become liable for certain claims for remediation of pre-existing contamination existing on or under the Project area or with respect to Additional Properties, as well as future contamination associated with the Project. See Relief Event (m), described in APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events”.

Under the Public-Private Agreement, the Contracting Authority has agreed to pay certain Delay Costs and Extra Work Costs related to environmental remediation for certain discoveries or spills of Hazardous Materials at, on or near the Project Right of Way, including certain Additional Properties (but excluding the site of the Operations and Maintenance Management Center). In addition, under the Design-Build Contract, the Design-Build Contractor is obligated to assume all obligations of the Company with respect to the performance of any remediation and the management of the Project in response to any such remediation.

The presence of hazardous material contamination at or near the Project could cause construction delays in order to permit investigation and remediation of such conditions. The Company can seek relief in connection with the remediation of pre-existing Hazardous Materials released by a party other than the Company, the Design-Build Contractor or any other Company-Related Entities performing the Work that are unknown and are not reasonably suspected to exist prior to the Setting Date, and of contamination that is due to certain spills of Hazardous Material by a third party (other than by a Company-Related Entity) which occur after the Setting Date, except for any release of Hazardous Materials that would typically be removed and disposed of during routine maintenance. See “PUBLIC-PRIVATE AGREEMENT”.

The Project is located in a region with karst features. As a result, the Public-Private Agreement requires the Company to construct, and with respect to portions within the O&M Limits, to operate and maintain, the Project in accordance with certain agreements addressing such karst features. Karst features that may be encountered include sinkholes, springs, swallets/sinking streams, caves, cave conduits with or without cave streams, rubble columns and other conduits. Although remediation will be evaluated on a case-by-case basis, remediation may include excavation and removal of soil, backfilling, spanning, and measures to avoid discharges to springs and sinking streams. The Company may claim a Relief Event for karst features that cannot be avoided and for which a treatment measure is required to be implemented; however, the Company is prohibited from seeking Delay Costs and certain other costs. As a result, Karst Feature Treatment Work may result in uncompensated delays to the overall completion schedule. Under the Public-Private Agreement, the Company is eligible for certain Extra Work Costs arising out of or relating to Karst Feature Treatment Work, subject to certain requirements. The Company is solely responsible for the first \$6,000,000 of Extra Work Costs arising out of or relating to Karst Feature Treatment Work and will share equally all such costs in excess of \$6,000,000 up to and including \$10,000,000 with the Contracting Authority. The Contracting Authority is solely responsible for Extra Work Costs in excess of \$10,000,000. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events—Relief for Relief Events”. Compensation for Extra Work Costs payable by the Contracting Authority is subject to appropriations. Subject to payment by the Contracting Authority for Extra Work Costs pursuant to the Public-Private Agreement, the Design-Build Contractor is eligible for Extra Work Costs with respect to certain Karst Feature Treatment Work.

Any of the above risks could require substantial expenditures or delay Project completion or both, which could adversely impact the Company’s cash flow, its ability to comply with the Public-Private Agreement and adversely affect the Company’s ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, affect the Issuer’s ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Changes in Environmental Laws. The laws and regulations governing environmental protection have changed significantly over recent years and are expected to continue to change. Regulations governing, among other things, air pollution, noise abatement and control, wetlands mitigation, hazardous waste, solid waste, water quality and threatened and endangered species may become more stringent in the future, possibly requiring additional

compliance and conceivably having a material and adverse effect on the design, construction or operation of the Project. The Public-Private Agreement provides relief from adverse cost or schedule effects of certain Changes in Law that are Relief Events. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Changes to the Project—Change in Law” and APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events”. However, changes in environmental laws may result in uncompensated increased construction costs, delays in construction or increased compliance costs, which could adversely impact the Company’s cash flow, its ability to comply with the Public-Private Agreement and to make timely payments of amounts due under the Senior Loan Agreement, which could, in turn, affect the Issuer’s ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Permits and Permitting Requirements. Governmental Approvals of many kinds are required to be obtained for the construction and operation of the Project. The issuance of such Governmental Approvals may include public notice and comment, hearings, or administrative or judicial appeals. Governmental Approvals may be appealed if they have not been issued in compliance with law, and there are various remedies available to governmental agencies and to the public if the Project is constructed without appropriate Governmental Approvals or is constructed other than in compliance with the Governmental Approvals.

The Contracting Authority has obtained or is in the process of obtaining all of the IFA-Provided Approvals pursuant to the Public-Private Agreement, and the Company is to obtain all of the other Governmental Approvals (and modifications, renewals or extensions) required for the Project. Under the Design-Build Contract, the Design-Build Contractor is, with certain limited exceptions, assuming the Company’s responsibility under the Public-Private Agreement for obtaining, furnishing, paying the cost of and maintaining in full force and effect all Governmental Approvals required for the timely construction of the Project and O&M During Construction and for complying with and paying the cost of compliance with all environmental laws applicable to the construction of the Project and O&M During Construction. The Company retains all responsibility for obtaining and complying with Governmental Approvals required for operations and maintenance of the portions of the Project located within the O&M Limits; provided, that pursuant to the Design-Build Contract, the Design-Build Contractor is assuming the Company’s responsibility under the Public-Private Agreement for obtaining certain Governmental Approvals in relation to the O&M During Construction. The obligation to obtain all required Governmental Approvals extends to third-party consents or other required approvals arising under agreements between the Contracting Authority and other persons, including municipalities, railroads, and utilities.

The design of the Project is not complete and the terms of existing and expected Governmental Approvals could change as the Project specifications or environmental or species conditions change during the design process, and delays could ensue particularly if any required Governmental Approvals would require public hearings or are otherwise challenged. The Company expects that all Governmental Approvals required for the Project will be obtained as required for timely construction of the Project. However, in some cases, the issuance of these Governmental Approvals, including any terms and conditions, is subject to the discretion of the issuer thereof, and such Governmental Approvals are often subject to administrative and judicial appeal. No assurance can be given that the Company or the Design-Build Contractor will be able to obtain all required Governmental Approvals by the time they are necessary for construction or operation (as applicable) of the Project. If not timely obtained, or if issued with restrictive terms and conditions, the need for these Governmental Approvals or for satisfying any conditions thereunder could cause delays in the construction of the Project.

The construction schedule for the Project assumes that Governmental Approvals will be obtained in accordance with a schedule that anticipates a conventional permitting process without significant appeals, delays, imposition of unexpected conditions, unexpected changes in environmental or species conditions, finalization of or modifications to the Project design. Any material delay in obtaining or renewing Governmental Approvals, imposition of an unexpected material condition on a Governmental Approval, unexpected changes in environmental conditions or conditions relating to threatened and endangered species or modification of Project design required as a result of the Governmental Approvals process could increase the costs of constructing the Project or delay its completion. Much of the risk of these costs and delays is allocated to the Design-Build Contractor under the Design-Build Contract, which would limit the impact on the Company of such increased costs and delays. However, there are procedural and other limitations on the liability of the Design-Build Contractor under the Design-Build Contract, and, if the Design-Build Contractor is not liable or does not pay for such costs or delays, such costs would be borne

by the Company, affecting its cash flows and its ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds. See Relief Event (k), described in APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events".

Operating Risks

Increasing operating costs, including maintenance costs, may adversely impact the Company's results of operations and therefore, its ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

As with any infrastructure project of the size and complexity of the portions of the Project located within the O&M Limits, operations could be affected by many factors, including breakdown or failure of equipment or processes, performance below expected levels of availability, failure to operate to design specifications and in accordance with then-applicable permit requirements, labor disputes, changes in law, inability to obtain necessary Governmental Approvals and catastrophic events of *force majeure*. Not all of these events are within the control of the Company, and not all can be insured against. The Contracting Authority has agreed to bear the risk of some, but not all, of these events under the Relief Event regime set forth in the Public-Private Agreement, whereby the Contracting Authority is required to pay Compensation Amounts for certain of such Relief Events. However, the Company is not entitled to compensation for Non-Discriminatory O&M Changes, except for certain capital costs and only to the extent they exceed an annual aggregate deductible of \$250,000. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events—Relief for Relief Events". The occurrence of any of these types of events could significantly increase O&M Expenditures. The Collateral Agency Agreement provides that the O&M Expenditures will be paid before any payments are made on the Series 2014 Bonds and before any required deposits to the Series 2014 Bond DRSA. As a result, significant increases in the O&M Expenditures over amounts currently projected by the Company could adversely affect the Company's ability to make payments under the Senior Loan Agreement, and, in turn, the Issuer's ability to make payment of principal of, or interest or premium, if any, on the Series 2014 Bonds. See APPENDIX E—"SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT". In addition, the costs of operating and maintaining the Project (including the payment of certain taxes) will be paid before other expenses of the Company, including payments with respect to the Series 2014 Bonds and the funding and replenishment from time to time of the Series 2014 Bond DRSA for such payments. If the actual operations and maintenance costs significantly exceed the costs assumed in the base case financial projections for the Project, the Company may not have sufficient cash flow to make payments pursuant to the Senior Loan Agreement, thereby adversely impacting payments of principal of, or interest or premium, if any, on the Series 2014 Bonds.

The accumulation of Noncompliance Events and Noncompliance Points for failure to achieve required levels of performance and availability of the Project to the traveling public, as specified in the Public-Private Agreement, may result in a reduction in the amount of Milestone Payments (subject to a cap) and Availability Payments paid by the Contracting Authority to the Company under the Public-Private Agreement. See "PUBLIC-PRIVATE AGREEMENT" and APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT". Any such reduction in Milestone Payments and Availability Payments would reduce the amount available to pay Project Costs, O&M Expenditures and other expenses and to make any payments on the Series 2014 Bonds. Because the Company is self-performing operations and maintenance obligations under the Public-Private Agreement, there will not be any performance security provided by a separate operating company, and, thus, any such reduction in the Availability Payments payable to the Company will directly impact the Company and could directly impact the Company's ability to make timely payments of amounts due under the Senior Loan Agreement and the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Further, to the extent major maintenance and rehabilitation is not performed when scheduled or required, general O&M Expenditures could increase significantly at any given time. The Company will be required to establish and fund pursuant to the requirements of the Collateral Agency Agreement a Major Maintenance Reserve Account to pay for major maintenance costs and to cause the portions of the Project located within the O&M Limits to be in the condition and to meet all of the requirements specified in the Public-Private Agreement for residual life

at the time of expiration or the earlier termination of the Public-Private Agreement. In addition, the Company will, on or before the date when required pursuant to the Public-Private Agreement, create the Handback Requirements Reserve Account to meet the Handback Requirements under the Public-Private Agreement. However, there can be no assurance that this reserve will be sufficient to satisfy such requirements. To the extent funds in the reserve accounts are insufficient to cover any O&M Expenditures in connection with major maintenance, the Company will be required to bear the additional costs and expenditures, which could limit the funds available for the payment of amounts due under the Senior Loan Agreement and the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Judicial Challenge

The Project is to be designed, constructed and financed and operated in accordance with the Public-Private Agreement and the other Material Project Contracts, including in compliance with certain Governmental Approvals. While no proceedings are currently pending in relation to the Project or the Series 2014 Bonds, there is no assurance that any judicial or administrative actions or investigations challenging the construction or financing of the Project, the operation and maintenance of the portions of the Project located within the O&M Limits, the granting of any permits and approvals required in connection therewith or any of the other transactions contemplated by this Official Statement, including the issuance of the Series 2014 Bonds, will not be filed or commenced in the future or, if they are filed or commenced, that they will not adversely affect the commencement or timely completion of the construction of the Project, or the ability of the Issuer to pay principal and interest on the Series 2014 Bonds. See APPENDIX A—"FINANCIAL AND ECONOMIC STATEMENT FOR STATE OF INDIANA".

Risks Relating to the Public-Private Agreement

Failure to Comply with Public-Private Agreement; Termination of the Public-Private Agreement

The Company's principal asset is the legal right that it has, pursuant to the Public-Private Agreement, to receive Milestone Payments, Availability Payments and Compensation Amounts related to the construction, operation, and maintenance of the Project for approximately a 37-year period (comprised of an approximate 28-month construction period and an approximate 35-year operating period). The Company's failure to comply with the terms and conditions of the Public-Private Agreement may result in the reduction of Milestone Payments or Availability Payments payable to the Company or in the early termination of the Public-Private Agreement, any of which would limit the Company's ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds. In addition, certain failures by the Company in the performance of its obligations under the Public-Private Agreement will result in the assessment of Noncompliance Points against the Company in accordance with the Public-Private Agreement. The accumulation of specified amounts of assessed Noncompliance Points or non-material breaches or failures can lead to increased Oversight, testing and inspection, and if not properly remedied, a default. In the case of certain material or continuing defaults, the Contracting Authority will have the right to terminate the Public-Private Agreement, take possession and assume operational control of the portions of the Project located within the O&M Limits and take such other action as it may deem appropriate in accordance with the Public-Private Agreement. In the event of termination of the Public-Private Agreement, the amount of Termination Compensation payable by the Contracting Authority to the Company is subject to appropriation and the amount payable to the Company under the Public-Private Agreement would be insufficient to make timely payments of amounts due under the Senior Loan Agreement, which could, in turn, affect the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds. In addition, the Public-Private Agreement provides that the payment of Termination Compensation in respect of certain termination events (including termination as a result of a Company Default) could be delayed by up to 23 months after evidence of the amount payable is delivered to the Contracting Authority. See "PUBLIC-PRIVATE AGREEMENT" and APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT".

In addition, since the Company's principal asset is its rights under the Public-Private Agreement, there are practical limitations on the exercise of remedies in respect thereof. Under the Public-Private Agreement, any transfer of the Company's rights, including pursuant to a foreclosure, is subject to the prior approval of the Contracting Authority. Moreover, any transferee must meet certain requirements established by the Public-Private Agreement.

Thus, as a practical matter, the Company's creditors (including the Owners of the Series 2014 Bonds) will have limitations on their ability to replace the Company as the Developer under the Public-Private Agreement. See "PUBLIC-PRIVATE AGREEMENT".

Risk of Set-Off

The Public-Private Agreement provides that, if the Company owes any amounts to the Contracting Authority, the Contracting Authority may set-off such amounts against amounts payable by the Contracting Authority to the Company. As a result, it is possible that amounts owed by the Company to the Contracting Authority, including, without limitation, amounts owed in respect of the Company's obligation to indemnify the Contracting Authority against certain costs, claims and liabilities, could be set-off against the amount of Milestone Payments, Availability Payments, Compensation Amounts or Termination Compensation that the Contracting Authority is required to pay to the Company under the Public-Private Agreement. Depending upon the amount of any such set-off, it is possible that the net amount payable to the Company under the Public-Private Agreement would be insufficient to make timely payments of amounts due under the Senior Loan Agreement, which could, in turn, affect the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Changes in Technical Requirements

The Company must respond to changes in federal, state or other requirements mandating changes in the Project's facilities or technical requirements. For example, changes in applicable federal design and construction requirements for facilities on the National Highway System, of which the Project is a component part, could impact the Project and result in delays or increased costs in relation to the construction of the Project, which may or may not be compensated under the Public-Private Agreement. In general, it is not possible to predict the kind or cost of changes that could be mandated over the term of the Public-Private Agreement, and no assurance can be given that the Company and/or the Contracting Authority will be able to respond adequately to mitigate the impact of any such changes. Any such changes may impact the Company's ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, affect the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds. See Relief Event for Non-Discriminatory O&M Change in APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events".

Non-Performance or Delay under Public-Private Agreement

Pursuant to the terms and conditions of the Public-Private Agreement, the Company is obligated to complete the Project by the Baseline Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016) (the "Baseline Substantial Completion Date"), subject to extension for Relief Events and to achieve Final Acceptance by the Final Acceptance Deadline (which the Preliminary Project Baseline Schedule establishes as February 28, 2017, subject to adjustment in accordance with the terms of the Public-Private Agreement). Pursuant to the Design-Build Contract, the Design-Build Contractor has agreed to comply with such deadlines as they relate to the work required to be undertaken by the Design-Build Contractor under the Design-Build Contract. However, a delay in the completion of the construction of the Project may cause a delay by or, in certain circumstances, the inability of, the Company to receive the Milestone Payments and Availability Payments, thereby adversely impacting the Company's ability to make timely payments of amounts due under the Senior Loan Agreement and, in turn, affect the Issuer's ability to make timely payments of principal of, or interest or premium, if any, on the Series 2014 Bonds. In addition, if the Design-Build Contractor does not meet the applicable construction deadlines set forth in the Design-Build Contract, the Company may not achieve Substantial Completion upon which the payment of the Availability Payments commences. If Substantial Completion is not achieved by the Long Stop Date, as the Long Stop Date may be extended under the Public-Private Agreement, the Contracting Authority may terminate the Public-Private Agreement. The applicable Termination Compensation payable under such circumstance is subject to appropriations and may not be sufficient to pay in full all obligations under the Series 2014 Bonds. See "RISK FACTORS—Risks Relating to the Public-Private Agreement—Failure to Comply with Public-Private Agreement; Termination of the Public-Private Agreement". In addition, although the Company may be entitled to receive compensation from the Design-Build Contractor through payments of termination damages or liquidated damages to use for payments on the Series 2014 Bonds, the Design-Build Contractor could fail to pay

such termination damages or liquidated damages or the amounts actually paid by the Design-Build Contractor could be insufficient. To the extent that any of the foregoing occurs, the Company may have a limited ability, or no ability, to make payments pursuant to the Senior Loan Agreement, which in turn, may adversely impact the Issuer's ability to make payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Events of Force Majeure; Limited Insurance Coverage; Relief Event Deductibles and Compensation Deferral

Construction of the Project and the operation and maintenance of the portions of the Project located within the O&M Limits are at risk of events of *force majeure*, such as tornadoes, landslides, floods, seismic events, fires and explosions, strikes (not specific to the Company), sabotage, wars, armed blockades, riots, nuclear explosions and radioactive contamination, among other events. Also, construction and operations and maintenance may be stopped or delayed by non-casualty events, including Relief Events, such as discovery of archaeological artifacts or of threatened or endangered species at, near or on the Project Right of Way, certain changes in law, delays in obtaining and renewing certain Governmental Approvals, revocation or revision of certain Governmental Approvals and litigation, among other things. Although the Company is entitled to schedule and payment relief for certain events of *force majeure* and Relief Events (subject to certain time and monetary deductibles), such protection does not cover all events that potentially could interrupt construction of the Project or the Operations and Maintenance Management Center or the operation and maintenance of the portions of the Project located within the O&M Limits and, in certain cases, may result in the termination of the Public-Private Agreement.

In addition, although the Design-Build Contractor and the Company are required to obtain and maintain certain insurance, the required policies do not cover damage and delay from all events that potentially could interrupt construction of the Project or the Operations and Maintenance Management Center, or the operation and maintenance of the portions of the Project located within the O&M Limits. Insurance policies may not be maintained or be obtainable in amounts that would be sufficient or be paid on time, in all events, to cover all of the costs required to be paid under the Public-Private Agreement and under the Indenture, including payment of the principal of, or interest or premium, if any, on the Series 2014 Bonds. Risks that may not be insurable include a nuclear event, war, terrorism, unforeseeable environmental or geological conditions, discovery of archeological artifacts, criminal or intentional acts by the insured, bankruptcy, longshoremen's strikes, riot and civil commotion and insurer insolvency. In addition, changes in federal, state or local design, building and environmental requirements and other changes in law are not risks that are generally insurable. There also can be no assurance that any use by the Design-Build Contractor of its insurance proceeds would not be challenged by other creditors, that the Company could repair any damage if insurance proceeds were not available or that insurance proceeds could be used to pay amounts owed with respect to the Series 2014 Bonds and the Series 2014 Loan if damaged facilities cannot be repaired or restored.

Furthermore, relief from Relief Events is subject to certain monetary and time deductibles to be borne by the Company under the Public-Private Agreement. With respect to certain, but not all, Relief Events, the Company is required to bear the first \$40,000 of Extra Work Costs and the first three days (prior to Substantial Completion) or seven days (on or after Substantial Completion) of Delay Costs. The Company is not entitled to compensation from the Contracting Authority for increased financing costs resulting from (1) the first 60 days of delay in respect of the missed or delayed Milestone Payment and (2) the first 60 days of delay in respect of missed Availability Payments due to a delay in achieving Substantial Completion, in each case if caused by certain specified events that would otherwise entitle the Company to relief compensation during such delay period under the Public-Private Agreement. There can be no assurance that sufficient funds will be available to the Company to address the impact of all such Relief Events. While the Design-Build Contractor's construction budget includes an allocation for design, construction management, general activities, and contingency and profit of approximately 28.7% of the Design-Build Contract Price, there can be no assurance that sufficient funds will be available to the Company to address the impact of all such Relief Events and other events which may result in delays and additional costs for which relief may not be available under the terms of the Public-Private Agreement. In addition, the Company is not entitled to compensation for Non-Discriminatory O&M Changes, except for certain capital costs and only to the extent they exceed an annual aggregate deductible of \$250,000. See "PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement—Compensation for Relief Events" and APPENDIX H—"TECHNICAL ADVISOR'S REPORT".

The existence or occurrence of a Relief Event may be disputed by the Contracting Authority, resulting in delays in receiving, or complete failure to receive, Compensation Amounts or schedule relief. The Contracting Authority may choose to compensate the Company through a Deferral of Compensation for Relief Events (see “PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement—Compensation for Relief Events”), but only to the extent that, in advance of receiving the required compensation payments from the Contracting Authority, the Company is able to finance the Extra Work Costs and Delay Costs relating to the Relief Event by obtaining additional funding from the issuance of Additional Parity Bonds or other financing (if permitted by the Funding Agreements) and/or equity support, and also only to the extent that the Contracting Authority accepts the terms of such additional funding and/or equity support. If not, the Contracting Authority may not utilize the Deferral of Compensation. If the Contracting Authority uses a Deferral of Compensation, the Company will pay the Design-Build Contractor with progress payments as the applicable D&C Work is completed (or, if agreed between the Company and the Design-Build Contractor, as a lump sum); but to the extent of payments to the Design-Build Contractor for Extra Work Costs or Delay Costs, the Company’s payment obligation does not arise until the determination under the Public-Private Agreement of the quantum attributed to such Extra Work Costs or Delay Costs. If the Contracting Authority does not choose to pay the Company through a Deferral of Compensation, the Company is only obligated to make payments to the Design-Build Contractor to the extent the Company receives funds from the Contracting Authority. In cases where the Company may be entitled to receive compensation from the Design-Build Contractor for certain delays or defects, the Design-Build Contractor could fail to compensate the Company for such delays or defects or the issuers of any bonds, guarantees or letters of credit made or given as security pursuant to the Design-Build Contract could fail or refuse to honor their payment obligations under their respective bonds, guarantees or letters of credit. In either case, this would result in a delay in the Company’s ability to collect the same or otherwise prevent the recovery of any such amounts altogether. In particular, collection efforts against the issuers of any bonds, guarantees or letters of credit made pursuant to the Design-Build Contract could entail substantial delay and expense, and might not be successful. Any such failure or delay may adversely impact the Company’s cash flow, its ability to comply with the Public-Private Agreement and its ability to pay the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Inflation Risk

The Availability Payments are the primary source of revenue expected to be available to pay principal of, or interest or premium, if any, on the Series 2014 Bonds during the Operating Period. The MAP is adjusted on the Substantial Completion Date and for each State Fiscal Year thereafter using an adjustment formula that adjusts 20% of the MAP based on the change in the Consumer Price Index (All Items, BES Series ID: CUUR0000SA0) and the remaining 80% of the MAP based on an annual rate of 2.5% per State Fiscal Year. While the adjustment formula is intended to reflect the cost structure of the Company, including certain O&M Expenditures, there can be no guarantee that this will adequately match the fixed and variable costs of the Company. To the extent Company variable costs grow more than the Consumer Price Index, or the cost structure is not adequately reflected in the adjustment formula, there may be insufficient funds available to the Company to satisfy its obligations under the Senior Loan Agreement, which in turn may adversely impact the Issuer’s ability to make payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Risks Relating to the Series 2014 Bonds

Bankruptcy and Insolvency Risks

General. The enforceability of the rights and remedies of the Owners of the Series 2014 Bonds under the Indenture, of the Collateral Agent under the Senior Loan Agreement or the Collateral Agency Agreement and of the Company under the Material Project Contracts, the enforceability of obligations of the Company, the Design-Build Contractor, the Contracting Authority and the issuers or obligors under the letters of credit and performance bonds and the enforceability of the liens, security interests and pledges created by the Indenture, Collateral Agency Agreement, Security Agreements and other documents may be subject to the United States Bankruptcy Code (the “Bankruptcy Code”), to other bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally and equitable principles that may limit enforcement of certain remedies. Risks associated with a bankruptcy of the Company include the risks of delay in payment or of nonpayment under the Senior Loan Agreement and the risk that the Collateral Agent or the Contracting Authority may be unable for an extended time, or at all, to substitute a new developer for the Company. Certain of these risks are risks that are incurred whenever

one enters into a contract with an entity that could become a debtor under the Bankruptcy Code, while others are risks that result from the treatment under the Bankruptcy Code of secured financings. Potential purchasers of the Series 2014 Bonds should consult their own attorneys and advisors in assessing the risks and the likelihood of recovery in the event the Company or any other party to a document described herein becomes a debtor in a bankruptcy case prior to the time the Series 2014 Bonds are paid in full.

Company Bankruptcy Risk. Most of the assets that comprise the Trust Estate are derived from the Public-Private Agreement. If the Company became the subject of federal bankruptcy proceedings, operation of the automatic stay provisions of the Bankruptcy Code under certain circumstances may require the Issuer, the Trustee and the Collateral Agent, as applicable, to obtain bankruptcy court approval prior to taking any action to enforce the Public-Private Agreement (or to enforce the Senior Loan Agreement, the Collateral Agency Agreement, the Security Agreements or any other agreement that creates a Security Interest in favor of the Collateral Agent for the benefit of the Trustee on behalf of the Owners of the Series 2014 Bonds), including declaring the Public-Private Agreement (or such other documents) to be in default, recovering amounts due but unpaid, terminating the Public-Private Agreement, accelerating the due dates of any payments due from the Company, evicting the Company and taking possession of the Project or realizing against any collateral provided by the Company as security for its payment obligations under the Public-Private Agreement, the Senior Loan Agreement and the other Security Documents or enforcing any other remedies provided for in the Public-Private Agreement or in the other documents. In addition, the commencement of a bankruptcy or similar proceeding seeking the Company's liquidation, reorganization or similar relief, or the Company's admission that it is unable to pay its debts, each constitutes a termination event under the Public-Private Agreement for which the Contracting Authority is not required to pay Termination Compensation under the terms of the Public-Private Agreement.

The Contracting Authority will enter into the Lenders' Direct Agreement and the Design-Build Contractor will each enter into the Design-Build Contractor Direct Agreement, in each case, with the Company and the Collateral Agent for the benefit of the Secured Parties. Each such agreement is intended to provide the Collateral Agent with notice and time to take action following the occurrence of an event that would entitle a party to terminate or to suspend its agreement with the Company, and, in the case of the Lenders' Direct Agreement, to obtain New Agreements if the contract to which such agreement relates is terminated. Each of these agreements, however, imposes certain terms and conditions with respect to the ability of the Collateral Agent or any designee or assignee to succeed to the interests of the Company under the agreement to which such agreement relates, or to request that the applicable counterparty deliver a replacement public-private agreement or design-build contract (as applicable). Consequently, no assurance can be given that the provisions of these agreements will always be enforced or that the terms and conditions specified therein will be satisfied. Thus, as a practical matter, the Secured Parties will have limitations on their ability to replace the Company as the Developer under the Public-Private Agreement and under the Design-Build Contract.

Indiana Finance Authority Insolvency or Bankruptcy Risk. Under current State law, the Indiana Finance Authority cannot file for bankruptcy protection under Chapter 9 of the Bankruptcy Code. There can be no assurance, however, that the IFA Act or other State law or the Bankruptcy Code will not be amended in the future to permit the Indiana Finance Authority to file for bankruptcy protection, and such a filing could, under certain circumstances, subject all or a portion of the Indiana Finance Authority's revenues to the jurisdiction of a bankruptcy court.

Other Parties. The Design-Build Contractor and its members and sureties are involved, or are affiliates of companies that are involved, in many businesses and are entities that can become debtors under the Bankruptcy Code. If any of such persons became a debtor under the Bankruptcy Code, the Company's or the Collateral Agent's ability to substitute a new contractor, to obtain funds under any payment or performance security or to exercise other remedies may be delayed or not available at all. In the case of counterparties organized under the laws of a foreign jurisdiction, any bankruptcy or insolvency proceedings could be initiated in such jurisdiction. Such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. Consequently, any judgment obtained in the United States against such counterparties may not be collectible in the United States.

Limitations on Enforceability

Upon a default under the Public-Private Agreement, the Senior Loan Agreement, the Indenture, the

Collateral Agency Agreement, any of the Material Project Contracts or any of the Security Documents, the remedies available to the Issuer, the Contracting Authority, the Company, the Trustee and the Collateral Agent may depend upon judicial actions that may be subject to substantial discretion and delay. Some of these remedies may not be enforceable at all. The rights of the Owners of the Series 2014 Bonds and the enforceability of the Company's, the Issuer's and the other parties' obligations will be subject to the exercise of judicial discretion under a variety of circumstances. The enforceability of governmental obligations is also subject to constitutional, statutory and public policy limitations, such as sovereign immunity, statutes of limitations and to other considerations that do not limit enforcement of similar obligations of private parties. The Contracting Authority has made a number of agreements, such as its agreement to make payments during construction and operations and its agreements to make certain payments in the event the Public-Private Agreement with the Company is terminated. These agreements and others are for the benefit of the Company, which will grant a security interest over its rights in the Public-Private Agreement to the Owners of the Series 2014 Bonds, but no assurances can be given that a court exercising its judicial discretion will always enforce such agreements in favor of the Company and, indirectly, the Owners of the Series 2014 Bonds. The opinion of Bond Counsel as to the enforceability of the Indenture and the Series 2014 Bonds and the opinions of other parties' counsel will be qualified as to bankruptcy, insolvency and other legal events. Remedies provided in the Indenture and in the other documents to the Trustee, in the Collateral Agency Agreement and in the other documents to the Collateral Agent and the Owners of the Series 2014 Bonds and to the Issuer or the Contracting Authority may be limited or may not be available readily or at all.

The enforceability of the Design-Build Contractor's payment bond and performance bond may be limited not only by the legal matters described above, but also by various provisions of suretyship and insurance law. The surety or insurance company providing the payment bond and performance bond is not waiving its right to assert the Design-Build Contractor's defenses to payment, nor is the surety or insurance company waiving its suretyship defenses. The obligations of the surety or insurance company under the payment bond and performance bond to complete construction or to pay damages thus are limited, and no assurances can be given that the surety or insurance company will honor a claim under the payment bond or performance bond.

Insufficient Collateral

It may be difficult to realize the value of the Collateral to be pledged as part of the Trust Estate, and the proceeds received from a sale of such Collateral may be insufficient to repay the Series 2014 Bonds. Foreclosure on such Collateral on the Owners' behalf may be subject to perfection and priority issues and to practical problems associated with the realization of the Owners' security interest in such Collateral. The enforcement of the security interest with respect to any such Collateral may not provide sufficient funds to repay all amounts due on the Series 2014 Bonds. Any such Collateral will be shared with the holders of other senior debt that the Company incurs in the future, including Other Permitted Senior Secured Indebtedness, which increases the risk that the proceeds of foreclosure on such Collateral will not be sufficient to make principal of, or interest or premium, if any, on the Series 2014 Bonds.

In addition, since the Company's principal asset is its rights under the Public-Private Agreement, there are practical limitations on the exercise of remedies in respect thereof. Under the Public-Private Agreement, a transfer of the Company's rights, including pursuant to a foreclosure, is subject to the prior approval of the Contracting Authority. Moreover, any transferee must meet certain requirements established by the Public-Private Agreement. Thus, as a practical matter, the Company's creditors (including the Owners of the Series 2014 Bonds) will have limitations on their ability to replace the Company as the Developer under the Public-Private Agreement. Furthermore, upon a default by the Company under the Public-Private Agreement, the Contracting Authority will have the right to access funds in the Operating Account. The Contracting Authority's right to access such funds, however, does not include a security interest in such funds, and under the Public-Private Agreement the Contracting Authority can only exercise such right if it is necessary to cure the default and if it does not interfere with the right of the Lenders, if any, under the "Security Documents" (as defined in the Public-Private Agreement) and any direct agreement that is entered into pursuant to the Public-Private Agreement to access such funds. The Company expects that the Contracting Authority's rights to access funds in the Operating Account will not interfere with the right of the Collateral Agent under the "Security Documents" and "Direct Agreement" (each as defined in the Public-Private Agreement) to access such funds. Nevertheless, the Contracting Authority's exercise of such right may reduce the amount of funds available to satisfy the Company's obligations under the Senior Loan Agreement, which in turn

may adversely impact the Issuer's ability to make payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

No Interest in Real Property

Under the Public-Private Agreement, the Company has not been granted any right, title or interest in or to any real property. Because of this, the Collateral does not include any real property pledged as security to secure payment of the principal of, or interest or premium, if any, on the Series 2014 Bonds.

Uncertainties of Forecasts and Assumptions

The information in this Official Statement includes certain assumptions, forecasts and projections. Demonstration of compliance with certain of the covenants contained in the Indenture and in the Public-Private Agreement may also be based upon assumptions and projections. Such assumptions, forecasts and projections and any forecasts and projections that may be contained in any future certificate required under the Public-Private Agreement, the Senior Loan Agreement, the Indenture or the Collateral Agency Agreement are not necessarily indicative of future performance, and actual results are likely to differ, even materially, from those projected. None of the Company, the Issuer, the Sponsors or their affiliates or any other party (including, but not limited to, the Underwriters) assumes any responsibility for the accuracy of such projections. In addition, certain assumptions with respect to future business and financing decisions are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Series 2014 Bonds are cautioned not to place undue reliance upon the projections contained in this Official Statement or upon requirements for future projections. If actual results are less favorable than the results projected or if the assumptions used in preparing the projections prove to be incorrect, the Contracting Authority's ability to make the payments required by the Public-Private Agreement, the Company's ability to make timely payments of amounts due under the Senior Loan Agreement and the Issuer's ability to make timely payments of the principal of, or interest or premium, if any, on the Series 2014 Bonds may be materially and adversely affected.

Ratings of Series 2014 Bonds

S&P and Fitch have assigned credit ratings to the Series 2014 Bonds. The ratings of the Series 2014 Bonds are not a recommendation to purchase, hold or sell the Series 2014 Bonds, and the ratings do not comment on the market price or suitability of the Series 2014 Bonds for a particular investor. The ratings of the Series 2014 Bonds may not remain for any given period of time and may be lowered or withdrawn depending on, among other things, each rating agency's assessment of the Company's financial strength. The credit ratings assigned to the Series 2014 Bonds reflect the rating agencies' assessments of the Company's ability to make payments under the Senior Loan Agreement when due, thus reflecting on the ability of the Issuer to make payments on the Series 2014 Bonds when due. Consequently, real or anticipated changes in these credit ratings will generally affect the market value of the Series 2014 Bonds. These credit ratings, however, may not reflect the potential impact of risks relating to structure, market or other factors related to the value of the Series 2014 Bonds.

Market Liquidity

The Series 2014 Bonds constitute a new issue with no established trading market. Although the Underwriters have informed the Issuer and the Company that the Underwriters currently intend to make a market for the Series 2014 Bonds, the Underwriters are not obligated to do so, and they may discontinue any such market-making at any time without prior notice. No assurance can be given as to the development or liquidity of any market for the Series 2014 Bonds. If an active public market does not develop, the market price and liquidity of the Series 2014 Bonds may be adversely affected.

Furthermore, even if a market were to develop, the Series 2014 Bonds could trade at prices that may be lower than the initial issue price depending on many factors, including prevailing interest rates, markets for similar securities, general economic conditions and financial condition and performance and prospects of the Company and the Project. Owners may not be able to sell their Series 2014 Bonds in the future or such sales may not be at prices

equal to or greater than the initial offering price of the Series 2014 Bonds. As a result, Owners may not be able to liquidate their investment in the Series 2014 Bonds quickly, at an attractive price or at all.

Additional Senior Debt and Additional Parity Bonds

The Company will be permitted, in certain circumstances, to incur Other Permitted Senior Secured Indebtedness, which may adversely impact the payment of the principal of, or interest or premium, if any, on the Series 2014 Bonds. The Senior Loan Agreement permits the Company to incur, in specific circumstances and subject to certain requirements, Other Permitted Senior Secured Indebtedness. See “FINANCING FOR THE PROJECT—Senior Loan Agreement”. The Indenture permits the issuance, in specific circumstances and subject to certain requirements, of Additional Parity Bonds to be ratably and equally secured by the Trust Estate (other than the Series 2014 Bond DSRA). See “THE SERIES 2014 BONDS—Additional Parity Bonds”. Any Other Permitted Senior Secured Indebtedness incurred, including Additional Parity Bonds, or issued would be payable from the Company’s revenues on a *pari passu* basis with the Series 2014 Bonds and would, with certain limited exceptions, also share on an equal basis in the Collateral, including Termination Compensation (which would be subject to appropriation) payable by the Contracting Authority, if any, pursuant to the Public-Private Agreement following a termination thereof. Therefore, to the extent that the Company’s revenues are insufficient to make payments on all of the Company’s outstanding senior debt, including any Other Permitted Senior Secured Indebtedness, such insufficiency may negatively impact the payment of principal of, or interest or premium, if any, on the Series 2014 Bonds. During any foreclosure action with respect to the Collateral, or in the case of an early termination of the Public-Private Agreement, to the extent that the Company has incurred Other Permitted Senior Secured Indebtedness, including Additional Parity Bonds, Owners of the Series 2014 Bonds will be required to share the proceeds of the Collateral, (provided, that (i) no Secured Parties other than the Owners of the Series 2014 Bonds will have a Security Interest in the Series 2014 Bond DSRA, the Series 2014 Interest Account, the Series 2014 Interest Sub-Account, the Series 2014 Principal Sub-Account, the Series 2014 Rebate Fund or the Series 2014 Redemption Account or any “proceeds” (as defined under the UCC) related to any of the foregoing and (ii) no Secured Parties other than the applicable other Secured Parties will have a Security Interest in similar accounts established with respect to Other Permitted Senior Secured Indebtedness). Any Termination Compensation payable by the Contracting Authority, as applicable, with a larger group of senior debt holders, may reduce proportionally any claim that the Owners of the Series 2014 Bonds may have to such proceeds or Termination Compensation. In the case of any voting required to be undertaken among the Secured Parties, to the extent that the Company has incurred Other Permitted Senior Secured Indebtedness, the voting power of Owners of the Series 2014 Bonds will be diluted among a larger group of Secured Parties, reducing the votes that the Owners of the Series 2014 Bonds may have in such situation, and the holders of Other Permitted Senior Secured Indebtedness might not vote in a manner consistent with the desires or best interests of the Owners of the Series 2014 Bonds.

Tax-Exempt Status; Change in Tax Laws

The Indenture, the Senior Loan Agreement and the Federal Tax Certificate contain various covenants and agreements on the part of the Company and the Issuer that are intended to establish and maintain the excludability of interest on the Series 2014 Bonds from gross income for federal income tax purposes and the exemption of such interest from State income tax. A failure by the Issuer or the Company to comply with such covenants and agreements, including their respective remediation obligations could, directly or indirectly, cause the interest on the Series 2014 Bonds to be included in gross income for federal or State income tax purposes retroactively to the date of issuance of the Series 2014 Bonds. See “TAX MATTERS—Opinion”. Neither the Issuer nor the Company is required to redeem the Series 2014 Bonds should interest thereon no longer be excludable from gross income for federal income tax purposes or no longer exempt from State income taxation.

In addition, current and future legislative proposals, if enacted into law, clarification of the Code or other legislation or regulation or court decisions may cause interest on the Series 2014 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the President of the United States has submitted proposals to Congress for legislation that would, among other things, limit the value of tax-exempt interest for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the excludability from gross income of interest on obligations like the Series 2014 Bonds. The introduction or enactment

of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2014 Bonds. Prospective purchasers of the Series 2014 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. See “TAX MATTERS—Opinion”.

PUBLIC-PRIVATE AGREEMENT

General

The Company has agreed to finance, develop, design, construct, insure, manage, and with respect to the portions of the Project located within the O&M Limits, to operate, maintain, repair and perform Rehabilitation Work on and for the Project, as described in more detail below and subject to the terms, covenants and conditions of the Public-Private Agreement and Indiana Code 8-15.5 (the “Public-Private Agreements Act”).

Pursuant to the Public-Private Agreement, the Contracting Authority has granted to the Company a concession for the exclusive right to perform such work during the Term. The Contracting Authority has granted the Company and authorized Company-Related Entities a right and license to enter onto the Project Right of Way and other lands, improvements or fixtures thereupon owned by or in the possession and control of the Contracting Authority to carry out the Company’s obligations under the Public-Private Agreement. The Contracting Authority has also granted the Company a license to operate the portions of the Project located within the O&M Limits, upon the terms, covenants and conditions of the Public-Private Agreement. Such rights and licenses are, in each case, not a real property right, but instead a contractual right. The Company has not been granted any leasehold or any other form of real property interest of any kind in or to the Project or the Project Right of Way. The Contracting Authority will retain title to all real and other property interests and rights in the Project, the Project Right of Way and all improvements constructed thereon.

The Public-Private Agreement became effective on April 8, 2014. The Public-Private Agreement will remain in effect for 35 years after the earlier of the Baseline Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement) or the actual Substantial Completion Date, unless earlier terminated in accordance with the terms of the Public-Private Agreement (the “Term”). Under certain circumstances, the Contracting Authority may extend the Term as a means of compensating the Company for Extra Work Costs and Delay Costs occurring after the Construction Period. The Contracting Authority’s election to compensate the Company through an extension of the Term, (in lieu of an alternative compensation method) is deemed void, however, if the Company is unable, after using diligent efforts to obtain debt or equity funds, to finance the applicable Extra Work Costs or Delay Costs, and, in such case, the Contracting Authority must compensate by another method.

Availability Payments made under the Public-Private Agreement will be the primary source of payment of principal of, premium, if any, and interest on the Bonds, and the Milestone Payments made under the Public-Private Agreement, together with the proceeds of the Series 2014 Bonds and Equity Contributions, will be the primary source of financing for the D&C Work. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Equity Contributions”. The Contracting Authority intends to make the Milestone Payments primarily through payments received from the Department pursuant to the Milestone Agreement. The Contracting Authority intends to make the Availability Payments primarily through Use Payments received from the Department pursuant to the Use Agreement. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Appropriation Risk”. The obligations of the Contracting Authority and the Company under the Public-Private Agreement are summarized below. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT”.

On the Closing Date, the Company and the Contracting Authority will amend the Public-Private Agreement to include the list of “Initial Funding Agreements” and “Initial Security Documents” (as each of the immediately preceding two terms is defined in the Public-Private Agreement) to be entered on such date, amend the Base MAP and reflect the base rate adjustment and the credit spread adjustment that occurs on such date in accordance with the Public-Private Agreement (in each case reflecting the final pricing terms of the Series 2014 Bonds). See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Amendment of the Public-Private Agreement”.

Commencement of D&C Work

The Contracting Authority issued NTP1 on April 8, 2014, after determining that the Company had satisfied the conditions precedent to such issuance. NTP1 entitles the Company to commence performance of customary

construction engineering activities, field staking, conduct of surveys, discussions and initial coordination with Utility Owners about potential utility adjustments and geotechnical investigations and, subject to the conditions described below, Design Work.

The Company must satisfy certain other conditions for Design Work to commence, including delivery and approval of certain portions of the Project Management Plan, obtaining design-related insurance policies, delivery and approval of revisions to the Workforce Diversity and Small Business Performance Plan, delivery and approval of the design-related Submittal portion of the Project Baseline Schedule, deposits into the Intellectual Property Escrows and Financial Escrow, certifying that its personnel and its Contractors' relevant personnel hold required licenses, satisfaction of any other requirements for or conditions to commencing Design Work prescribed under the Technical Provisions (including participation in an environmental orientation workshop and training meeting), delivery and approval of the final DBE Performance Plan, and delivery by the Contracting Authority of NTP1 to the Company. Pursuant to a letter dated July 7, 2014, the Contracting Authority notified the Company that it does not object to commencement of Design Work by the Company.

The Contracting Authority will issue NTP2 after determining that the Company has satisfied the conditions precedent to such issuance, including the achievement of Financial Close, the delivery of conforming performance and payment security, required insurance policies being in full force and effect, demonstration that the Company has completed training of operations and maintenance personnel, delivery of a certificate affirming that representations and warranties of the Company in the Public-Private Agreement remain true and correct, all guarantees in favor of Contracting Authority have been delivered to Contracting Authority and are effective, there being no uncured Company Default (other than certain defaults subject to pending cure), and the Contracting Authority having approved the final Workforce Diversity and Small Business Performance Plan. NTP2 entitles the Company to commence performance of all Work (other than O&M Work), subject to the additional conditions described below with respect to Construction Work. The Preliminary Project Baseline Schedule anticipates that NTP2 will be issued on or about July 31, 2014 and for construction to begin in early August 2014. If the Contracting Authority has not delivered NTP2 within 60 days after the Company has satisfied the conditions thereto, the Company may terminate the Public-Private Agreement and would be entitled to certain compensation.

The Company is required to satisfy certain other conditions to commence Construction Work, including obtaining all Governmental Approvals necessary to begin Construction Work, obtaining all rights of access necessary for construction, satisfying all pre-construction requirements contained in the NEPA Documents and other Governmental Approvals, delivery and approval of certain portions of the Project Management Plan, delivery and approval of the Temporary Traffic Control Plan, delivery and approval of certain other Submittals required by the Project Management Plan, satisfaction of conditions to Construction Work prescribed under the Technical Provisions, and the adoption of certain policies regarding ethical standards of conduct for all Company-Related Entities. The Preliminary Project Baseline Schedule anticipates that Construction Work will commence in early August 2014.

The Company must also obtain, as a condition to commence O&M During Construction, all Insurance Policies required for O&M During Construction. The Company expects to commence O&M During Construction on the date of issuance of NTP2 and will continue O&M During Construction until the Substantial Completion Date.

Provisions Relating to Financing of the Company's Obligations

As part of fulfilling its obligations to finance the Work, the Company may assign and/or create security over the entire Company's Interest, including the Company's rights and interest in and under the Public-Private Agreement, other project contracts and intellectual property. "Security Documents" (as defined in the Public-Private Agreement) must strictly comply with the terms prescribed by the Public-Private Agreement. See "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS".

Amendments to any Project Debt, Funding Agreements and "Security Documents" (as defined in the Public-Private Agreement) (other than Subordinated Debt and Subordinated Security Documents), among other things, constitute "Refinancings" and are subject to the provisions applicable thereto. A Refinancing, other than an Exempt Refinancing or Rescue Refinancing, requires prior written approval by the Contracting Authority. A Refinancing, other than an Exempt Refinancing, also entitles the Contracting Authority to share substantially in any

Refinancing Gain resulting from the Refinancing. The Contracting Authority's share of any Refinancing Gain is paid through a reduction in Availability Payments or, if the Refinancing involves increasing the amount of outstanding Project Debt, through a lump-sum payment concurrent with the closing of the Refinancing.

Project Right of Way

The Contracting Authority, at its own cost, will obtain and provide to the Company access to the Project Right of Way, which is the real property, including air space, surface and subsurface rights, and improvements and fixtures within the outside boundaries of the Project. If the Company identifies any Additional Property as permanently needed to construct or maintain the Project, other than temporary interests in property for Project Specific Locations, the Company may submit a request to the Contracting Authority to acquire such Additional Property. The Contracting Authority is not obligated to acquire such Additional Property, where, in the Contracting Authority's good faith judgment, the Contracting Authority determines there would be a material adverse effect on political, community or public relations or successful timely completion of the acquisition is unlikely. Unless the acquisition of Additional Property is due solely to an IFA Change, the Company is responsible for the costs of acquisition of Additional Property.

Environmental and Regulatory Matters

General. The Company must comply with all environmental obligations associated with the Project, including, but not limited to, environmental impact mitigation requirements, responsibility for site contamination and hazardous materials management. The Company and the Contracting Authority share responsibility for obtaining Governmental Approvals for the Project. The Company must obtain all Governmental Approvals, except for IFA-Provided Approvals. The Contracting Authority has obtained or applied for the IFA-Provided Approvals. The Contracting Authority will, at the Company's request and expense, reasonably assist and cooperate with the Company in obtaining Governmental Approvals that are the responsibility of the Company. See "PERMITS; ENVIRONMENTAL COMPLIANCE AND ENVIRONMENTAL LITIGATION" for a description of the status of Governmental Approvals for the Project.

Mitigation of Environmental Impacts on the Project. The Public-Private Agreement allocates to the Company the responsibility of managing the environmental impacts of the Project, as well as avoiding or mitigating adverse financial and schedule impacts of Hazardous Materials and Hazardous Environmental Conditions in respect of the Project. The Company must address impacts of the Work by developing and implementing an Environmental Compliance and Mitigation Plan, which sets forth environmental mitigation measures required by Environmental Approvals, including the NEPA Documents and similar Governmental Approvals, or the PPA Documents. Under the Technical Provisions, the Company must also take steps to limit impacts on protected species as may be required in respect of any Environmental Approvals, including impacts to the Indiana bat. Other mitigation required to be performed by the Company include the implementation of hazardous material management measures and compliance with the Karst MOU.

Construction of the Project

Company Requirements. The Company is required to carry out and complete the Work in accordance with the Public-Private Agreement, the other PPA Documents, the approved Project Management Plan, good industry practice, Governmental Approvals and applicable law. Pursuant to such documents, the Company is required to achieve Substantial Completion by the Baseline Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement) and Final Acceptance by the Final Acceptance Deadline (which the Preliminary Project Baseline Schedule establishes as February 28, 2017, subject to adjustment in accordance with the terms of the Public-Private Agreement). The Company is required to participate in regular progress meetings with the Contracting Authority and provide other information requested by the Contracting Authority to monitor progress.

Completion and Final Acceptance. Substantial Completion is achieved when both the conditions to DB Substantial Completion and the O&M Conditions Precedent are satisfied. The Baseline Substantial Completion Date established by the Company is October 31, 2016, which may be extended for Relief Events in accordance with the terms of the Public-Private Agreement.

The Public-Private Agreement also establishes a Long Stop Date of October 31, 2017, unless extended in accordance with the Public-Private Agreement, which is the outside date for achieving Substantial Completion as set forth in the Project Schedule. The failure to achieve Substantial Completion by the Long Stop Date constitutes a Default Termination Event. See “—Termination—Termination for Company Default” below for a summary of the Contracting Authority’s termination rights.

Final Acceptance is achieved when all remaining Work is completed, including Punch List items, and other conditions are satisfied.

Suspension of Work. The Contracting Authority has the right to order, in whole or in part, the suspension of Work (in certain cases subject to the expiration of applicable cure periods) due to (i) the Company’s failure to perform the Work in compliance with the PPA Documents, (ii) the Company’s failure to comply with any applicable law or Governmental Approval, (iii) performance of Design or Construction Work by the Company before the Company has satisfied the conditions precedent thereto (as described above), (iv) discovery of Nonconforming Work, (v) the Company’s failure to pay amounts when due to any Contractor or to deliver any certified payroll, (vi) the Company’s failure to provide proof of insurance coverage, (vii) the Company’s failure to deliver or maintain Payment Bonds and Performance Security, (viii) the existence of unsafe conditions for workers or the public, and (ix) the Company’s failure to carry out and comply with Directive Letters or Safety Compliance Orders issued by the Contracting Authority.

Utility Adjustment Work. The Construction Work under the Public-Private Agreement will require relocation of certain utilities. Utility Adjustment work is categorized into three types by the Public-Private Agreement: (i) Type 1 Utility Adjustments, for which the Utility Owner performs the work and is paid by the Contracting Authority; (ii) Type 2 Utility Adjustments, for which the Company is required to negotiate a Utility Agreement with the Utility Owner, the Company or the Utility Owner will perform the design, the Company will be responsible for the design and construction costs and perform the Utility Adjustment Work using a contractor acceptable to the Utility Owner, and the Company may seek reimbursement from the Utility Owner for any Betterment of its utilities in accordance with such Utility Agreement; and (iii) Type 3 Utility Adjustments, for which the Company is required to negotiate a Utility Agreement based on an estimated cost and schedule already received from the Utility Owner, which agreement will require the Utility Owner to perform the work and receive reimbursement from the Company. An unreasonable and unjustified delay by a Utility Owner to enter into an agreement with the Company or to perform under its agreement with the Contracting Authority or the Company will be, subject to certain conditions, a Relief Event. The discovery of an Unknown Utility that directly affects the Construction Work will also entitle the Company to a Relief Event. However, the Company may not claim relief for any Extra Work Costs relating to a delay by a Utility Owner. See Relief Event (I), described in APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events”.

Operation and Maintenance

Operating Period. The Operating Period commences on the Substantial Completion Date. The Company will operate, maintain and rehabilitate the Project within the O&M Limits throughout the Operating Period in compliance with the specified requirements. The Department or another Governmental Entity will control operation and maintenance of the portions of the Project that are not included within the O&M Limits, and the Company will not have or assume responsibility for the portions of the Project that are not included within the O&M Limits.

Maintenance and Repairs. The Company will at all times maintain, keep in good operating repair and condition and rehabilitate to the extent reasonably necessary under the Public-Private Agreement the portions of the Project that are within the O&M Limits. The Company will carry out all maintenance and repairs to the Project at its own cost and in accordance with (i) good industry practice; (ii) the terms of the PPA Documents; (iii) all applicable laws; (iv) Governmental Approvals; (v) the approved Project Management Plan, Operations and Maintenance Plan, and Maintenance Plan; (vi) Best Management Practices; and (vii) safety requirements and plans. The Company is responsible for coordinating its traffic management and control, Planned Maintenance, other maintenance activities and other O&M Work on or for the O&M Limits with that of the Department and any other Governmental Entity that may assume responsibility for such operation and maintenance. At the Company’s request, the Contracting Authority will assist the Company in seeking the cooperation and coordination of the Department and any other Governmental Entities to minimize disruption of traffic on the Project and ensure that such operation and

maintenance activities are carried out in accordance with then-current maintenance standards and then-current traffic management standards, practices and procedures of the Department or such other Governmental Entities.

Changes to the Project

Company Initiated Changes. The Company will have the right to suggest a change to the Technical Provisions, its Proposal commitments set forth in the Public-Private Agreement or the Project Right of Way not already indicated in the Company's Schematic Design. Company Initiated Changes are subject to consent by the Contracting Authority at its discretion. The Company is solely responsible for payment of any increased costs and for any Project Schedule delays or other impacts resulting from a Change Request accepted by the Contracting Authority. To the extent a Change Request accepted by the Contracting Authority results in a net cost savings to the Company, the Contracting Authority is entitled to 50% of such net cost savings that are expected to occur during the first five years after the change is approved and 100% of such net cost savings that are expected to occur thereafter. There will not be any reconciliation to actual costs once such Change Request is implemented.

IFA Changes. At any time, the Contracting Authority may propose a change in the Work or the terms and conditions of the Technical Provisions, subject to certain limited exceptions. The Company is required to prepare a detailed assessment of the cost, schedule and other impacts of carrying out the change. The Contracting Authority and Company will then conduct good faith negotiations to determine adjustments to the Project Schedule and the Project Schedule Deadlines, additional compensation to be paid to the Company in respect of the change or, if the change will produce net cost savings, the timing and method by which the Company and the Contracting Authority will realize those cost savings. If the parties cannot reach an agreement, the Contracting Authority may deliver a Directive Letter to the Company directing the Company to proceed with the change, pending final resolution of the compensation terms in accordance with the Dispute Resolution Procedures. Upon receipt of such Directive Letter, pending final resolution of the relevant Change Order according to the Dispute Resolution Procedures, the Company will implement and perform the work in question as directed by the Contracting Authority, which will make interim payments to the Company on a monthly progress payment basis for the reasonable documented Extra Work Costs and Delay Costs in question, subject to subsequent adjustment through the Dispute Resolution Procedures.

Reductive IFA Changes. The Contracting Authority may reduce the scope of Work by up to 10% of the Total Project Capital Cost. The Contracting Authority is entitled to 75% of the net cost savings due to the reduction in labor, material, equipment and overhead costs of a reductive IFA Change, and 100% of the net savings in related financing costs. The Contracting Authority is also entitled to 100% of the effect, if any, of a reductive IFA Change on shortening the Project Schedule and the Project Schedule Deadlines. The Contracting Authority would receive its share of such savings as periodic payments by the Company, as an adjustment to the Maximum Availability Payment, or through a combination of the foregoing as selected by the Contracting Authority in its sole discretion. On May 2, 2014, the Company received notice of certain reductive IFA Changes related to the relocation of certain access rights of way which may no longer be needed. The Company and the Contracting Authority are in the process of determining the amount of net cost savings related to this notice, but currently the amounts are not expected to be material. The Contract Sum under the Design-Build Contract will be reduced by the amount of net cost savings in labor, material, equipment and overhead of the Design-Build Contractor and its contractors to which the Contracting Authority is entitled pursuant to a reductive IFA Change. See "DESIGN-BUILD CONTRACT—Compensation and Payments".

Relief Events

Relief for Relief Events. The Company will be entitled to schedule relief and compensation for certain costs incurred as a result of a Relief Event, subject to certain exclusions and deductibles. See "—Payments under the Public-Private Agreement—Compensation for Relief Events" below. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events".

Termination

The Public-Private Agreement may be terminated in certain circumstances, including any of the circumstances set forth below.

Termination for Convenience. The Contracting Authority may terminate the Public-Private Agreement for convenience, upon 30 days' prior notice, if the Contracting Authority, in its sole discretion, determines that termination is in its best interest.

Termination for Extended Relief Event, Extended Permitted Closure or Insurance Unavailability. Either the Contracting Authority or the Company may conditionally terminate the Public-Private Agreement upon the occurrence of (a) one or more Relief Events occurring prior to Substantial Completion that result in Relief Event Delays in excess of 220 days in aggregate (or in certain cases, 180 days in aggregate) or (b) a Permitted Closure affecting all or substantially all of the lanes of travel through the Project persisting for 220 consecutive days. In addition, the Contracting Authority may terminate the Public-Private Agreement due to Commercially-Unreasonable Insurance Availability. An election by a party to terminate the Public-Private Agreement for these reasons is subject to dispute, and the other party may under certain circumstances keep the agreement in effect by waiving its rights to additional compensation, in the case of the Company, and accepting certain risks associated with continued performance.

Termination for Company Default. Subject to applicable cure periods, upon the occurrence of a Company Default that constitutes a Default Termination Event, the Contracting Authority may terminate the Public-Private Agreement. Each of the following constitutes a "Default Termination Event" under the Public-Private Agreement: (a) the Company fails to begin Work within 30 days following the issuance of NTP1 or NTP2, fails to satisfy all conditions to the commencement of Design Work and to commence Design Work within 30 days of the issuance of NTP1, or fails to satisfy all conditions to the commencement of Construction Work within 30 days of the issuance of NTP2; (b) an Abandonment; (c) the Company fails to achieve Substantial Completion by the Long Stop Date; (d) the Company fails to make a payment to the Contracting Authority when due or deposit into any reserve or account in the amount and within the time period required by the PPA Documents; (e) there occurs any use of the Project or Airspace by a Company-Related Entity in material violation of the Public-Private Agreement, Technical Provisions, Governmental Approvals or applicable laws; (f) the Company makes or attempts to make or suffers an assignment or transfer of all or a portion of the Public-Private Agreement, the Project or the Company's Interest, or there occurs an Equity Transfer or Change of Control, in violation of the Public-Private Agreement; (g) there occurs a Persistent Company Default, and the Company fails to timely deliver a remedial plan or to comply with the approved remedial plan; (h) the Company fails to comply with the Contracting Authority's order to suspend Work; (i) the Company commences bankruptcy-type proceedings, becomes insolvent or admits in writing its inability to pay its debts as they become due, or other similar circumstances; (j) an involuntary bankruptcy-type proceeding is commenced against the Company that remains uncontested; (k) voluntary or involuntary bankruptcy-type or insolvency events occur with respect to any Guarantor or with respect to certain Equity Members, partners or joint venture members of the Company; (l) there occurs any other Company Default for which the Contracting Authority issues a notice and the default is not cured within the applicable cure periods available to the Company and the Lenders. Certain of the Contracting Authority's remedies may be affected by the Lenders' rights under the Lenders' Direct Agreement. Compensation is payable to the Company for a termination related to a Default Termination Event, except that the Contracting Authority will not pay such compensation under clauses (i) or (j) of this paragraph or if any Lender has duly exercised its option under any direct agreement that is entered into pursuant to the Public-Private Agreement to obtain New Agreements following (i) a Default Termination Event under clauses (f), (i) or (j) of this paragraph or (ii) subject to certain conditions a Default Termination Event that cannot be cured until the Collateral Agent or others have possession of the Project.

Termination for IFA Default; Suspension of Work. Subject to the applicable cure periods, the Company is entitled to terminate the Public-Private Agreement following an IFA Default for (a) non-payment of an undisputed amount due to the Company, (b) the Contracting Authority fails to observe or perform a covenant, agreement, term or condition under the Public-Private Agreement, or (c) government confiscation, condemnation or appropriation of a material part of the Company's Interest. The Company is also entitled to terminate the Public-Private Agreement if the Contracting Authority suspends Work for reasons other than the Company's breach of its obligations under the Public-Private Agreement for 270 consecutive days or more.

Compensation Following Termination. For the description of various amounts which will be due and payable by the Contracting Authority in the case of an early termination of the Public-Private Agreement, see "—Payments Under the Public-Private Agreement—Termination Compensation" below.

Lenders' Rights to Obtain New Agreements Following Termination. The Collateral Agent or other Step-in Party will have the option to obtain from the Contracting Authority agreements to replace the PPA Documents, and, to the extent necessary, new ancillary agreements (*e.g.* escrow agreements) (together, the “New Agreements”) in accordance with the Public-Private Agreement and the Lenders’ Direct Agreement in the event that: (A) there is a Company Default under the Public-Private Agreement that (i) is related to (x) the Company making or attempting to make or suffer a voluntary or involuntary assignment or transfer of all or any portion of the Public-Private Agreement, the Project, or the Company’s Interest, or the occurrence of an Equity Transfer or a Change of Control, in violation of the Public-Private Agreement, (y) the Company commencing bankruptcy-type proceedings, becoming insolvent or admitting in writing its inability to pay its debts as they become due, or other similar circumstances, or (z) an involuntary bankruptcy-type proceeding being commenced against the Company and remaining uncontested, or (ii) by its nature not capable of cure unless and until a Step-in Party, the Collateral Agent or a court receiver has possession and control of the Project (excluding all defaults that may be cured by the payment of money) and (x) subject to certain conditions, the Collateral Agent pursues the appointment of a court receiver for the Project and possession, custody and control of the Project, (y) the Collateral Agent is unable to obtain such possession, custody and control within a cure period of at least 180 days, subject to certain conditions, that is provided for under the Public-Private Agreement and the Lenders’ Direct Agreement and (z) no Step-out Notice has been given; and (B) the Contracting Authority terminates the Public-Private Agreement or receives notice that the Public-Private Agreement is otherwise terminated, rejected, invalidated or rendered null and void by order of a bankruptcy court. If the Collateral Agent or other Step-in Party has so obtained New Agreements, then subject to certain exceptions provided under the Public-Private Agreement relating to termination procedures and duties and amounts owed to the Contracting Authority, including (i) sums which would, at the time of execution of the New Agreements, be due under the PPA Documents but for such termination, and (ii) the amount of any Termination Compensation previously paid by the Contracting Authority to the Company, with interest thereon at a floating rate equal to the LIBOR in effect from time to time plus 200 basis points from the date the termination compensation was paid until so reimbursed, there will be an automatic cessation of any and all rights or interest and obligations of the Company in, among other things, the Project. See “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Direct Agreements”.

Payments Under the Public-Private Agreement

General. Pursuant to the Public-Private Agreement, the Contracting Authority will make Milestone Payments to the Company through the end of the Construction Period, which payments will be used to pay a portion of the costs of D&C Work, and to the extent necessary, principal of, or interest and premium, if any, on the Series 2014 Bonds (including the Short Term Serial Bond). Starting on the Substantial Completion Date, the Contracting Authority will make quarterly Availability Payments in monthly disbursements to the Company for operating and maintaining the portions of the Project located within the O&M Limits. As described above under “PUBLIC-PRIVATE AGREEMENT—Termination”, the Public-Private Agreement may be terminated prior to expiration of the Term under a number of circumstances, and in most cases the Public-Private Agreement provides for the Company to be paid the applicable Termination Compensation. The applicable Termination Compensation to be paid to the Company is calculated differently under each circumstance that gives rise to the early termination. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Termination of the Public-Private Agreement”. In addition, as described above under “PUBLIC-PRIVATE AGREEMENT—Relief Events”, certain events that constitute Relief Events pursuant to the Public-Private Agreement will entitle the Company to receive compensation from the Contracting Authority for certain costs incurred due to a delay or extra work required, or both, resulting from such Relief Event.

The Contracting Authority and the Department have entered into the Milestone Agreement and the Use Agreement pursuant to which the Department is obligated to make payments to the Contracting Authority at certain times upon certain conditions, which payments are intended to be the primary source of funds for payment of the Milestone Payments and Availability Payments to the Company. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Appropriation Risk”. Each of these payments, whether by the Department or the Contracting Authority, is subject to the availability of funds appropriated by the General Assembly of the State. See “CONTRACTING AUTHORITY AGREEMENTS—Milestone Agreement”, “—Use Agreement” and “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW” for further information.

Milestone Payments. The Company will use the Milestone Payments to pay a portion of the costs of D&C Work, and to the extent necessary, principal of, or interest and premium, if any, on the Series 2014 Bonds (including the Short Term Serial Bond). Pursuant to the Public-Private Agreement, the Contracting Authority agrees to make Milestone Payments totaling up to \$80,000,000, as such amount may be decreased as a result of adjustments, in each case according to the following schedule:

Milestone	Estimated Completion Date (based on Preliminary Project Baseline Schedule)	Amount (in \$)
Utilities Milestone 1: Company has submitted a valid application compliant with the requirements set forth in Section 5.5.11 of the Public-Private Agreement and including a cost estimate for eligible Utility Adjustment Work exceeding \$5,000,000 in aggregate.	November 30, 2014	5,000,000
Utilities Milestone 2: Company has submitted a valid application compliant with the requirements set forth in Section 5.5.11 of the Public-Private Agreement and including a cost estimate for eligible Utility Adjustment Work exceeding \$20,000,000 in aggregate (including such amounts contemplated in Utility Milestone 1).	May 30, 2015	15,000,000
The local access roads and improvements associated with That Road and the overpass and local road improvements associated with Rockport Road have been completed and opened to traffic without the necessity of further Construction Closures.	June 1, 2015	10,000,000
The interchanges and associated entrance and exit ramps at Fullerton Pike and Tapp Road and the overpass and improvements associated with Vernal Pike have been completed and opened to traffic without the necessity of further Construction Closures.	December 31, 2015	30,000,000
Substantial Completion	October 31, 2016	20,000,000
Total Milestone Payments		80,000,000

When the Company believes it has satisfactorily achieved a Milestone, other than with respect to the Utilities Milestones and Substantial Completion, the Company is required to provide notice to the Contracting Authority. The Contracting Authority will then inspect the Work within ten Business Days of receiving the notice and, if compliant with the requirements of the Public-Private Agreement, will issue a certificate evidencing achievement of the Milestone. With respect to each Utilities Milestone, the Company will submit to the Contracting Authority an application showing satisfaction of certain conditions precedent to the applicable Utilities Milestone, including an aggregate cost estimate exceeding the amount listed for each Utilities Milestone in the table above. If the Company's application in connection with a Utilities Milestone is compliant with the requirements of the Public-Private Agreement, the Contracting Authority will issue a certificate evidencing achievement of the Utilities Milestone. When the Company achieves Substantial Completion, the Contracting Authority will issue a certificate evidencing that achievement. Upon receipt of a certificate from the Contracting Authority certifying achievement of a Milestone, including the Utilities Milestones and Substantial Completion, the Company may submit an invoice for the Milestone Payment, which the Contracting Authority has agreed to pay within 35 days of receiving such invoice or, if later, on the first day such funds become available to the Contracting Authority, provided, that the Company has cured any outstanding Defaults and satisfied other conditions of the Public-Private Agreement, and subject to the following maximum aggregate Milestone Payment schedule:

Dates	Maximum Aggregate Milestone Amount (in \$)
From December 15, 2014 through August 14, 2015, inclusive	15,000,000
From August 15, 2015 through August 14, 2016, inclusive	60,000,000
On or after August 15, 2016	80,000,000

Due to the certification and invoice process described above, Milestone Payments may not be received by the Company until 49 days after achievement of the applicable Milestone and subject to the maximum aggregate Milestone Payment schedule described above. See "RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Appropriation Risk".

The final Milestone Payment due and payable at Substantial Completion is subject to adjustment by the total amount of the Milestone Payment adjustments in respect of pre-Substantial Completion Noncompliance

Events, which events correlate to points, with a corresponding monetary value, and which points are assessed for the Company's failure to meet certain performance standards, in this case, relating to the Construction Work and O&M During Construction as set forth in the Public-Private Agreement. This Substantial Completion Milestone Payment Adjustment is calculated by assessing \$5,000 per Noncompliance Point corresponding to each Construction Noncompliance Event that occurs during the Construction Period, subject, however, to an aggregate adjustment cap of \$10,000,000.

Availability Payments. Commencing with the Substantial Completion Date, the Company will be eligible to receive Availability Payments from the Contracting Authority based on, and subject to, the Project located within the O&M Limits being open and available for public travel as measured through the Company's compliance with the PPA Documents. The annual Availability Payment is payable quarterly and disbursed monthly as described in more detail below.

Calculation. Availability Payments are calculated and earned by the Company according to the methodology set forth in the Public-Private Agreement. The Public-Private Agreement establishes a Maximum Availability Payment ("MAP") for each State Fiscal Year. The Availability Payments payable during any given State Fiscal Year may not exceed the MAP for that State Fiscal Year. The MAP for each State Fiscal Year is the Base MAP adjusted pursuant to an adjustment formula that, starting at the Substantial Completion Date and for each State Fiscal Year thereafter, adjusts 20% of the MAP based on the change in the Consumer Price Index (All Items, BES Series ID: CUUR0000SA0) and the remaining 80% of the MAP based on an annual rate of 2.5% per State Fiscal Year. The Base MAP is \$21,780,000 and is subject to adjustment on the Closing Date upon finalization of the financial model. The adjustment of the Base MAP on the Closing Date is expected to be \$20,323,123. See "RISK FACTORS—Risks Relating to the Public-Private Agreement—Inflation Risk".

Adjustments. The Availability Payment is calculated for each quarter of each State Fiscal Year by apportioning the MAP for that year based on the number of days in the quarter and subtracting any adjustments, subject to the limitation on adjustments during a Contracting Authority step in period. The Quarterly Payment for the quarter in which the Substantial Completion Date occurs will be prorated before applying the Quarterly Payment Adjustment, based on the ratio that the number of days in such quarter from and after the Substantial Completion Date bears to the total number of days in such quarter. Similarly, the Quarterly Payment for the quarter in which the Termination Date occurs will be prorated, before applying the Quarterly Payment Adjustment, based on the ratio that the number of days in such quarter up to and including the Termination Date bears to the total number of days in such quarter.

The Quarterly Payment (*i.e.*, the quarterly payment of a portion of that State Fiscal Year's Availability Payment) is subject to adjustment by the Quarterly Payment Adjustment, which is the sum of (i) Quarterly Unavailability Adjustments, (ii) Quarterly Noncompliance Adjustments, and (iii) Quarterly Other Payment Adjustments for each quarter of each State Fiscal Year during the term of the Public-Private Agreement, which adjustments, when collectively applied, reduce the annual MAP in the applicable State Fiscal Year.

The Quarterly Unavailability Adjustment is a deduction to the Quarterly Payment of the Availability Payments due to the occurrence of certain Unavailability Events during the quarter. An Unavailability Event is any Closure during the Operating Period that is not a Permitted Closure. For each Unavailability Event, an Unavailability Adjustment is calculated based on an equation, multiplying the MAP for that State Fiscal Year by values assigned to factors intended to assess the impact of the Unavailability Event on the Project (the segment (location) of the closure, the type of day (e.g., weekday, weekend or holiday), the time of day of the closure, the number of lanes affected by the closure (which factor increases by 150% if the Unavailability Event takes place on an Event Day), and the duration of time of the closure). The Unavailability Adjustment for a particular Unavailability Event is calculated as a percentage of the MAP for that State Fiscal Year. The Quarterly Unavailability Adjustment to the Quarterly Payment is the sum of Unavailability Adjustments during the quarter. The percentage of MAP payable in any given quarter will never be less than zero, should the sum of all Unavailability Adjustments exceed the unadjusted Quarterly Payment of the Availability Payments for that quarter.

The Quarterly Noncompliance Adjustment is a deduction based on the amount of the aggregated monetary values assigned to Noncompliance Events occurring in the applicable quarter after Substantial Completion for which certain Noncompliance Points are assessed for failure to meet certain performance standards relating to the operation

and maintenance of the portions of the Project located within the O&M Limits and compliance with the Public-Private Agreement, all as set forth in the Public-Private Agreement.

The Quarterly Noncompliance Adjustment is calculated by assessing \$5,000 per O&M Period Noncompliance Point. The Quarterly Other Payment Adjustments are positive or negative adjustments, as applicable, for (i) any adjustments to reflect overpayments and/or underpayments, (ii) any additional compensation owed by the Contracting Authority to the Company pursuant to Deferral of Compensation, (iii) payments owed by the Company to the Contracting Authority for any cost savings pursuant to a reductive IFA Change, (iv) payments owed by the Company to the Contracting Authority for cost savings pursuant to a Change Request accepted by the Contracting Authority, (v) payments owed by the Company to the Contracting Authority for any savings on insurance premiums that the Company avoids as a result of modification or elimination of insurance requirements approved by the Contracting Authority, (vi) increases or decreases in the MAP based on the Contracting Authority's share of any increases or decreases in premiums for insurance policies required under the Public-Private Agreement and (vii) deduction and offset of damages against amounts the Contracting Authority may owe the Company under the Public-Private Agreement.

Availability Payment Invoicing. The Contracting Authority has agreed to pay the Availability Payments by making Monthly Disbursements as partial payments of each Quarterly Payment. The Availability Payment for any partial quarter is to be prorated. The Contracting Authority must pay a Monthly Disbursement and Quarterly Payment (net of the amount of Monthly Disbursements for such quarter) within 35 days after receipt of the Company's invoice for the applicable month or quarter that meets the requirements of the Public-Private Agreement. The Company must submit the invoice no earlier than two and no later than 45 days after the end of the prior month or quarter, as applicable. The invoice for the month that marks the end of the subject quarter is an invoice for a Quarterly Payment, and the invoice for months that do not mark the end of the subject quarter is an invoice for a Monthly Disbursement. The invoice must set forth the amount and calculation of the Monthly Disbursement or Quarterly Payment (net of the amount of Monthly Disbursements for such quarter) due, including, in respect of the invoice for a Quarterly Payment, the calculation of the Quarterly Payment Adjustment for all applicable Unavailability Events and Noncompliance Events in accordance with the terms described above under the heading "—Adjustments", if any, for the prior quarter. Additionally, Quarterly Payment invoices must include a report containing certain specified information that the Contracting Authority can use to verify the Quarterly Payment and all components of the Quarterly Payment Adjustment for the prior quarter. The Contracting Authority will then verify the amount of each Monthly Disbursement and each Quarterly Payment (net of the amount of Monthly Disbursements for such quarter). The Contracting Authority is not required to pay any monthly or quarterly invoice if the Company has failed to file the reports required to be filed for that quarter under certain provisions of the Technical Provisions, unless and until the required reports are filed. Further, if it is determined that any such quarterly report required to be filed is inaccurate, and had it been accurate, would have revealed that an Unavailability Event or Noncompliance Event had occurred, then the Contracting Authority is not required to pay any monthly or quarterly invoice submitted by the Company unless and until the Company submits a revised report that is accurate to the reasonable satisfaction of the Contracting Authority. Once the required or revised reports are filed, the Contracting Authority will process the quarterly invoice for payment. The failure to file a quarterly report or the filing of an inaccurate report may also result in the assessment of Noncompliance Points.

Disputed Amounts. The Contracting Authority has the right to dispute, in good faith, any amount specified in an invoice submitted by the Company for Milestone Payments or Availability Payments. The Contracting Authority, however, must pay the amount of the invoice in question that is not in Dispute. The Company and the Contracting Authority are required to use reasonable efforts to resolve any Dispute within 30 days after it arises, and if they are unable to resolve the Dispute within that period, then it will be resolved according to the Dispute Resolution Procedures under the Public-Private Agreement. Any amount determined to be due pursuant to the Dispute Resolution Procedures will be paid within 20 days following resolution of the Dispute, together with interest thereon accruing from the date on which the payment should originally have been made to the date on which the payment is made, as described under the caption "—Interest on Delinquent Payments and Overpayments" below.

Interest on Delinquent Payments and Overpayments. The Milestone Payments and Availability Payments owed to the Company and not paid when due will bear interest at a floating rate equal to the LIBOR in effect from time to time plus 400 basis points, commencing on the date due and continuing until paid; provided, however, that if all or any portion of such a payment is withheld due to a good faith Dispute over whether it is due, then from the

date withheld until the date it is finally determined pursuant to the Dispute Resolution Procedures to be due such payment will bear interest at the LIBOR in effect from time to time, commencing on the date due and continuing until paid. If as a result of any inaccuracy in an invoice any overpayment is made by the Contracting Authority to the Company then, in addition to the adjustments to a Quarterly Payment as described above, the Contracting Authority will be entitled to deduct or receive as a payment from the Company interest thereon at a floating rate equal to the LIBOR in effect from time to time plus 400 basis points, commencing on the date of the Contracting Authority's payment of the invoice to the date the overpayment is deducted or paid. The Contracting Authority will provide Notice to the Company of any determination by the Contracting Authority that it is entitled to deduct or receive payment for interest owed on any such overpayment.

Compensation for Relief Events. The Company may be entitled to schedule relief and/or compensation for certain costs, suffered or incurred as a result of a Relief Event (which include certain Force Majeure Events). During the Construction Period, where the performance of the Work has been delayed as a result of the occurrence of a Relief Event, the dates for Project Schedule Deadlines will be extended to reflect the impact of the Relief Event on the critical path of the Work that could not have been reasonably avoided by the Company's mitigation efforts. During either the Construction Period or the Operating Period, the Company is entitled to claim (but may not be entitled to receive) certain Delay Costs and Extra Work Costs actually incurred by it as a result of the impact of such Relief Event on the Company's performance under the Public-Private Agreement and any additional work it is required to carry out as a result of the applicable Relief Events, subject to deductibles, described below.

Relief from Relief Events is subject to certain monetary deductibles to be borne by the Company. With respect to certain, but not all, Relief Events, the Company is required to bear the first \$40,000 of Extra Work Costs and the first three days (prior to Substantial Completion) or seven days (on or after Substantial Completion) of Delay Costs. See "RISK FACTORS—Risks Relating to the Public-Private Agreement— Events of Force Majeure; Limited Insurance Coverage; Relief Event Deductibles and Compensation Deferral". In addition, the Company is not entitled to compensation for increases in costs of O&M Work, whether Extra Work Costs or Delay Costs, due to a Non-Discriminatory O&M Change, except to the extent that, subject to certain conditions, (i) the increase in costs of O&M Work is for capital costs of required major new improvements or required major repair, reconstruction, rehabilitation, restoration, renewal or replacement of any affected Element, and (ii) the claimed compensation exceeds the Annual Non-Discriminatory O&M Change Deductible.

Generally, the Company is also entitled to compensation in respect of certain of its debt service costs (i) where a Relief Event causes a delay in achieving a Milestone or receiving a Milestone Payment and (ii) where a Relief Event causes missed Availability Payments due to a delay in achieving Substantial Completion by the original Baseline Substantial Completion Date. With respect to Deductible Relief Events, however, the Company is not entitled to such compensation with respect to (1) the first 60 days of delay in respect of the missed or delayed Milestone Payment and (2) the first 60 days of delay in respect of missed Availability Payments due to a delay in achieving Substantial Completion caused by Relief Event Delays. Such compensation for a delay in any Milestone Payment is limited to increased interest costs incurred due to a delay in making a principal payment expected to be paid from the delayed Milestone Payment. Based on the schedule of debt service payments included in the Base Case Financial Model, no principal payment is scheduled prior to the Baseline Substantial Completion Date (including the Short Term Serial Bond). To address the potential financial impact of such deductibles, the Design-Build Contractor's construction budget includes an allocation for design, construction management, general activities, and contingency and profit of approximately 28.7% of the Design-Build Contract Price. See "RISK FACTORS—Risks Relating to the Public-Private Agreement—Events of Force Majeure; Limited Insurance Coverage; Relief Event Deductibles and Compensation Deferral".

The Contracting Authority will pay Delay Costs and Extra Work Costs as a lump sum payment, as periodic payments over the Term, as an adjustment to the Maximum Availability Payment over the Term, as progress payments invoiced as Work is completed, through an extension of the Term, or any combination of the foregoing, as the Contracting Authority elects in its sole discretion, subject to certain exceptions. If the total amount of compensation due in a State Fiscal Year is less than \$7,000,000, the Contracting Authority is required to pay such amount as a lump sum payment. If the costs are due to an IFA Change, the Contracting Authority is required to pay such costs as a lump sum payment or as progress payments invoiced as the Work is completed. The Contracting Authority will notify the Company of its payment method election and negotiate the amount of compensation owed on an open-book basis. Deferred payment methods are subject to the Company's success in financing its upfront

costs through debt or equity. If the Company is unable, after using diligent efforts, to finance its upfront costs, the Contracting Authority is required to elect a different payment method.

Termination Compensation. The Public-Private Agreement may be terminated as described above under the caption “—Termination”. The Company will be paid the Termination Compensation specified in the Public-Private Agreement for most termination events, but the amount of the applicable Termination Compensation paid to the Company will vary depending upon the circumstances leading to such termination. In addition, no Termination Compensation will be paid to the Company in the case of a Default Termination Event (a) related to (i) the Company commencing bankruptcy-type proceedings, becoming insolvent or admitting in writing its inability to pay its debts as they become due, or other similar circumstances, or (ii) an involuntary bankruptcy-type proceeding being commenced against the Company and remaining uncontested, or (b) if any Lender has duly exercised its option to obtain New Agreements. To the extent Termination Compensation is payable, it will be calculated as described below.

Termination for Convenience. If the Public-Private Agreement is terminated for convenience by the Contracting Authority, the Contracting Authority is required to pay compensation, within 90 days of the Contracting Authority providing notice and receiving written statements regarding the amounts payable. In general, this would compensate the Company for (i) the Project Debt Termination Amount, which includes certain outstanding Project Debt (including certain penalties), (ii) equity distribution make-whole amounts based on a backward-looking calculation, (iii) certain Redundancy Payments for Company employees, (iv) certain Losses incurred by the Company with respect to termination of contracts with Contractors, (v) less certain amounts on deposit for the Company’s account and (vi) less previous payments for Extra Work Costs and Delay Costs accruing after the Early Termination Date due to Relief Events that occurred prior to termination.

Termination for Extended Relief Event, Extended Permitted Closure or Insurance Unavailability. If the Public-Private Agreement is terminated under such circumstances, the Contracting Authority is required to compensate the Company for (i) the Project Debt Termination Amount; (ii) amounts paid by the Equity Members or their Affiliates to the Company in the form of certain Committed Investments or Subordinated Debt less certain amounts received as Distributions, provided, that if the termination for an extended Relief Event is due to Environmental Litigation, amounts payable will include a rate of return (1) with respect to Committed Investment equal to the Original Equity IRR and (2) with respect to Subordinated Debt equal to the lesser of the Original Equity IRR or the non-default interest rate owing on the Subordinated Debt; (iii) certain Redundancy Payments for Company employees; (iv) certain Losses incurred by the Company with respect to termination of contracts with Contractors; (v) less certain amounts on deposit for the Company’s account; and (vi) less previous payments for Extra Work Costs and Delay Costs accruing after the Early Termination Date due to Relief Events that occurred prior to termination. Amounts are paid upon satisfaction of certain conditions and, if the Company provided the termination notice, in full not later than July 1 immediately following the date that requirements were satisfied if such date is before August 1, otherwise the second July 1 after such date. If the Contracting Authority provided the termination notice, amounts are paid no later than 90 days after satisfaction of the relevant conditions.

Termination for Company Default. Except as described below, if the termination is before Substantial Completion, the amount of compensation is equal to the greater of (a) Project Adjusted Costs, *plus* the amount of any compensation accrued for delayed Milestone Payments in connection with a Relief Event but not yet paid, *minus* Losses incurred by the Contracting Authority due to the Company Default, *minus* any lump sum amounts previously paid by IFA to the Company as compensation for Extra Work Costs or Delay Costs not yet incurred relating to a Relief Event that occurred prior to termination (excluding Milestone and Availability Payments) and (b) 80% of Project Debt Termination Amount, *minus* certain amounts previously paid by the Contracting Authority to the Company as compensation for Extra Work Costs or Delay Costs not yet incurred relating to a Relief Event that occurred prior to termination (excluding Milestone and Availability Payments).

Except as described below, if the termination is after Substantial Completion, the amount of compensation is equal to the greater of (a) Project Adjusted Costs, *minus* the value of the accrued amortization of Project Adjusted Costs funded with Committed Investment calculated using the greater of straight line amortization and the amortization shown in the financial model, *minus* the value of the accrued amortization of the Project Adjusted Costs funded with Project Debt calculated based on the financial model, *minus* certain Losses recoverable by the Contracting Authority, *minus* any lump sum amounts previously paid by IFA to the Company as compensation for

Extra Work Costs or Delay Costs not yet incurred relating to a Relief Event that occurred prior to termination (excluding Milestone and Availability Payments) or (b) 80% of Project Debt Termination Amount, *minus* certain amounts previously paid by the Contracting Authority to the Company as compensation for future Extra Work Costs or Delay Costs not yet incurred relating to a Relief Event that occurred prior to termination (excluding Milestone and Availability Payments), but not amounts previously paid and applied by the Company to reduce principal of Project Debt outstanding.

The Contracting Authority will not pay such compensation to the Company for a Default Termination Event (a) that is related to (i) the Company commencing bankruptcy-type proceedings, becoming insolvent or admitting in writing its inability to pay its debts as they become due, or other similar circumstances, or (ii) an involuntary bankruptcy-type proceeding being commenced against the Company and remaining uncontested, or (b) pursuant to which any Lender has duly exercised its option to obtain New Agreements.

Termination for IFA Default. If the Public-Private Agreement is terminated due to an IFA Default, the Contracting Authority is required to pay compensation similar in calculation of amounts and method of payment to a Termination for Convenience.

Limited Obligations; Covenant to Seek Appropriation

Limited Obligation. The Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation are limited obligations of the Contracting Authority, payable solely from the amounts payable by the Department to the Contracting Authority under the Milestone Agreement or Use Agreement or as otherwise appropriated by the General Assembly of the State to the Contracting Authority or otherwise, for such purpose. The obligations of the Contracting Authority to pay Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation do not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligations of the Contracting Authority to pay Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation do not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Indiana Finance Authority has no taxing power. The Company does not, and the Owners of the Series 2014 Bonds, individually or collectively, will not, have a right to have taxes levied or to compel appropriations by the General Assembly of the State for any payment of the Milestone Payments, Availability Payments, Compensation Amounts or Termination Compensation. The source of funds for payments of the Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation are ultimately subject to appropriation by the General Assembly of the State. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Appropriation Risk”, “CONTRACTING AUTHORITY AGREEMENTS—Milestone Agreement”, and “—Use Agreement” and “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW”.

Covenants. The Contracting Authority has made the following covenants, relating to budgeting and appropriations, in the Public-Private Agreement:

(a) to do all things lawfully within its power to obtain and maintain funds from which to meet its Milestone Payment obligations and its Availability Payment obligations owed to the Company under the Public-Private Agreement, including, but not limited to (i) requesting, or causing the Department to request, an appropriation to, or for the benefit of the Department, in an amount sufficient to meet the Department’s payment obligations to the Contracting Authority under the Milestone Agreement and Use Agreement in writing submitted to the General Assembly of the State at a time sufficiently in advance of the date for payment thereof so that an appropriation may be made from the General Assembly of the State in the normal State budgetary process, using its *bona fide* best efforts to have such request approved, and exhausting all available reviews and appeals if such request is not approved, as further described in “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW” herein, and (ii) requesting an appropriation in an amount sufficient to meet its Milestone Payment obligations and its Availability Payment obligations owed to the Company under the Public-Private Agreement in writing submitted to the General Assembly of the State at a time sufficiently in advance of the date for payment thereof so that an appropriation may be made from the General Assembly of the State in the normal State budgetary process, using its *bona fide* best efforts to

have such request approved, and exhausting all available reviews and appeals if such request is not approved.

(b) to use its best efforts to cause the General Assembly of the State to appropriate amounts that will be sufficient to enable the Contracting Authority to pay the Compensation Amounts and the Termination Compensation owed by the Contracting Authority to the Company under the Public-Private Agreement, including exhausting all available reviews and appeals if such amounts are not approved for appropriation.

(c) to do all things lawfully within its power to obtain and maintain funds from which to pay the Compensation Amounts and the Termination Compensation (including interest thereon) owed by the Contracting Authority to the Company under the Public-Private Agreement, including, but not limited to requesting an appropriation in an amount sufficient to pay the Compensation Amounts and Termination Compensation (including interest thereon) owed by the Contracting Authority to the Company under the Public-Private Agreement in writing submitted to the State Budget Agency and the General Assembly of the State at a time sufficiently in advance of the date for payment thereof so that an appropriation from the General Assembly of the State may be made in the normal State budgetary process, using its *bona fide* best efforts to have such request approved, and exhausting all available reviews and appeals if such request is not approved.

See “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW” below for additional information on the budget and appropriation process of the State.

Handback Requirements

The Company is required to cause the portions of the Project located within the O&M Limits, at no charge to the Contracting Authority, to be in the condition and to meet all of the requirements for Residual Life at Handback specified in the Handback Requirements. The Company is required to complete all Rehabilitation Work required to be performed or completed prior to the Termination Date under the Public-Private Agreement. The Company is also required to establish and fund a Handback Requirements Reserve Account to pay for rehabilitation and safety compliance work.

Dispute Resolution

Generally, the disputes between the parties under the Public-Private Agreement will be resolved first by informal negotiations between the parties, second by non-binding arbitration, and finally by litigation exclusively in the Circuit or Superior Court in Marion County, Indiana.

DESIGN-BUILD CONTRACT

General

On April 8, 2014, the Company and Corsán Spain entered into the Design-Build Contract (the “Design-Build Contract”), pursuant to which substantially all of the D&C Work relating to the Project will be undertaken by the Design-Build Contractor, on a turnkey lump sum fixed price basis that is payable in installments. Corsán Spain has assigned all of its rights and obligations under the Design-Build Contract to the Design-Build Contractor and the Design-Build Contractor has assumed all of Corsán Spain’s rights and obligations under the Design-Build Contract, pursuant to the DB Assignment and Amendment, with the approval of the Contracting Authority and the consent of the Company. Under the DB Assignment and Amendment, notwithstanding the Design-Build Contractor’s assumption of Corsán Spain’s rights and obligations under the Design-Build Contract, Corsán Spain has not been released from, and retains liability for, all of the Design-Build Contractor’s obligations under the Design-Build Contract. In addition, the Design-Build Contractor delivered a parent company guaranty, dated as of July 1, 2014, from Corsán Spain in favor of the Company and its successors and assignees, in respect of all obligations of the Design-Build Contractor under the Design-Build Contract. See “—Design-Build Guaranty”. The DB Assignment and Amendment, among other things, made conforming changes to the Design-Build Contract to reflect Corsán USA as the Design-Build Contractor thereunder. See “—DB Assignment and Amendment”.

Scope of Work

Subject to limited exceptions specified in the Design-Build Contract, the Design-Build Contractor’s scope of work includes all work required in connection with the design, engineering and architecture for the Project, Project Right of Way acquisition and Utility Adjustments (the “Design Work”) and all work to build or construct, reconstruct, rehabilitate, make, form, manufacture, furnish, install, integrate, supply, deliver or equip the Project and the Utility Adjustments, including aesthetic and landscaping work and standard landscaping and aesthetics treatment work, as well as all work with respect to the Project Right of Way, including, but not limited to, designing and constructing a limited access Project Right of Way fence, survey monumentation assemblies, reference monuments, and any other items associated with monuments in accordance with the Project Standards, including fence design and construction adjacent to residential or commercial properties with maintained lawns (the “DB Construction Work”) and together with the Design Work and the O&M During Construction (defined below), the “D&C Work”).

In addition, subject to limited exceptions specified in the Design-Build Contract, the Design-Build Contractor’s scope of work includes responsibility for all work required in connection with operation, management, administration, maintenance, repair, preservation, modification, reconstruction, rehabilitation, restoration, renewal and replacement of the Project until the Substantial Completion Date (such work during such period (other than the Excluded Work) the “O&M During Construction”). The exceptions from O&M During Construction specified in the Design-Build Contract, for which the Company retains responsibility (the “Excluded Work”), include (a) if Substantial Completion is not achieved within 27 months of the commencement of DB Construction Work for reasons not attributable to the Design-Build Contractor, performance of O&M During Construction with respect to completed segments of the Project at least two miles in length and having an interchange at both ends, (b) mowing, pruning and snow removal, (c) provision of equipment and personnel for incident responses, (d) responding to customer inquiries, (e) manning and maintaining a customer contact telephone line, (f) preparing and submitting various plans and reports, including in cooperation with the Design-Build Contractor insofar as some of the plans and reports relate to the D&C Work, and (g) applying for, processing or obtaining those Governmental Approvals for which the Design-Build Contractor cannot assume responsibility under applicable law.

The Design-Build Contractor is also required pursuant to the Design-Build Contract to provide temporary office space for the Company and to construct, within six months after the Company makes available the site therefor, an Operation and Maintenance Management Center, including a parking lot for staff and visitors, vehicle and spare parts storage, an approximately 3,500 square foot office building with a public reception area, a covered salt storage and other maintenance facilities. The Design-Build Contract requires the construction of an additional lane per direction in portions of urban areas throughout the Project. The Design-Build Contract also requires that the existing roadway remain open for use throughout the construction.

Back-to-Back Obligations

Under the Design-Build Contract and subject to its terms and conditions, the Design-Build Contractor has assumed and is required to comply with, on a back-to-back basis, substantially all of the Company's obligations and liabilities set forth in the Public-Private Agreement to the extent they relate to the design, construction, installation and completion of the Project, and to the O&M During Construction, subject to certain exceptions, and such obligations and liabilities are deemed included as part of the Design-Build Contractor's obligations under the Design-Build Contract. The Design-Build Contract is not intended to, and does not, relieve the Company of its obligations under the Public-Private Agreement.

Performance Standards

The Design-Build Contractor is required to comply with good industry practice, the requirements of the Public-Private Agreement Documents, the Project Schedule, all applicable laws, the requirements, terms and conditions of all Governmental Approvals, and the Project Management Plan and all component plans prepared or to be prepared under the Design-Build Contract.

Project Right of Way

Under the Public-Private Agreement, the Contracting Authority has agreed to obtain and provide the Project Right of Way at the Contracting Authority's cost. Upon receipt from the Contracting Authority, the Company will provide access to the Project Right of Way to the Design-Build Contractor for purposes of performance of the D&C Work. Should the Project Right of Way and the rights to use those sites not be sufficient for the Design-Build Contractor to undertake and complete the D&C Work in accordance with the Design-Build Contract, the Design-Build Contractor's rights against the Company are limited to such relief as is granted by the Contracting Authority to the Company under the Public-Private Agreement.

Site Conditions

The Design-Build Contractor is entitled to monetary or schedule relief in respect of a DB Relief Event for the discovery of specified site conditions to the extent permitted by the Design-Build Contract and only to the extent the Contracting Authority provides relief to the Company for such event under the Public-Private Agreement.

Company's Right to Carry Out Work

If the Design-Build Contractor defaults or neglects to carry out the D&C Work in accordance with the requirements of the Design-Build Contract or if there are defects or deficiencies in the D&C Work that the Design-Build Contractor refuses or neglects to repair after receipt of notice from the Company to correct such default, neglect, defect or deficiency with diligence and promptness, the Company may correct the same. The costs of such work performed by the Company will be borne by the Design-Build Contractor.

Compensation and Payments

The lump sum fixed price payable to the Design-Build Contractor for the performance of the D&C Work is \$307,000,000 (the "Contract Sum"). The Design-Build Contractor will, no more frequently than monthly, submit payment applications, which are subject to review and audit by the Company and, if and to the extent required by the Funding Agreements, the Technical Advisor. The Company has the right to withhold payments to the Design-Build Contractor to protect itself from Losses or claims related to performance by the Design-Build Contractor of its obligations or certain third party claims.

The Company is required to pay the Design-Build Contractor, within 15 days after the first disbursement to the Company of funds from the bond proceeds account under the Funding Agreements in an amount equal to 10% of the Contract Sum (the "Advance Payment"). The Company may deduct from each monthly installment payment (calculated without deducting for the Retainage described below) to the Design-Build Contractor 10% of such installment payment until the cumulative amount so retained equals the original value of the Advance Payment. On

the termination date of the Design-Build Contract, any Advance Payment balance not yet recaptured will be returned to the Company. The Design-Build Contractor will secure the return of the Advance Payment by providing either a standby letter of credit or a surety bond (the "Advance Payment Security"). The amount of the Advance Payment Security will decrease from time to time to match the decreasing Advance Payment balance as the Company makes the deductions from monthly installment payments described above. The Company may only make demand upon or draw upon the Advance Payment Security if the Design-Build Contract terminates (for any reason) and the Advance Payment balance has not been reduced to zero by the foregoing mechanism before such termination and such outstanding Advance Payment balance is not returned to the Company within three days after such termination.

The Company will also withhold as Retainage from each monthly installment payment to the Design-Build Contractor the amount of 4.23% of such monthly installment, calculated without deducting the amounts relating to the Advance Payments. Such Retainage withholdings will accumulate until the aggregate of all such withholdings equals \$13,000,000. Within ten Business Days after Substantial Completion under the Public-Private Agreement, the Company will pay \$3,000,000 to the Design-Build Contractor (or such lower amount as to result in a remaining amount of Retainage equal to \$10,000,000). Within ten Business Days after the Contracting Authority pays to the Company the Substantial Completion Milestone Payment, the Company will pay to the Design-Build Contractor the remainder of the Retainage, subject to limited deductions.

In addition, the Contract Sum under the Design-Build Contract will be reduced by the amount of net cost savings in labor, material, equipment and overhead of the Design-Build Contractor and its contractors to which the Contracting Authority is entitled pursuant to a reductive IFA Change.

Limitation on Design-Build Contractor's Liability

The maximum aggregate liability of the Design-Build Contractor pursuant to the Design-Build Contract (the "Liability Cap") is 50% of the Contract Sum, excluding the Design-Build Contractor's liability for (i) liabilities that arise out of any sum recovered by the Design-Build Contractor through insurance, (ii) liabilities that arise out of certain third-party claims, (iii) liabilities that arise out of abandonment, willful default, willful misconduct, willful breach of applicable law or fraud or any fraudulent misrepresentation of or by the Design-Build Contractor, (iv) liabilities that arise out of certain indemnities given by the Design-Build Contractor to the Company, (v) fines and penalties imposed by the Contracting Authority and not under dispute, or imposed by a Governmental Entity under applicable law, (vi) reasonable costs incurred by the Company in its defense in complying with legal obligations other than those provided in the Public-Private Agreement, (vii) interest on any undisputed amounts owed to a third party by the Design-Build Contractor not paid when due, and (viii) any amount paid to, but subsequently recovered from, the Company.

Completion Deadlines and Recovery Plans

The Design-Build Contractor is required to achieve DB Substantial Completion by the Baseline Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement) and to achieve DB Final Acceptance by the DB Final Acceptance Deadline. The long stop date under the Design-Build Contract is 90 days prior to the Long Stop Date (as defined in the Public-Private Agreement) under the Public-Private Agreement, anticipated in the Project Baseline Schedule to be August 2, 2017 (the "DB Long Stop Date").

If the Company determines that there is no reasonable possibility that DB Substantial Completion can be achieved within three months after the Baseline Substantial Completion Date (including if such delay is caused by a Company Default under the Design-Build Contract and giving effect to extensions to such date under the Public-Private Agreement as a result of Relief Events), the Design-Build Contractor will prepare a remedial plan, subject to the Company's approval, to cause the DB Substantial Completion to be achieved by the Baseline Substantial Completion Date or, if not reasonably possible, at the earliest reasonably possible date, which in any event cannot be later than nine months after the Baseline Substantial Completion Date. The Design-Build Contractor's failure to provide a remedial plan or to comply with the remedial plan in any material respect is an event of default, which constitutes a Default Termination Event.

If the Technical Advisor determines that DB Substantial Completion may not occur on or before the

Bondholder Long Stop Date (including if such delay is caused by a Company Default under the Design-Build Contract), the Design-Build Contractor will prepare a remedial plan, subject to approval by the Company and the Technical Advisor, that demonstrates how the Design-Build Contractor will accelerate the remaining D&C Work in a manner necessary to achieve the DB Substantial Completion to be achieved by the Bondholder Long Stop Date. The Design-Build Contractor's failure to provide a remedial plan or to comply with the remedial plan in any material respect is an event of default, which constitutes a Default Termination Event.

Liquidated Damages

If DB Substantial Completion does not occur by the Scheduled DB Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement), the Design-Build Contractor will pay liquidated damages to the Company equal to \$82,200 per day until the DB Substantial Completion Date, which is intended to compensate the Company for losses related to missed Availability Payments resulting from the delay. The Design-Build Contractor is not entitled to a refund by the Company of such liquidated damages upon DB Substantial Completion.

If any Milestone is not achieved by the applicable achievement date for such Milestone, the Design-Build Contractor will pay liquidated damages to the Company every day until the Milestone is achieved. A different daily liquidated damages assessment applies to each of the Milestones, other than Substantial Completion, set forth in the Public-Private Agreement, ranging from \$1,300 per day to \$8,000 per day. The liquidated damages paid in connection with missed Milestones are intended to compensate the Company for delays in obtaining Milestone Payments and also to estimate damages caused by the Design-Build Contractor's failure to timely perform with respect to the achievement of Milestones. The Design-Build Contractor is not entitled to a refund by the Company of such liquidated damages when the Milestone Payment is received.

The Design-Build Contractor's liability for the above-described liquidated damages is capped at 10% of the initial Contract Sum (the "LD Cap").

Performance Security

As security for the payment and performance by the Design-Build Contractor of the Company's obligations under the Public-Private Agreement relating to the D&C Work, the Design-Build Contractor will provide the Contracting Authority with a Payment Bond and Performance Security satisfying the requirements set forth in the Public-Private Agreement. The Company will provide the Contracting Authority with a Payment Bond and Performance Security satisfying the requirements set forth in the Public-Private Agreement as security for the payment and performance by the Company of the portion of the O&M During Construction for which it is responsible.

In addition, the Design-Build Contractor will provide the Company with one or more irrevocable, transferable standby letters of credit in the form agreed in the Design-Build Contract in an aggregate amount equal to 7.5% of the Contract Sum as partial security for payment by the Design-Build Contractor of all sums to the Company and for the Design-Build Contractor's full and timely performance under the Design-Build Contract (the "Liquid Security"). The aggregate amount of such Liquid Security will be reduced to 4% of the Contract Sum for the period beginning on the day after the Substantial Completion Date and ending on the Final Acceptance Date, and further reduced to 2% of the Contract Sum for the period beginning on the day after the Final Acceptance Date and ending on the expiration of the Warranty Period. The Liquid Security must remain in place until expiration of the Warranty Period, but once Final Acceptance has been achieved, the Liquid Security may take the form of a bond in form and substance acceptable to the Company, which also must remain in place until expiration of the Warranty Period.

The following table summarizes the various types of performance security provided by the Design-Build Contractor in respect of its performance and obligations under the Design-Build Contract.

Design-Build Contractor Payment and Performance Security	
Payment Bond and Performance Security:	<ul style="list-style-type: none"> As security for the payment and performance by the Design-Build Contractor of the Company's obligations under the Public-Private Agreement relating to the D&C Work and in satisfaction of the Company's obligation to provide the same under the Public-Private Agreement, the Design-Build Contractor will provide the Contracting Authority with a Payment Bond in an amount equal to 5% of the Total Project Capital Cost with respect to DB Construction Work and separate Performance Security in an amount equal to 25% of the Total Project Capital Cost in the form of a bond, satisfying the requirements set forth in the Public-Private Agreement, less, in each case, as applicable, the amount of the Payment Bond and Performance Security that the Company will provide the Contracting Authority with respect to the portion of the O&M During Construction for which the Company is responsible.
Liquid Security:	<ul style="list-style-type: none"> The Design-Build Contractor will provide the Company Liquid Security in the form of one or more irrevocable, transferable standby letters of credit in an aggregate amount equal to 7.5% of the Contract Sum as partial security for payment of all sums to the Company and for the Design-Build Contractor's full and timely performance under the Design-Build Contract. The aggregate amount of the Liquid Security will be reduced to 4% of the Contract Sum for the period beginning on the day after the Substantial Completion Date and ending on the Final Acceptance Date, and further reduced to 2% of the Contract Sum for the period beginning on the day after the Final Acceptance Date and ending on the expiration of the Warranty Period. Once Final Acceptance has been achieved, the Liquid Security may take the form of a bond in form and substance acceptable to the Company, which also must remain in place until expiration of the Warranty Period. The letters of credit or bond must remain in place until expiration of the Warranty Period.
Advance Payment and Advance Payment Security	<ul style="list-style-type: none"> The Company is required to pay the Design-Build Contractor, within 15 days after the first disbursement to the Company of funds from the bond proceeds account under the Funding Agreements in an amount equal to 10% of the Contract Sum. The Company may deduct from each monthly installment payment (calculated without deducting for the Retainage described below) to the Design-Build Contractor 10% of such installment payment until the cumulative amount so retained equals the original value of the Advance Payment. On the termination date of the Design-Build Contract, any Advance Payment balance not yet recaptured will be returned to the Company. The return of the Advance Payment balance is secured by the Design-Build Contractor's provision of either a standby letter of credit or a surety bond. The amount of the Advance Payment Security will decrease from time to time to match the decreasing Advance Payment balance as the Company makes the deductions from monthly installment payments described above. The Company may only make demand upon or draw upon the Advance Payment Security if the Design-Build Contract terminates, for any reason, and the Advance Payment balance has not been reduced to zero by the foregoing mechanism before such termination and such outstanding Advance Payment balance is not returned to the Company within three days after such termination.
Retainage	<ul style="list-style-type: none"> The Company will also withhold as Retainage from each monthly installment payment to the Design-Build Contractor the amount of 4.23% of such monthly installment, calculated without deducting the amounts relating to the Advance Payments. Such Retainage withholdings will accumulate until the aggregate of all such withholdings equals \$13,000,000. Within ten Business Days after Substantial Completion under the Public-Private Agreement, the Company will pay \$3,000,000 to the Design-Build Contractor, or such lower amount as to result in a remaining amount of Retainage equal to \$10,000,000. Within ten Business Days after IFA pays to the Company the Substantial Completion Milestone Payment, the Company will pay to the Design-Build Contractor the remainder of the Retainage, subject to limited deductions.

Design-Build Contractor Payment and Performance Security	
Liquidated Damages:	<ul style="list-style-type: none"> • If DB Substantial Completion does not occur by the Scheduled DB Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement), the Design-Build Contractor will pay liquidated damages to the Company equal to \$82,200 per day until the DB Substantial Completion Date, which is intended to compensate the Company for losses related to missed Availability Payments resulting from the delay. The Design-Build Contractor is not entitled to a refund by the Company of such liquidated damages upon DB Substantial Completion. • If any Milestone is not achieved by the applicable achievement date for such Milestone, the Design-Build Contractor will pay liquidated damages to the Company every day until the Milestone is achieved. A different daily liquidated damages assessment applies to each of the Milestones, other than Substantial Completion, set forth in the Public-Private Agreement, ranging from \$1,300 per day to \$8,000 per day. The liquidated damages paid in connection with missed Milestones are intended to compensate the Company for delays in obtaining Milestone Payments and also to estimate damages caused by the Design-Build Contractor's failure to timely perform with respect to the achievement of Milestones. The Design-Build Contractor is not entitled to a refund by the Company of such liquidated damages when the Milestone Payment is received. • The Design-Build Contractor's liability for the above-described liquidated damages is capped at 10% of the initial Contract Sum.
Limitation on Liability:	<ul style="list-style-type: none"> • The maximum aggregate liability of the Design-Build Contractor pursuant to the Design-Build Contract is 50% of the Contract Sum, excluding the Design-Build Contractor's liability for (i) liabilities that arise out of any sum recovered by the Design-Build Contractor through insurance, (ii) liabilities that arise out of certain third-party claims, (iii) liabilities that arise out of abandonment, willful default, willful misconduct, willful breach of applicable law or fraud or any fraudulent misrepresentation of or by the Design-Build Contractor, (iv) liabilities that arise out of certain indemnities given by the Design-Build Contractor to the Company, (v) fines and penalties imposed by the Contracting Authority and not under dispute, or imposed by a Governmental Entity under applicable law, (vi) reasonable costs incurred by the Company in its defense in complying with legal obligations other than those provided in the Public-Private Agreement, (vii) interest on any undisputed amounts owed to a third party by the Design-Build Contractor not paid when due, and (viii) any amount paid to, but subsequently recovered from, the Company.

Relief Events

Subject to compliance with applicable procedures and other terms and conditions set forth in the Design-Build Contract, the Design-Build Contractor is entitled to the monetary and schedule relief in respect of the D&C Work to the extent actually received from the Contracting Authority under the Public-Private Agreement. If compensation under the Public-Private Agreement to the Company with respect to Relief Events is through Deferral of Compensation, the Company is obligated to compensate the Design-Build Contractor for the related work and delay costs as progress payments of the applicable work or, if the Company and the Design-Build Contractor agree, as a lump sum. The payment obligation of the Company to the Design-Build Contractor does not arise until the quantum attributed to such work and delay costs has been determined under the Public-Private Agreement for the purposes of determining the additional compensation payable by the Contracting Authority to the Company to restore the Company's financial balance as a result of such Deferral of Compensation. The Design-Build Contract sets forth the procedures by which the Design-Build Contractor and the Company will work together to assert a claim against the Contracting Authority under the Public-Private Agreement.

Warranties

The Design-Build Contractor warrants that the materials and equipment furnished under the Design-Build Contract will be free of defects and of good quality and new and that the D&C Work will meet all requirements of

the Design-Build Contract. The Warranty Period is 24 months after the Final Acceptance Date. The Latent Defect Period is ten years after the Final Acceptance Date or such longer period as may be provided by law.

Suspension of Work

The Contracting Authority and the Company each have rights to suspend the D&C Work. The Contracting Authority's rights are set forth in the Public-Private Agreement and acknowledged by the Design-Build Contractor. The Company has analogous rights to suspend D&C Work due to certain breaches or failures by the Design-Build Contractor, including, for among other reasons, failure to comply with the Design-Build Contract or applicable law or Governmental Approvals, discovery of Nonconforming Work, failure to pay sums when due, failure to maintain insurance coverages, failure to maintain payment bonds and performance security and the existence of unsafe conditions. The Company may also suspend the D&C Work at its discretion but would, in such case, be liable to the Design-Build Contractor for its losses and adjustments to the Scheduled DB Substantial Completion Date would be made for purposes of calculating delay liquidated damages.

Termination Rights

Termination for Design-Build Contractor Default

Subject to applicable cure periods specified in the Design-Build Contract, the Company may terminate the Design-Build Contract for the following Design-Build Contract Defaults, each of which constitutes a "Default Termination Event" under the Design-Build Contract: (a) the Design-Build Contractor fails to begin D&C Work within 20 days following the issuance of NTP1 or NTP2, fails to satisfy all conditions to the commencement of Design Work for which it is responsible and fails to commence Design Work within 30 days of the issuance of NTP1, or fails to satisfy all of the conditions to the commencement of DB Construction Work and fails to commence DB Construction Work within 30 days following the issuance of NTP2; (b) an Abandonment; (c) the Design-Build Contractor fails to achieve DB Substantial Completion by the DB Long Stop Date; (d) the Design-Build Contractor fails to make any payment or deposit when due; (e) there occurs any use of the Project or Airspace by a DBC-Related Entity in material violation of the Design-Build Contract, Technical Provisions, Governmental Approvals or applicable law; (f) the Design-Build Contractor fails to obtain or maintain any required insurance, bonds, guarantees, letters of credit or other payment or performance security, comply with requirements pertaining to the amount, terms or coverage of the same or deliver any originals, certificates or evidence of the same; (g) the Design-Build Contractor makes or attempts to make or suffers an assignment or transfer of all or a portion of the Design-Build Contract or the Design-Build Contractor's Interest, or there occurs an assignment, mortgage, encumbrance or conveyance thereof; (h) there occurs any disqualification, suspension or debarment, or there goes into effect an agreement for voluntary exclusion, from bidding, proposing or contracting with any United States or State department or agency of the Design-Build Contractor, its affiliates (as defined in 29 C.F.R. Section 16.105) or any DBC Key Contractor whose work is not completed; (i) there occurs a Persistent Design-Build Contractor Default, and the Design-Build Contractor fails to timely deliver a remedial plan or to comply with the approved remedial plan; (j) the Design-Build Contractor fails to comply with the Contracting Authority's order to suspend Work issued in accordance with the Public-Private Agreement; (k) certain bankruptcy-type proceedings are commenced involving the Design-Build Contractor; (l) certain bankruptcy-type proceedings are commenced involving Corsán Spain; (m) the Design-Build Contractor incurs liabilities under the Design-Build Contract that reach the Liability Cap (unless the Design-Build Contractor agrees to increase the amount of the Liability Cap) or Delay Liquidated Damages under the Design-Build Contract that reach the LD Cap (unless the Design-Build Contractor agrees to increase the amount of the LD Cap subject to certain limitations on such increases); (n) the Design-Build Contractor fails to pay any liquidated damages when due and the amount unpaid exceeds \$500,000; (o) the Design-Build Contractor fails to provide or comply with a required remedial plan; (p) there exists a Company Default (under the Public-Private Agreement), the cause of which is attributable to a breach by the Design-Build Contractor of the Design-Build Contract; and (q) there occurs any other Design-Build Contractor Default for which the Company issues a notice and the default is not cured within the applicable cure periods available to the Design-Build Contractor. In the event of such termination, the Design-Build Contractor is obligated to pay damages to the Company to compensate the Company for the cost of replacement contractors to complete the D&C Work and correct any defects and for any other Losses suffered.

Termination for Company Default

Subject to applicable cure periods, the Design-Build Contractor is entitled to terminate the Design-Build Contract following a Company Default for (a) non-payment by the Company of an undisputed amount due to the Design-Build Contractor, (b) commencement of certain bankruptcy-type proceedings involving the Company, or (c) suspensions initiated by the Company, and not by the Contracting Authority, of more than 90 consecutive days (or 150 days in the aggregate) for any reason that is not included within a list of grounds for suspension that are related to the action or inaction of the Design-Build Contractor or its related entities. In the event of such termination, the Company is obligated to compensate the Design-Build Contractor for any unpaid sums for completed work, the costs of materials delivered, the costs of termination of subcontracts, and the costs of removing equipment from the site and repatriation of staff. If the Company Default results from a failure by the Contracting Authority to perform any of its obligations under the Public-Private Agreement or any other agreement between the Company and the Contracting Authority, (a) the Company's liability to the Design-Build Contractor is limited to the amount of compensation the Company recovers from the Contracting Authority in connection with such failure, and (b) the Company has no such liability to the Design-Build Contractor unless and until the Contracting Authority pays such compensation.

If the Contracting Authority terminates the Public-Private Agreement as a result of the fraud, gross negligence or willful misconduct of the Company, and that fraud, gross negligence or willful misconduct is not attributable to the Design-Build Contractor, then the Design-Build Contractor is entitled to terminate the Design-Build Contract. In the event of such termination, the Company is obligated to compensate the Design-Build Contractor for any unpaid sums for completed work, the costs of materials delivered, the costs of termination of subcontracts and the costs of removing equipment from the site and repatriation of staff.

Other Termination

The Design-Build Contract may also be terminated where (a) the Public-Private Agreement is terminated for convenience by the Contracting Authority or due to an IFA Default thereunder, (b) the Public-Private Agreement is terminated due to an extended Relief Event, Permitted Closure, unavailability of insurance or court order, (c) the Public-Private Agreement is terminated for failure to reach Financial Close. In the event of such termination, the Design-Build Contractor is entitled to share in compensation to be received by the Company under the Public-Private Agreement as provided by the Design-Build Contract.

DB Assignment and Amendment

Corsán Spain and Corsán USA have entered into the DB Assignment and Amendment, pursuant to which Corsán Spain has assigned all of its rights and obligations under the Design-Build Contract to Corsán USA and Corsán USA has assumed all of Corsán Spain's rights and obligations under the Design-Build Contract, including, but not limited to, all obligations to perform the D&C Work. Notwithstanding anything in the DB Assignment and Amendment, Corsán Spain has not been released from the obligations and liabilities as the Design-Build Contractor under the Design-Build Contract and Corsán Spain continues to remain liable to Company, and to the extent of their rights pursuant to the Design-Build Contract, the Contracting Authority, for the full payment and complete performance of any and all obligations and liabilities of Design-Build Contractor under the Design-Build Contract. In the event that Corsán USA fails to perform any obligation of the Design-Build Contractor under the Design-Build Contract or there occurs any violation of the terms and conditions of the Design-Build Contract by Design-Build Contractor, including, but not limited to a Design-Build Contractor Default, the Company, and to the extent of their rights pursuant to the Design-Build Contract, the Contracting Authority, has the right to pursue a claim for such failure, pursuant to the applicable terms and conditions of the Design-Build Contract, directly against Corsán Spain without having to first bring a claim against Corsán USA.

For a more detailed summary of the provisions of the Design-Build Contract, see APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE DESIGN-BUILD CONTRACT".

Design-Build Guaranty

The Design-Build Contractor delivered a guaranty, dated as of July 1, 2014, from Corsán Spain in favor of

the Company and its successors and assignees (the “Design-Build Guaranty”), in respect of all obligations of the Design-Build Contractor under the Design-Build Contract, including, without limitation, completion of the D&C Work, all warranty and other continuing obligations under the Design-Build Contract, all obligations arising under indemnities provided by Design-Build Contractor under the Design-Build Contract and payment of all amounts owing by Design-Build Contractor under the Design-Build Contract (including liquidated damages and any amount owed by Design-Build Contractor to Developer as a result of Developer having to rectify a default or omission of Design-Build Contractor), in each case in accordance with the terms and conditions of the Design-Build Contract. Corsán Spain waives certain defenses under the law and the Design-Build Contract and also assents to any amendment of the Design-Build Contract. The guaranty is a primary obligation, and not a contract of surety.

The maximum aggregate liability of Corsán Spain under the Design-Build Guaranty is subject to the same liability cap under the Design-Build Contract, including the exceptions thereto. In addition, the Company is not required to first pursue or exhaust other remedies or rights against the Design-Build Contractor or resort to any other security or collateral before pursuing its rights under the Design-Build Guaranty. The pursuit of other remedies or rights is not a discharge of liability under its respective Design-Build Guaranty. Corsán Spain may not assign or transfer the Design-Build Guaranty without the prior written consent of the Company.

CONTRACTING AUTHORITY AGREEMENTS

The following is a summary of selected provisions of the Milestone Agreement and the Use Agreement and is not a full statement of the terms of such agreements. For additional information, see APPENDIX L—“SUMMARY OF CERTAIN CONTRACTING AUTHORITY AGREEMENTS”.

Milestone Agreement

The Contracting Authority and the Department have entered into the Milestone Payment Agreement, dated as of April 8, 2014 (the “Milestone Agreement”), pursuant to which the Department agrees to pay a Department Milestone Payment on or before each of December 1, 2014, August 1, 2015, and August 1, 2016, in the respective amounts of \$15,000,000, \$45,000,000 and \$20,000,000. In addition, the Department has agreed to make payments to the Contracting Authority to fund Compensation Amounts (the “Department Compensation Payments”) as set forth in supplements to the Milestone Agreement in an amount equal to the Department Compensation Payments owed by the Contracting Authority to the Company prior to the Substantial Completion Date.

The initial term of the Milestone Agreement ends June 30, 2015, and the initial and subsequent terms will be extended for an additional two-year term ending on the last day of the following Biennium, unless either the Contracting Authority or the Department delivers written notice of non-extension at least six months prior to the last day of any Biennium. Further, upon an event of default under the Milestone Agreement or if funds have not been appropriated or are not available to the Contracting Authority or the Department to pay when due any amount payable by the Department under the Milestone Agreement, the Milestone Agreement will terminate unless the Contracting Authority, in its discretion, elects not to terminate the Milestone Agreement. Payment by the Department of the amounts owed to the Contracting Authority under the Milestone Agreement is also subject to, and dependent upon, appropriations being made for such purpose by the General Assembly of the State as further described herein. See “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW”. The obligations of the Department to make such payments do not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligation of the Department to make such payments does not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Company does not, and the Owners of the Series 2014 Bonds, individually or collectively, will not, have a right to have taxes levied or to compel appropriations by the General Assembly of the State for any payment of the Department under the Milestone Agreement.

Amounts necessary for the Department to make its payments to the Contracting Authority under the Milestone Agreement due in the State Fiscal Year 2015 have been appropriated.

Use Agreement

The Contracting Authority and the Department have entered into the Use Agreement, dated as of April 8, 2014 (the “Use Agreement”), pursuant to which the Department will make periodic Use Payments to the Contracting Authority with respect to the Project. Commencing on the first day of the State Fiscal Quarter following the State Fiscal Quarter in which the Substantial Completion Date occurs, the Department has agreed to make a quarterly Use Payment for the Project to the Contracting Authority on or before the first day of each State Fiscal Quarter succeeding any State Fiscal Quarter during which the Project was actually used or available for use pursuant to the Use Agreement. If, after the Substantial Completion Date, the Project is not available for use, the Use Payments will be abated during the period that such Project is not available for use in an amount which reflects the adjustment in the payments owed to the Developer by the Contracting Authority under the Public-Private Agreement. In the event that a Relief Event occurs which results in the Contracting Authority owing a Compensation Amount which was not previously taken into account for purposes of establishing Use Payments, the Contracting Authority agrees to notify the Department and request an increase in the Use Payment, and the Department agrees to use its best efforts to pay such increased Use Payment from amounts which have been appropriated to the Department and held by the Department as a contingency for Department construction projects to the extent amounts are available at such time. The Use Payments for each State Fiscal Year are expected to be at least equal to certain Authority Costs for such State Fiscal Year, the Maximum Availability Payment for such State Fiscal Year, and the amounts necessary to pay

Compensation Amounts owed by the Contracting Authority under the Public-Private Agreement.

The initial term of the Use Agreement is through June 30, 2015, and the term will be extended for two-year terms to the end of each following Biennium, unless either the Contracting Authority or the Department delivers written notice of non-extension at least six months prior to the last day of any Biennium. Further, upon an event of default under the Use Agreement or if funds have not been appropriated or are not available to the Contracting Authority or the Department to pay when due any amount payable by the Department under the Use Agreement, the Use Agreement will terminate unless the Contracting Authority, in its discretion, elects not to terminate the Use Agreement. Payment by the Department of the amounts owed to the Contracting Authority under the Use Agreement is also subject to, and dependent upon, appropriations being made for such purpose by the General Assembly of the State as further described herein. See "REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW".

The obligations of the Department to make such payments do not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligation of the Department to make such payments does not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Company does not, and the Owners of the Series 2014 Bonds, individually or collectively, will not, have a right to have taxes levied or to compel appropriations by the General Assembly of the State for any payment of the Department under the Use Agreement.

REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW

Payments from the Department

The Contracting Authority has entered into each of the Milestone Agreement and the Use Agreement with the Department, pursuant to which the Department agrees to make payments to the Contracting Authority in amounts at least equal to (1) pursuant to the Milestone Agreement, the Milestone Payments and certain other amounts, including Compensation Amounts, and (2) pursuant to the Use Agreement, the Availability Payments and certain other amounts, including Compensation Amounts, in each case owed by the Contracting Authority to the Company under the Public-Private Agreement. See “RISK FACTORS—Risks Relating to the Indiana Finance Authority and the Company—Appropriation Risk”. All amounts payable by the Department under such agreements are subject to appropriation by the General Assembly of the State.

In each of the Milestone Agreement and the Use Agreement, the Department covenants that it will do all things lawfully within its power to obtain and maintain funds from which to meet its payment obligations to the Contracting Authority under the Milestone Agreement and the Use Agreement, respectively, including, but not limited to, including its Milestone Agreement and Use Agreement payment obligations in the applicable Department budget, requesting an appropriation in an amount sufficient to meet its payment obligations to the Contracting Authority under the Milestone Agreement and the Use Agreement, as applicable, in writing submitted to the General Assembly of the State at a time sufficiently in advance of the date for payment thereof so that an appropriation may be made from the General Assembly of the State in the normal State budgetary process, using its *bona fide* best efforts to have such request approved, and exhausting all available reviews and appeals if such request is not approved.

Additionally, under the Public-Private Agreement, the Contracting Authority agrees to use its best efforts to enforce the provisions of the Milestone Agreement and the Use Agreement.

Contracting Authority Budget Forecasts

Pursuant to the Public-Private Agreement, the Contracting Authority has agreed to make certain budget forecasts in relation to the Milestone Payments and the Availability Payments in order to facilitate the necessary appropriations and payment schedule with the Department. On or before the first day of August of each even numbered year, the Contracting Authority has agreed to prepare an annual budget forecast for each of the ensuing two State Fiscal Years setting forth (A) with respect to the Milestone Payments, (i) the Milestone Payment owed by the Contracting Authority for each such State Fiscal Year, and (ii) the amount of funds to be appropriated by the General Assembly of the State to the Department to make the payments to the Contracting Authority under the Milestone Agreement, and (B) with respect to the Availability Payments, (i) the Maximum Availability Payment for each such State Fiscal Year, (ii) the estimated amount of additional payments owed under the Public-Private Agreement, including Termination Compensation and payments with respect to Relief Events for each such State Fiscal Year, (iii) the amount of funds to be appropriated for each such State Fiscal Year to the Department to make the payments to the Contracting Authority under the Use Agreement, and (iv) the amount of funds to be appropriated to the Contracting Authority for each such State Fiscal Year to make the payments to the Company under the Public-Private Agreement.

As soon as available after the end of each session of the General Assembly of the State during an odd numbered year but in any event prior to the beginning of the ensuing State Fiscal Year, the Contracting Authority is required to adopt annual budgets for each of the ensuing two State Fiscal Years in such Biennium setting forth in reasonable detail (A) with respect to the Milestone Payments, (i) the Milestone Payments owed by the Contracting Authority to the Company under the Public-Private Agreement for each such State Fiscal Year, and (ii) the actual amount of funds appropriated by the General Assembly of the State to the Department to make the payments to the Contracting Authority under the Milestone Agreement, and (B) with respect to the Availability Payments, (i) the Maximum Availability Payment for each such State Fiscal Year, (ii) the estimated amount of additional payments owed under the Public-Private Agreement, including Termination Compensation and payments with respect to Relief Events for each such State Fiscal Year, (iii) the actual amount of funds appropriated for each such State Fiscal Year to the Department to make payments to the Contracting Authority under the Use Agreement, and (iv) the

amount of funds appropriated to the Contracting Authority for each such State Fiscal Year to make the payments to the Company under the Public-Private Agreement.

If the annual budget forecast for any State Fiscal Year forecasts a deficiency in the amount necessary to make the Milestone Payments or to make the payments described in (B)(i) through (iv) of the preceding paragraph, as applicable, then the Contracting Authority is required under the Public-Private Agreement to cause a budget request to be made at the next session of the General Assembly of the State or take other action to cure such deficiency.

The Contracting Authority is further required to establish the payments to be made by the Department to the Contracting Authority under the Milestone Agreement and the Use Agreement in amounts that are expected to be at least equal to (A) under the Milestone Agreement, the Milestone Payments to be made by the Contracting Authority to the Company under the Public-Private Agreement in such State Fiscal Year, and (B) under the Use Agreement, the Maximum Availability Payment for such State Fiscal Year.

Prior to the beginning of each State Fiscal Year, the Contracting Authority must review payments under the Milestone Agreement and the Use Agreement, as applicable, and promptly establish or revise such payments as necessary to comply with the foregoing requirements.

Appropriation and State Budget Processes

General. Under the Public-Private Agreement, the source of funds for payment of the Milestone Payments, Availability Payments and other amounts due to the Company under the Public-Private Agreement is ultimately subject to the availability of such funds appropriated by the General Assembly of the State. See “PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement—Limited Obligations; Covenant to Seek Appropriations—Limited Obligations”. Neither the Contracting Authority, nor the Company has, and the Owners of the Series 2014 Bonds will not have, any right to compel appropriations by the General Assembly of the State. The Contracting Authority and the Department budget request process for the Project is substantially the same as other public private projects. The Public-Private Agreements Act provides that the Contracting Authority may enter into a public-private agreement such as the Public-Private Agreement which establishes a procedure for the Contracting Authority or a person acting on behalf of the Contracting Authority to certify to the General Assembly of the State the amount needed to pay any amounts owed by the Contracting Authority under a public-private agreement or to otherwise create a moral obligation of the State to pay any amounts owed by the Contracting Authority under the Public-Private Agreement. The Contracting Authority has covenanted that it will do all things lawfully within its power to obtain and maintain funds from which to meet its payment obligations to the Company under the Public-Private Agreement, including, but not limited to (i) requesting, or causing the Department to request, an appropriation to, or for the benefit of the Department, in an amount sufficient to meet the Department’s obligations to the Contracting Authority under the Use Agreement and the Milestone Agreement in writing submitted to the General Assembly of the State at a time sufficiently in advance of the date for payment thereof so that an appropriation may be made by the General Assembly of the State in the normal State budgetary process, using its *bona fide* best efforts to have such request approved, and exhausting all available reviews and appeals if such request is not approved, and (ii) requesting an appropriation in an amount sufficient to meet the Contracting Authority’s Milestone Payment, Availability Payment and other payment obligations to the Company under the Public-Private Agreement in writing submitted to the General Assembly of the State at a time sufficiently in advance of the date for payment thereof so that an appropriation may be made by the General Assembly of the State in the normal State budgetary process, using its *bona fide* best efforts to have such request approved, and exhausting all available reviews and appeals if such request is not approved.

Principal Participants in State Budget and Appropriation Process

State Budget Agency. The State Budget Agency is responsible for preparing the State budget. After the budget is enacted by the General Assembly of the State, the State Budget Agency has extensive statutory authority to administer it. The chief executive officer of the State Budget Agency is the State Budget Director, who is appointed by the Governor. The Governor also appoints two Deputy Budget Directors and, by law, the deputies must be of different political parties.

State Budget Committee. The Budget Committee consists of the State Budget Director and four State legislators. The Budget Committee oversees the preparation of the budget and administration of capital budgets after enactment. The legislative members of the Budget Committee consist of two members of the Senate, appointed by the President pro tempore of the Senate, and two members of the House of Representatives, appointed by the Speaker of the House of Representatives. One of the two appointees from each chamber must be nominated by the minority floor leader. Four alternate members of the Budget Committee must be legislators selected in the same manner as regular members. An alternate member participates and has the same privileges as a regular member, except that an alternate member votes only if the regular member from the alternate member's respective chamber and political party is not present. The legislators serve as liaisons between the executive and legislative departments and provide fiscal information to their respective caucuses.

Forecast Committee. Revenue projections are prepared by the State's Technical Forecast Committee (the "Forecast Committee"). The Forecast Committee is responsible for developing econometric models used to derive the State's revenue projections and for monitoring changes in State and federal laws that may have an impact on State revenue. Each regular member of the Budget Committee appoints a member of the Forecast Committee. Members of the Budget Committee appoint one additional member from a higher education institution for a total of six members.

State Budget and Appropriation Timelines. The State operates under a two-year budget; the General Assembly of the State enacts one act containing two annual budgets. On or before the first day of September in each even-numbered year, all State agencies, including State-supported higher education institutions and public employee and teacher pension fund trustees, submit budget requests to the State Budget Agency. The State Budget Agency then conducts an internal review of each request. In the fall of each even-numbered year, the Budget Committee begins hearings on budget requests. After presentations by the agencies and the State Budget Agency, the Budget Committee makes budget recommendations to the Governor in the form of a budget report and budget bill.

The budget report and budget bill are prepared by the Budget Committee with the State Budget Agency's assistance. The budget report and bill are based upon the recommendations and estimates prepared by the State Budget Agency and the information obtained through hearings and other inquiries. If the State Budget Agency and a majority of the members of the Budget Committee differ upon any item, matter or amount to be included in the budget report and bill, the recommendation of the State Budget Agency is included in the bill.

Before the second Monday of January in the year immediately after their preparation, or the third Monday in January if a gubernatorial election is held in the year of their preparation, the Budget Committee submits the budget report and bill to the Governor. The budget report includes (a) a statement of policy, (b) a general summary, (c) detailed data on actual receipts and expenditures for the previous budget period, (d) a description of the State capital improvement program, (e) the requests for appropriations by State agencies, and (f) the State Budget Agency's recommended appropriations.

The Governor then delivers the budget bill to the Budget Committee members appointed by the Speaker of the House of Representatives for introduction in the House. Although there is no law that requires a budget bill to originate in the House, by tradition, the House passes a budget bill first and sends it to the Senate for consideration. Upon passage by both houses of the General Assembly of the State, the budget bill is sent to the Governor for approval or veto. Upon approval by the Governor, the budget bill becomes law and valid appropriations are made.

In accordance with the Constitution and other laws of the State, the General Assembly of the State meets for a maximum period of 61 legislative days in every odd-numbered year and is to make appropriations for the biennium commencing on July 1 of each such year. The General Assembly of the State also meets for a maximum period of 30 legislative days in intervening years and may make supplemental appropriations at such times.

Within 45 days following the adjournment of each regular session of the General Assembly of the State or within 60 days following a special session of the General Assembly of the State, the State Budget Agency is required to prepare a list of all appropriations made for the budget period beginning on July 1 following such session, or for such other period as may be provided in the appropriation. The State Budget Director is required to prepare a written review and analysis of the fiscal status and affairs of the State as affected by the appropriations. The report is forwarded to the Governor, the Auditor of State and each member of the General Assembly of the State.

On or before the first day of June of each calendar year, the State Budget Agency is required to prepare a list of all appropriations made for expenditure or encumbrance for the ensuing State Fiscal Year. The Auditor of State then establishes the necessary accounts based upon the list. The State Budget Agency is responsible for administering the State budget after it is enacted. The State Budget Agency may, with the approval of the Governor and the State Budget Director, transfer, assign or reassign all or any part of any appropriation made to any agency for a specific use or purpose to another use or purpose, except any appropriation made to the Indiana State Teachers' Retirement Fund. The State Budget Agency may take such action only if the transfer, assignment or reassignment is to meet a use or purpose that any agency is required or authorized by law to perform. The agency whose appropriation is involved must approve the transfer, assignment or reassignment. Whenever the State Budget Agency makes a determination to transfer, assign, or reassign any appropriation or appropriations or parts of them from one dedicated fund of the State to another or to the State General Fund, the State Budget Agency will notify the Budget Committee within 30 days and state the reason for the transfer.

PROJECT ACCOUNTS AND FLOW OF FUNDS

General

Various accounts, including the Project Accounts, will be created under the Indenture and the Collateral Agency Agreement in relation to the financing and operation of the Project, including the payment of principal of and interest on the Series 2014 Bonds when due.

Project Accounts

Establishment of Project Accounts. The following Project Accounts will be established and created under the Collateral Agency Agreement in the name of the Company on or prior to the Closing Date:

- (i) the Revenue Account;
- (ii) the Debt Payment Account;
- (iii) the PSD Payment Account;
- (iv) the Loss Proceeds Account;
- (v) the Construction Account;
- (vi) the Series 2014 Bond DSRA;
- (vii) the Major Maintenance Reserve Account;
- (viii) the Mandatory Prepayment Account; and
- (ix) the Distribution Reserve Account.

Operating Account. In addition to the foregoing Project Accounts, the Company will establish an operating account (the “Operating Account”) with the Deposit Account Bank, and such account will be maintained in the name of the Company. The Operating Account will constitute a Project Account and will be subject to the Account Control Agreement (to be entered into on or before the Closing Date), which will be required to satisfy the requirements of the Public-Private Agreement.

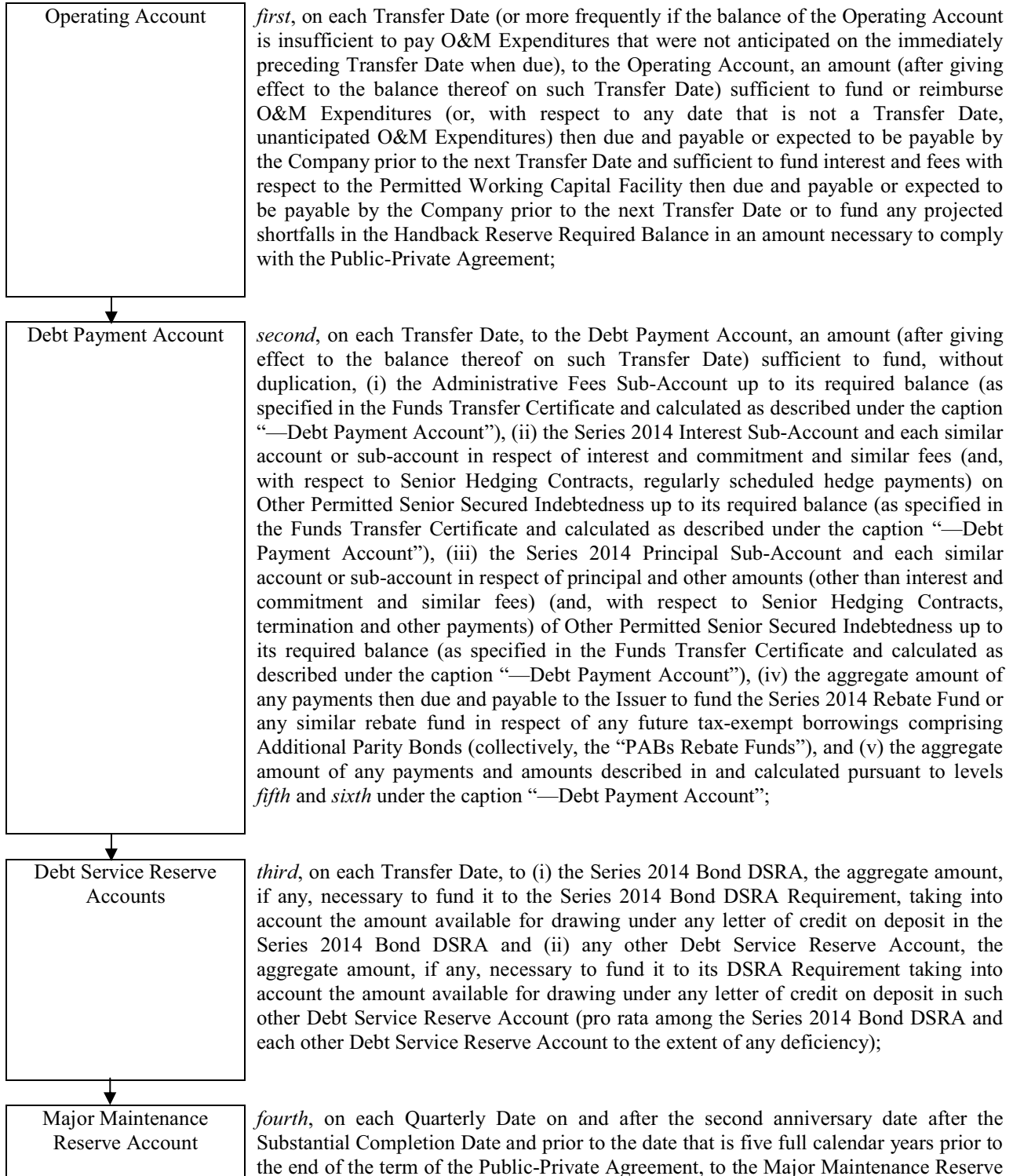
Control of Collateral Agent. All of the Project Accounts (other than the Operating Account) will be under the control of the Collateral Agent under the terms of the Collateral Agency Agreement. The Company expects that the Collateral Agent will have control over the Operating Account in accordance with the Account Control Agreement to be entered into on or before the Closing Date. Except as expressly provided in the Collateral Agency Agreement (and in the case of the Operating Account, in the Account Control Agreement), the Company will not have any right to withdraw funds from any Project Account.

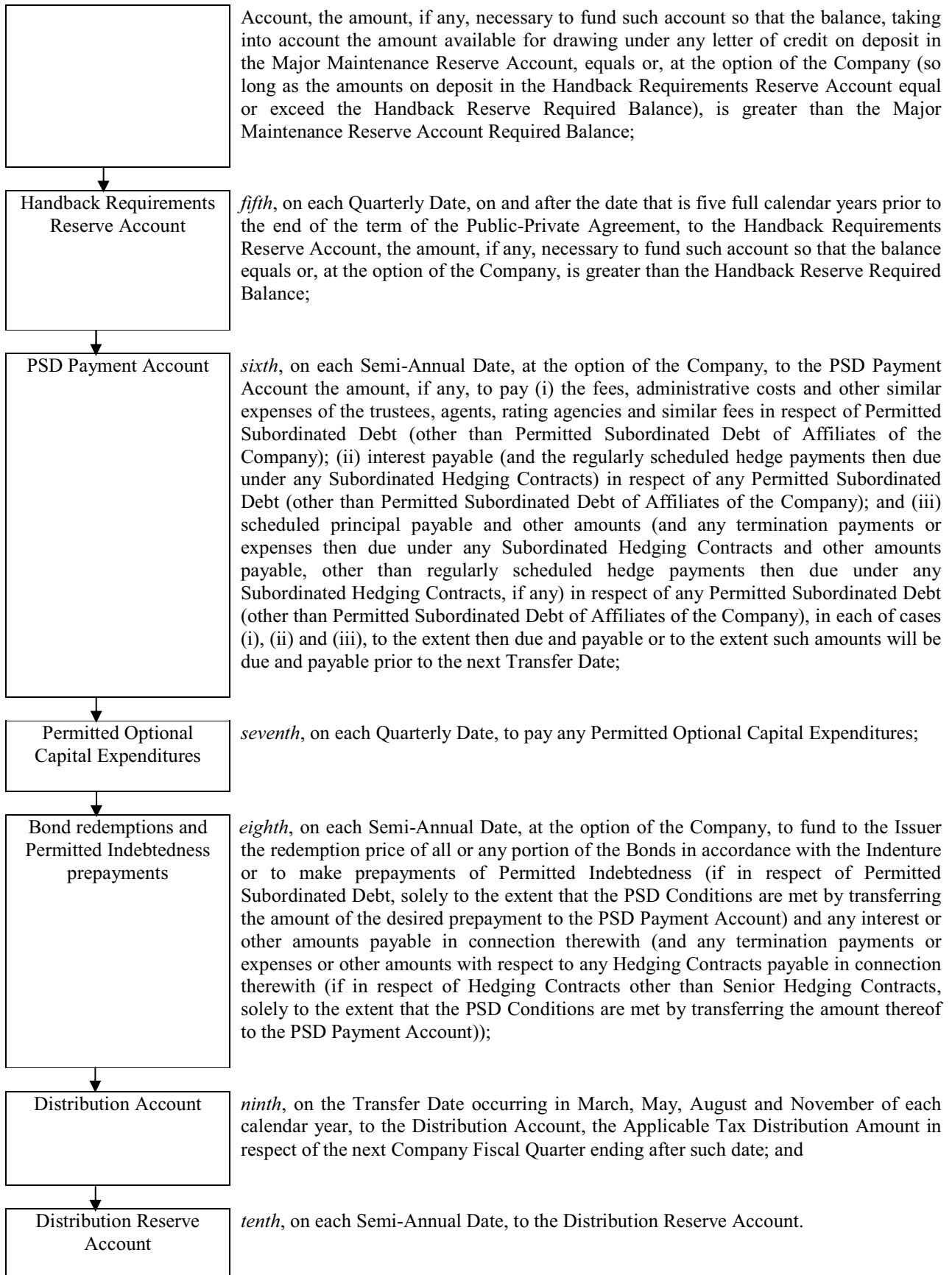
Distribution Account. The Company will establish a distribution account (the “Distribution Account”) with a bank to be selected by the Company and such account will be maintained in the name of the Company. The Distribution Account will not constitute a Project Account and will *not* be subject to any Security Interest in favor of the Collateral Agent, the Creditor Representative or any other Secured Party.

Revenue Account. All Project Revenues received after the Substantial Completion Date and all other amounts required to be deposited therein pursuant to the Collateral Agency Agreement will be deposited into the Revenue Account (but not amounts required to remain on deposit in “Funds” or “Accounts” as defined in and pursuant to the Indenture). At all times after the Substantial Completion Date, the Company will promptly deposit or cause to be deposited into the Revenue Account all other amounts received by the Company from any source whatsoever, the application of which is not otherwise specified in the Collateral Agency Agreement. Pending such deposit, the Company will hold all such amounts coming into its possession in trust for the benefit of the Secured

Parties.

Flow of Funds. Beginning with the first Transfer Date after the Substantial Completion Date, the Collateral Agent will make the following withdrawals, transfers and payments from the Revenue Account and the sub-accounts therein in the amounts, at the times and only for the purposes specified below, at the request of the Company in a Funds Transfer Certificate, at the times and in the following order of priority:





Revenue Substitution Payment. If, on or after the Substantial Completion Date, the Company receives payment of Compensation Amounts, insurance proceeds from delayed opening insurance, business interruption insurance or other insurance in respect of the actual or estimated loss of the Company's future Project Revenues (a "Revenue Substitution Payment"), then such amount will be deposited into a sub-account of the Revenue Account to be established for such purpose; provided, that prior to such deposit, the Company will provide to the Collateral Agent (for subsequent dissemination to the Secured Parties) a calculation in reasonable detail showing the future years for which such amount was paid as compensation in respect of the loss of Project Revenues. In the event that such amount is deposited into such sub-account, then, at the Company's written request, the portion thereof constituting a Revenue Substitution Payment for the loss of Project Revenues for each month for which it was paid, together with interest or other earnings accrued thereon from the date of deposit, will be transferred from such sub-account to the Revenue Account on the Transfer Date falling in such month and applied as described under the caption "—Flow of Funds", and any such amounts will be considered Project Revenues for purposes of the transfers described under the caption "—Flow of Funds" and the calculation of the DSCR. Except as set forth in the preceding sentence, the amounts deposited in such sub-account will not be deemed to be on deposit in the Revenue Account until so transferred from such sub-account for purposes of the transfers described under the caption "—Flow of Funds" or the calculation of the DSCR; provided, that any funds held in such sub-account will be used to fund any shortfall in levels *first* through *fifth* described under the caption "—Flow of Funds".

Excess Amounts. To the extent that, on any Transfer Date, amounts on deposit in any Debt Service Reserve Account are in excess of such Debt Service Reserve Account's DSRA Requirement or amounts on deposit in the Major Maintenance Reserve Account are in excess of the Major Maintenance Reserve Account Required Balance, as applicable, at the option of the Company, such excess amounts will be deposited into the Revenue Account prior to any transfers described under the caption "—Flow of Funds"; provided, that if such excess is in the Series 2014 Bond DSRA and to the extent that such excess constitutes proceeds deposited therein from the PABs Proceeds Sub-Account or investment earnings thereon, such excess will be transferred first to the Series 2014 Interest Sub-Account of the Debt Payment Account to be used to pay interest on the Series 2014 Bonds on the next Series 2014 Payment Date and any remainder of such excess will then be transferred to the Series 2014 Principal Sub-Account of the Debt Payment Account to be used to pay the principal of the Series 2014 Bonds on the next Series 2014 Payment Date.

Insufficient Funds. If funds on deposit in the Revenue Account on any Transfer Date are insufficient to make each of the transfers described in levels *first*, *second* and *third* under the caption "—Flow of Funds", then the Collateral Agent will, at the direction of the Company, transfer amounts from the following Accounts in the following order of priority prior to making the transfers described under the caption "—Flow of Funds": *first*, from the Distribution Reserve Account (or if less the aggregate balance thereof); *second*, from the PSD Payment Account (or if less the aggregate balance thereof); and *third*, from the Major Maintenance Reserve Account (or if less the aggregate balance thereof).

Loss Proceeds Account. All Insurance Proceeds received by the Company or to its order (other than Revenue Substitution Payments, which will be paid directly to a sub-account of the Revenue Account as described under the caption "—Revenue Account—Revenue Substitution Payment") and all condemnation proceeds (if any) will be paid directly into the Loss Proceeds Account.

Amounts on deposit in the Loss Proceeds Account will be applied to fund (or to reimburse to the extent theretofore funded) Restoration Costs of the Project or the applicable portion thereof in accordance with the requirements of the Public-Private Agreement or of any other property required to be restored in accordance with the terms of the Public-Private Agreement; provided, that if (i) such proceeds exceed the amount required to restore the Project or any portion thereof or such other property required to be restored in accordance with the terms of the Public-Private Agreement to the condition required by the Public-Private Agreement or, if the Public-Private Agreement requires restoration of the Project or such affected property, but does not specify the required condition for such restoration, to the condition existing prior to the event of loss, or (ii) the affected property cannot be restored or is not required pursuant to the terms of the Public-Private Agreement and the Financing Documents or the Other Senior Secured Documents to be restored, and the Company elects not to do so, then such proceeds will be transferred to the Mandatory Prepayment Account for further application to the mandatory prepayment of the Senior Secured Obligations in accordance with the Collateral Agency Agreement as described under the caption "—Mandatory Prepayment Account", with the Financing Documents and with the Other Senior Secured Documents;

provided, further, that if any such amount is not required to be applied to the mandatory prepayment of the Senior Secured Obligations in accordance with the Financing Documents and with the Other Senior Secured Documents, then such remaining amount will be transferred to the Construction Revenues Sub-Account of the Construction Account (on or before the Substantial Completion Date) or to the Revenue Account (after the Substantial Completion Date).

On each Transfer Date (or any other date when due and payable) following the deposit of Insurance Proceeds in the Loss Proceeds Account and prior to the restoration of the Project or the applicable portion thereof, the Company may requisition funds pursuant to an appropriately completed and duly authorized and executed requisition (a “Loss Proceeds Account Withdrawal Certificate”), which must be delivered to the Collateral Agent not less than two Business Days prior to the relevant Transfer Date (or other applicable date). If the proceeds with respect to an event of loss are in excess of \$10,000,000, then each Loss Proceeds Account Withdrawal Certificate with respect to the restoration of such loss must attach a certificate of the Technical Advisor.

Construction Account. The Collateral Agent will deposit (and the Company will cause to be deposited) into the applicable sub-account of the Construction Account specified below all net proceeds of the Series 2014 Loan, all proceeds of Equity Contributions, all Project Revenues prior to the Substantial Completion Date (excluding amounts required to remain on deposit in “Funds” or “Accounts” pursuant to the Indenture), and all Milestone Payments, except to the extent deposited in a Debt Service Reserve Account as described under the caption “—Debt Service Reserve Accounts”. The net proceeds of Other Permitted Senior Secured Indebtedness issued to finance a portion of the Project Costs prior to the Substantial Completion Date will be remitted to the Collateral Agent for deposit in a sub-account of the Construction Account established and created for such purpose. At all times prior to the Substantial Completion Date, the aggregate amount in the Construction Account *plus* the aggregate stated amount of all Equity Letters of Credit (posted in accordance with the Equity Contribution Agreement) and the amount of Infra-PSP’s then-current Remaining Committed Amount (to the extent supported by the PSP Guaranty), *minus* any amounts on deposit in the Series 2014 Bond DSRA prior to the Substantial Completion Date will not be less than the projected Series 2014 Bond DSRA Requirement on the Substantial Completion Date.

The following separate sub-accounts will be established and created within the Construction Account:

- (i) the PABs Proceeds Sub-Account;
- (ii) the Construction Revenues Sub-Account;
- (iii) the Equity Contribution Sub-Account; and
- (iv) the Milestone Payment Receipts Sub-Account.

The Company will establish and maintain additional sub-accounts in the Construction Account into which the proceeds of Other Permitted Senior Secured Indebtedness will be deposited.

Project Costs will be paid from the various sub-accounts of the Construction Account in accordance with an appropriately completed and duly authorized and executed Construction Account Withdrawal Certificate attaching all documentation required thereby or from the Operating Account from amounts on deposit therein. In addition to the payment of Project Costs directly out of the various sub-accounts of the Construction Account, the Company will have right to transfer from the Construction Account to the Operating Account, on each Transfer Date occurring prior to the Substantial Completion Date, an amount set forth in a Construction Account Withdrawal Certificate not to exceed the difference between \$500,000 and the balance of the Operating Account on such Transfer Date for further application to the payment of Project Costs as described under the caption “—Operating Account”.

PABs Proceeds Sub-Account. The net proceeds of the Series 2014 Bonds will be deposited on the date of issuance of the Series 2014 Bonds into the PABs Proceeds Sub-Account on the Closing Date. Funds on deposit in the PABs Proceeds Sub-Account will be available to the Company, at the Company’s discretion, (x) to pay, or

reimburse for a prior payment of, Project Costs as permitted by the Code, (y) to be transferred to the Operating Account as described above to pay, or reimburse for prior payments of, Project Costs as permitted by the Code, and (z) to fund the Series 2014 Bond DSRA as described under the caption “—Debt Service Reserve Accounts”, solely upon the satisfaction of the following conditions precedent:

(i) delivery to the Collateral Agent and the Creditor Representative of a Construction Account Withdrawal Certificate requesting disbursement (or transfer) of such funds not less than two Business Days prior to the proposed date of disbursement (or transfer);

(ii) delivery to the Collateral Agent and the Creditor Representative of a duly authorized and executed officer’s certificate of the Company accurately certifying that all of the representations and warranties given by the Company under the Senior Loan Agreement are true and correct in all material respects on and as of the date of the Construction Account Withdrawal Certificate, except for any such representations and warranties that relate to a specific date, in which case such representations and warranties will be (or have been) true and correct in all material respects on such specific date and certain representations set forth in the Senior Loan Agreement;

(iii) delivery to the Collateral Agent and the Creditor Representative of a duly executed Technical Advisor Certificate stating that: (A) sufficient funds are available to the Company to achieve Substantial Completion; (B) there has not been an abandonment of the work under the Design-Build Contract; and (C) the amounts being requested in the applicable Construction Account Withdrawal Certificate are for the payment of Project Costs; provided, that none of the foregoing requirements described in this subparagraph will apply to Project Costs constituting (x) the payment of interest on the Series 2014 Bonds or any Other Permitted Senior Secured Indebtedness, (y) the Costs of Issuance of the Series 2014 Bonds or Other Permitted Senior Secured Indebtedness, or (z) amounts transferred to the Operating Account;

(iv) all equity contributions required under the Equity Contribution Agreement to be made as of such date have been made or will have been made prior to the date of disbursement in accordance with the Equity Contribution Agreement and the amount to be funded out of the Equity Contribution Sub-Account concurrently therewith in accordance with a Construction Account Withdrawal Certificate is sufficient to cause the Funding Ratio to be not more than 86.16:13.84 (which means, for clarification purposes, that the number 13.84 in this ratio will not be adjusted upward); and

(v) no Event of Default has occurred and is continuing or will occur as a result of the disbursement or transfer.

Construction Revenues Sub-Account. Project Revenues (other than payments received by the Company pursuant to the Public-Private Agreement and excluding amounts required to remain on deposit in “Funds” or “Accounts” pursuant to the Indenture) received by the Company prior to the Substantial Completion Date will be deposited by the Company (or on its behalf) directly into the Construction Revenues Sub-Account. Amounts deposited in the Construction Revenues Sub-Account will be held in such sub-account and applied from time to time at the direction of the Company (i) to pay, or reimburse for a prior payment of, Project Costs, (ii) to be transferred to the Operating Account as described above to pay, or reimburse for prior payments of, Project Costs, (iii) to fund any Debt Service Reserve Account as described under the caption “—Debt Service Reserve Accounts”, or (iv) to fund the Short Term Serial Bond Sub-Account to the aggregate principal amount or the Redemption Price of the Short Term Serial Bond (provided, that no Project Revenues constituting interest earned from proceeds on deposit in the PABs Proceeds Sub-Account or the Series 2014 Debt Service Fund will be used for the purpose of this clause (iv)), in each case upon delivery to the Collateral Agent and the Creditor Representative of a Construction Account Withdrawal Certificate requesting disbursement (or transfer) of such funds not less than two Business Days prior to the proposed date of disbursement (or transfer).

Equity Contributions Sub-Account. The proceeds of all Equity Contributions will be deposited by the Company (or on its behalf) directly into the Equity Contribution Sub-Account. Amounts deposited in the Equity Contribution Sub-Account will be held in such sub-account and applied from time to time at the direction of the Company (i) to pay, or reimburse for a prior payment of, Project Costs, (ii) to be transferred to the Operating

Account pursuant to the Collateral Agency Agreement as described above to pay, or reimburse for prior payments of, Project Costs, (iii) to fund any Debt Service Reserve Account as described under the caption “—Debt Service Reserve Accounts”, or (iv) to fund the Short Term Serial Bond Sub-Account to the aggregate principal amount or the Redemption Price of the Short Term Serial Bond, in each case upon delivery to the Collateral Agent and the Creditor Representative of a Construction Account Withdrawal Certificate requesting disbursement (or transfer) of such funds not less than two Business Days prior to the proposed date of disbursement (or transfer).

Milestone Payment Receipts Sub-Account. Upon and prior to the Substantial Completion Date, the proceeds of all Milestone Payments and any other payment received by the Company pursuant to the Public-Private Agreement will be deposited into the Milestone Payment Receipts Sub-Account. Amounts deposited in the Milestone Payment Receipts Sub-Account will be held in such sub-account and applied from time to time at the direction of the Company (i) to pay, or reimburse for a prior payment of, Project Costs, (ii) to be transferred to the Operating Account as described above to pay, or reimburse for prior payments of, Project Costs, or (iii) to fund any Debt Service Reserve Account as described under the caption “—Debt Service Reserve Accounts”, in each case, upon delivery to the Collateral Agent and the Creditor Representative of a Construction Account Withdrawal Certificate requesting disbursement (or transfer) of such funds not less than two Business Days prior to the proposed date of disbursement (or transfer); provided, that if the Milestone Payment with respect to Substantial Completion is received by the Company prior to the funding of the Short Term Serial Bond Sub-Account in an amount equal to the aggregate principal amount or Redemption Price, as determined by the Borrower, of the Short Term Serial Bond, a portion of the Milestone Payment with respect to Substantial Completion will be deposited promptly into the Short Term Serial Bond Sub-Account and applied to the payment of the Short Term Serial Bond to the extent amounts have not been deposited into the Short Term Serial Bond Sub-Account in such aggregate principal amount or Redemption Price, as the case may be.

Remaining Amounts. Subject to the proviso set forth under the caption “—Milestone Payment Receipts Sub-Account” and except as otherwise required by any applicable law, to the extent that on the date of the payment of the Milestone Payment in respect of Substantial Completion, there are any funds remaining on deposit in the Construction Account or any sub-account thereof, such amounts will be applied in the following order of priority:

first, such amounts will be retained in the various sub-accounts of the Construction Account in the amount certified by the Company as the amount required for the payment of any remaining Project Costs;

second, to the extent requested by the Company, such amounts will be transferred to the Series 2014 Bond DSRA or any other Debt Service Reserve Account; provided, that any funds remaining on deposit in the PABs Proceeds Sub-Account, if used pursuant to this subparagraph *second*, will be deposited only in the Series 2014 Bond DSRA; and

third, all remaining amounts will be transferred to the Revenue Account, except to the extent excess proceeds of the Series 2014 Bonds or Other Permitted Senior Secured Indebtedness are required pursuant to the Code or desired by Company to be used to redeem or defease the Series 2014 Bonds or for other permitted purposes, in which case such amounts will be, at the direction of the Company, transferred to the Series 2014 Redemption Account or other applicable Account or, with respect to the Series 2014 Bonds or other Bonds, remain on deposit in the applicable account or sub-account for future application at the direction of the Company pursuant to subparagraph (iii) under the caption “—Mandatory Prepayment Account” or for other permitted purposes.

Debt Payment Account. The Debt Payment Account will be funded from the Revenue Account as described under the caption “—Revenue Account—Flow of Funds” and from the Construction Account as described under the caption “—Construction Account”.

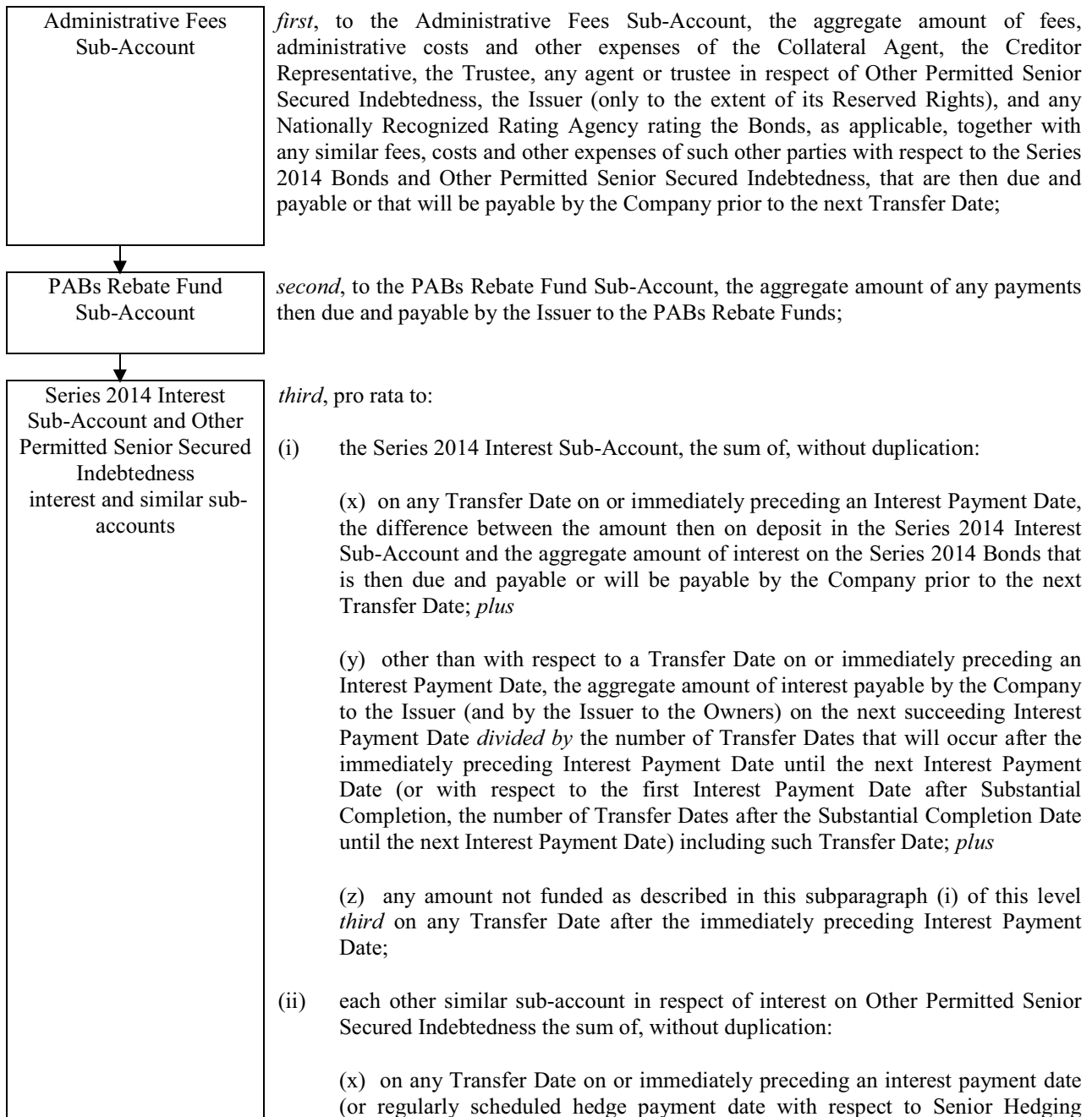
The following separate sub-accounts will be established and created within the Debt Payment Account:

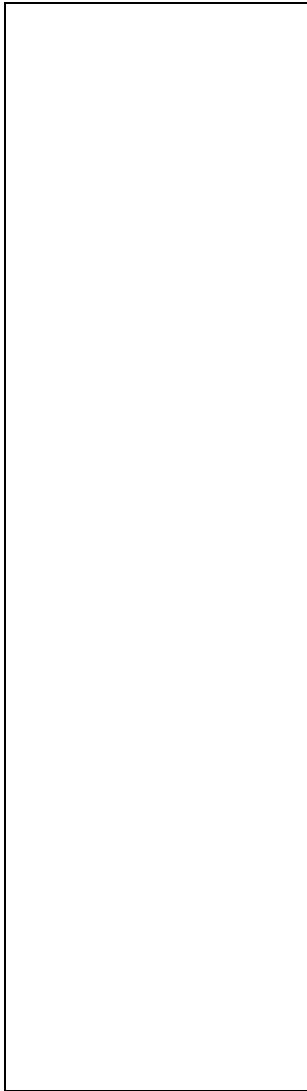
- (i) the Administrative Fees Sub-Account;
- (ii) the PABs Rebate Fund Sub-Account;

- (iii) the Series 2014 Interest Sub-Account;
- (iv) the Series 2014 Principal Sub-Account; and
- (v) the Short Term Serial Bond Sub-Account.

The Company will establish and maintain additional sub-accounts in the Debt Payment Account in respect of interest, fees and similar amounts on and principal of Other Permitted Senior Secured Indebtedness and from which all such payments will be made.

On each Transfer Date after Substantial Completion, amounts on deposit in the Debt Payment Account will be allocated in the following order of priority in accordance with the applicable Funds Transfer Certificate:





Contracts) with respect to such Other Permitted Senior Secured Indebtedness, the difference between the amount then on deposit in the applicable sub-account and the aggregate amount of (1) interest and commitment and similar fees on such Other Permitted Senior Secured Indebtedness that is then due and payable or will be payable by the Company prior to the next Transfer Date and (2) regularly scheduled hedge payments that are then due and payable or will be payable by the Company prior to the next Transfer Date in accordance with the Senior Hedging Contracts; *plus*

(y) other than with respect to the Transfer Date on or immediately preceding an interest payment date (or regularly scheduled hedge payment date) and to the extent required by the Other Senior Secured Documents, the aggregate amount of interest and commitment and similar fees payable by the Company in respect of such Other Permitted Senior Secured Indebtedness on the next succeeding interest payment date (or regularly scheduled hedge payment date) *divided by* the number (not to exceed twelve unless desired by the Company) of Transfer Dates that will occur after the immediately preceding interest payment date (or regularly scheduled hedge payment date) until the next interest payment date (or regularly scheduled hedge payment date) with respect to such Other Permitted Senior Secured Indebtedness as notified by the Company to the Collateral Agent (or with respect to the first such interest payment date, the number of Transfer Dates after the later of the Substantial Completion Date and the incurrence of the applicable Other Permitted Senior Secured Indebtedness thereof), provided, that the Company may, but will not be required to, reserve for such amounts before the twelfth Transfer Date prior to the first payment thereof; *plus*

(z) any amount not funded as described in this subparagraph (ii) of this level *third* to such sub-account on any Transfer Date after the immediately preceding Interest Payment Date;

provided, that in each case of the above items, amounts required to be funded will be reduced by, without double counting, the amount, if any, then on deposit in the applicable interest payment account or fund under the Indenture or other applicable Other Senior Secured Document;

Series 2014 Principal Sub-Account and Other Permitted Senior Indebtedness principal and similar sub-accounts

fourth, pro rata, to:

(i) the Series 2014 Principal Sub-Account, the sum of, without duplication:

(x) on any Transfer Date on or immediately preceding a Principal Payment Date, the difference between the amount then on deposit in the Series 2014 Principal Sub-Account and the aggregate amount of principal and other amounts (excluding interest) of the Series 2014 Bonds that is then due and payable or will be payable by the Company prior to the next Transfer Date; *plus*

(y) on each Transfer Date beginning on the sixth Transfer Date prior to the first Principal Payment Date and without taking into consideration the Short Term Serial Bond, other than with respect to the Transfer Date on or immediately preceding a Principal Payment Date, the aggregate amount of principal and other amounts (excluding interest) of the Series 2014 Bonds payable by the Company to the Issuer (and by the Issuer to the Owners) on the next succeeding Principal Payment Date *divided by* the number of Transfer Dates that will occur after the immediately preceding Principal Payment Date until the next Principal Payment Date including such Transfer Date (or, with respect to the Transfer Dates before

the first Principal Payment Date, six); *plus*

(z) any amount not funded in accordance with this subparagraph (i) of this level *fourth* on any Transfer Date after the immediately preceding Principal Payment Date; and

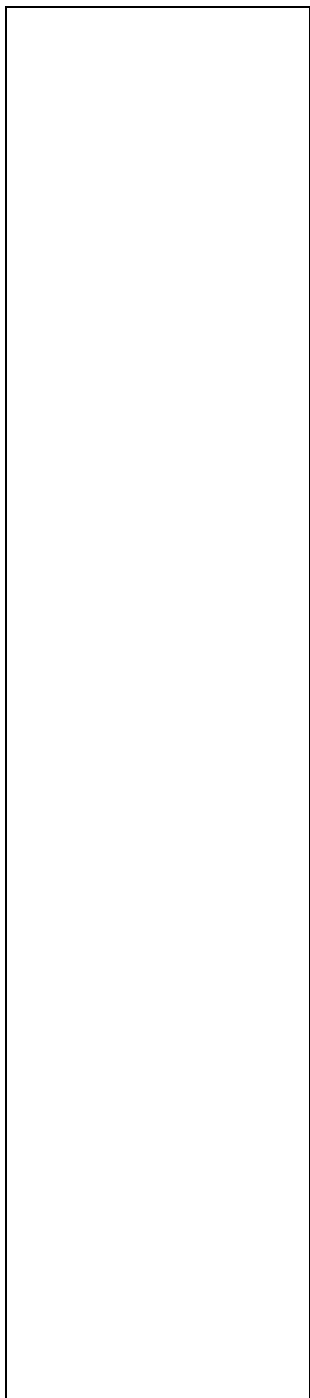
(ii) each other similar sub-account in respect of principal of Other Permitted Senior Secured Indebtedness the sum of, without duplication:

(x) on any Transfer Date, pro rata, (1) on or immediately preceding a principal payment date with respect to such Other Permitted Senior Secured Indebtedness, the difference between the amount then on deposit in the applicable sub-account and the aggregate amount of principal and other amounts (excluding interest and commitment and other similar fees) of such Other Permitted Senior Secured Indebtedness that is then due and payable or will be payable by the Company prior to the next Transfer Date and (2) the amount of any termination payments or expenses or other amounts with respect to Senior Hedging Contracts then due and payable or expected to be payable by the Company prior to the next Transfer Date to a sub-account of the Debt Payment Account to be created by the Company with respect to each such Senior Hedging Contract and applied as described below; *plus*

(y) other than with respect to the Transfer Date on or immediately preceding a principal payment date, the aggregate amount of principal and other amounts (excluding interest and commitment and other similar fees) payable by the Company in respect of such Other Permitted Senior Secured Indebtedness on the next succeeding principal payment date *divided by* the number (not to exceed twelve unless desired by the Company) of Transfer Dates that will occur after the immediately preceding principal payment date until the next principal payment date with respect to such Other Permitted Senior Secured Indebtedness as notified by the Company to the Collateral Agent (or, with respect to the first such principal payment date, the number of Transfer Dates after the later of the Substantial Completion Date and the incurrence thereof), provided, that the Company may, but will not be required to, reserve for such amounts before the twelfth Transfer Date prior to the first payment thereof; *plus*

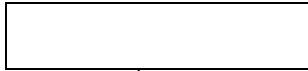
(z) any amount not funded in accordance with this subparagraph (ii) of this level *fourth* to such sub-account on any Transfer Date after the immediately preceding principal payment date;

provided, that in each case of the above items, amounts required to be funded will be reduced by, without double counting, the amount, if any, then on deposit in the applicable principal payment account or fund under the Indenture or other applicable Other Senior Secured Document;

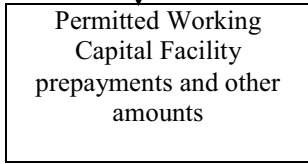


Senior Hedging Contract termination payments and expenses and Other Permitted Senior Secured Indebtedness payments not otherwise paid

fifth, pro rata, to (i) to the extent not paid at level *fourth* above, the applicable Secured Parties, the amount of any termination payments or expenses or other amounts with respect to Senior Hedging Contracts then due and payable or expected to be payable by the Company prior to the next Transfer Date to a sub-account to be created by the Company as described above with respect to each such Senior Hedging Contract and applied as described below and (ii) to the extent not paid pursuant to levels *first* through *fourth* of this paragraph, to pay any other amounts due and payable with respect to the Other Permitted Senior Secured Indebtedness (including following an acceleration



thereof) in accordance with the relevant Other Senior Secured Documents; and



sixth, amounts specified by Company with respect to any prepayment of any Permitted Working Capital Facility and other amounts (other than interest and fees) with respect to any Permitted Working Capital Facility.

Administrative Fees Sub-Account. Amounts on deposit in the Administrative Fees Sub-Account will be applied to the payment of fees, administrative costs and other expenses of the Collateral Agent, the Creditor Representative, the Trustee, any agent or trustee in respect of any Additional Parity Bonds or Other Permitted Senior Secured Indebtedness, the Issuer (only to the extent of its Reserved Rights), and any Nationally Recognized Rating Agency rating the Bonds, as applicable, together with any similar fees, costs and other expenses of such other parties with respect to the Series 2014 Bonds and Other Permitted Senior Secured Indebtedness in accordance with the relevant Funds Transfer Certificate and the Financing Documents and Other Senior Secured Documents.

PABs Rebate Fund Sub-Account. Amounts on deposit in the PABs Rebate Fund Sub-Account will be transferred to the PABs Rebate Funds in accordance with the relevant Funds Transfer Certificate and the Financing Documents.

Series 2014 Interest Sub-Account. Amounts on deposit in the Series 2014 Interest Sub-Account will be transferred to the Series 2014 Interest Account on the relevant Transfer Date in accordance with the relevant Funds Transfer Certificate and the Financing Documents. Amounts on deposit in any other sub-account in the Debt Payment Account established in respect of interest and commitment and similar fees on or regularly scheduled hedge payments in respect of Other Permitted Senior Secured Indebtedness will be applied to the payment of interest on the relevant Senior Secured Obligations in accordance with the relevant Funds Transfer Certificate and the Other Senior Secured Documents.

Series 2014 Principal Sub-Account. Amounts on deposit in the Series 2014 Principal Sub-Account with respect to principal will be transferred to the Series 2014 Principal Account on the relevant Transfer Date in accordance with the relevant Funds Transfer Certificate and the Financing Documents. Amounts on deposit in the Series 2014 Principal Sub-Account or in any other sub-account of the Debt Payment Account in respect of other amounts or principal and other amounts (excluding interest and commitment and similar fees) or termination payments or expenses with respect to Other Permitted Senior Secured Indebtedness will be applied to the payment of principal or other amounts (excluding interest and commitment and similar fees) and termination payments or expenses of the relevant Senior Secured Obligations in accordance with the relevant Funds Transfer Certificate and the Other Senior Secured Documents.

Short Term Serial Bond Sub-Account. Amounts on deposit in the Short Term Serial Bond Sub-Account will be applied to the payment of the Short Term Serial Bond in accordance with the relevant Funds Transfer Certificate and the Financing Documents and the excess, if any, of such amounts over the aggregate principal amount or the Redemption Price of the Short Term Serial Bond will be transferred to the Construction Revenues Sub-Account of the Construction Account (on or before the Substantial Completion Date) or, so long as the Series 2014 Principal Sub-Account is funded to the required level, to the Revenue Account (after the Substantial Completion Date) in accordance with the relevant Funds Transfer Certificate.

PSD Payment Account. The PSD Payment Account will be funded from the Revenue Account as described under the caption “—Revenue Account—Flow of Funds”.

On and after the first Calculation Date after each Semi-Annual Date and prior to the next succeeding Semi-Annual Date following such Semi-Annual Date, amounts on deposit in the PSD Payment Account will be allocated in the following order of priority in accordance with the applicable Funds Transfer Certificate:

first, so long as the PSD Conditions are met, to pay for fees, administrative costs and other similar expenses

of the trustees, agents, rating agencies and similar fees in respect of Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company);

second, so long as the PSD Conditions are met, to pay interest payable (and the regularly scheduled hedge payments then due under any Subordinated Hedging Contracts) in respect of any Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company);

third, so long as the PSD Conditions are met, to pay scheduled principal payable (and any termination payments or expenses then due under any Subordinated Hedging Contracts and other amounts payable, other than regularly scheduled hedge payments then due under any Subordinated Hedging Contracts, if any) in respect of any Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company); and

fourth, so long as the PSD Conditions are met, to make prepayments of principal of Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company) and any interest or other amounts payable in connection therewith (and any termination payments or expenses or other amounts with respect to any Subordinated Hedging Contracts payable in connection therewith as a result of cancellations thereof).

The funds held in the PSD Payment Account will be used to fund any shortfall in items described in levels *first* through *ninth* under the caption “—Revenue Account—Flow of Funds” and the excess, if any, of such funds over the aggregate amount of such shortfalls may be transferred to the Revenue Account, at the option of the Company, in accordance with the relevant Funds Transfer Certificate.

Debt Service Reserve Accounts. The Series 2014 Bond DSRA will be established solely for the benefit of the Owners of the Series 2014 Bonds and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Owners.

If required by the Other Senior Secured Documents, the Company will establish and maintain additional Debt Service Reserve Accounts which will be funded to their respective DSRA Requirements as set forth in the Other Senior Secured Documents. Any other Debt Service Reserve Account so established will be established solely for the benefit of the relevant Secured Parties and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Secured Parties.

The Company will cause the Series 2014 Bond DSRA to be funded to the Series 2014 Bond DSRA Requirement on or prior to the Substantial Completion Date from funds available to the Company in the Construction Account. At all times prior to the Substantial Completion Date, the aggregate amount in the Construction Account *plus* the aggregate stated amount of all Equity Letters of Credit (posted in accordance with the Equity Contribution Agreement) and the amount of Infra-PSP’s then-current Remaining Committed Amount (to the extent supported by the PSP Guaranty), *minus* any amounts on deposit in the Series 2014 Bond DSRA prior to the Substantial Completion Date will not be less than the projected Series 2014 Bond DSRA Requirement on the Substantial Completion Date. After the Substantial Completion Date, each existing Debt Service Reserve Account will be funded to its respective DSRA Requirement from the Revenue Account, to the extent available, as described under the caption “—Revenue Account—Flow of Funds”.

If, prior to the Substantial Completion Date, an Event of Default occurs, then the Series 2014 Bond DSRA immediately will be funded to the Series 2014 Bond DSRA Requirement from the amounts on deposit in the Construction Account in the following priority:

first, from the Construction Revenues Sub-Account;

second, from the Milestone Payment Receipts Sub-Account;

third, from the Equity Contribution Sub-Account; and

fourth, from the PABs Proceeds Sub-Account.

On each Transfer Date after the date of Substantial Completion, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited into each Debt Service Reserve Account, as described under the caption “—Revenue Account—Flow of Funds”. Except as described below, any amounts on deposit in any Debt Service Reserve Account in excess of its DSRA Requirement will be applied as described under the caption “—Revenue Account—Excess Amounts”.

Moneys on deposit in the Series 2014 Bond DSRA will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate) as follows:

(i) if on any Transfer Date immediately preceding an Interest Payment Date or Principal Payment Date, as applicable, the funds on deposit in the Series 2014 Interest Sub-Account or the Series 2014 Principal Sub-Account (after giving pro forma effect to all transfers to such sub-account described under the captions “—Revenue Account” and “—Debt Payment Account”) are insufficient to pay the principal of, redemption price or interest on the Bonds required to be paid on the applicable Interest Payment Date or Principal Payment Date, funds on deposit in the Series 2014 Bond DSRA will be transferred to the Series 2014 Interest Sub-Account or the Series 2014 Principal Sub-Account, as applicable, for payment of interest or principal, as applicable, due and payable on the Series 2014 Bonds or any Additional Parity Bonds; and

(ii) following the taking of an Enforcement Action with respect to the Series 2014 Bond DSRA, moneys in the Series 2014 Bond DSRA will be applied as described under APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—Collateral and Remedies—Application of Proceeds”.

Moneys on deposit in any Debt Service Reserve Account (other than the Series 2014 Bond DSRA) will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate) as follows:

(i) if on any Transfer Date immediately preceding an interest payment date (or regularly scheduled hedge payment date with respect to Senior Hedging Contracts) or principal payment date with respect to Other Permitted Senior Secured Indebtedness (but not with respect to dates for payment of termination payment or expenses with respect to Senior Hedging Contracts), as applicable, the funds on deposit in the applicable interest or principal sub-account for any Other Permitted Senior Secured Indebtedness (after giving pro forma effect to all transfers to such sub-accounts described under the captions “—Revenue Account” and “Debt Payment Account”) are insufficient to pay the principal of, regularly scheduled hedge payment of, redemption price on or interest on such Other Permitted Senior Secured Indebtedness required to be paid on the applicable interest payment date (or regularly scheduled hedge payment date) or principal payment date, funds on deposit in such Debt Service Reserve Account will be transferred to such applicable interest or principal sub-account, for payment of principal, regularly scheduled hedge payment, redemption price or interest, as applicable, due and payable on such Other Permitted Senior Secured Indebtedness; and

(ii) following the taking of an Enforcement Action with respect to any such Debt Service Reserve Account, moneys in such Debt Service Reserve Account will be applied as described under APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—Collateral and Remedies—Application of Proceeds”.

Notwithstanding any other provision of the Collateral Agency Agreement, the Company may, upon delivery to the Creditor Representative of a written opinion of Bond Counsel to the effect that such actions will not adversely affect the excludability of the interest on the applicable Bonds from gross income for federal income tax purposes or the exemption of the interest on such Bonds from income taxation in the State, substitute an Acceptable Letter of Credit in favor of the Collateral Agent for all or any portion of the cash or Permitted Investments on deposit in or required to be on deposit in the Series 2014 Bond DSRA. In the event the Company replaces cash or Permitted Investments on deposit in the Series 2014 Bond DSRA with an Acceptable Letter of Credit and delivers such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be

transferred (i) so long as no Event of Default has occurred and is continuing, to the Distribution Account or (ii) if an Event of Default has occurred and is continuing, to the Revenue Account.

Notwithstanding any other provision of the Collateral Agency Agreement, if permitted by the Other Senior Secured Documents that require the establishment of a Debt Service Reserve Account, the Company may substitute an Acceptable Letter of Credit in favor of the Collateral Agent for all or any portion of the cash or Permitted Investments on deposit in or required to be on deposit in such Debt Service Reserve Account. In the event the Company replaces cash or Permitted Investments on deposit in such Debt Service Reserve Account with an Acceptable Letter of Credit and delivers such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred as required by the applicable Other Senior Secured Documents.

The Collateral Agent will utilize any available cash or Permitted Investments in any Debt Service Reserve Account prior to drawing on any applicable Acceptable Letter of Credit on deposit in the Series 2014 Bond DSRA or any other Debt Service Reserve Account. The Collateral Agent will (without further direction from the Company) draw on any Acceptable Letter of Credit on deposit in the Series 2014 Bond DSRA, if: (i) such letter of credit is not replaced ten days prior to expiry thereof; (ii) the issuing bank of such letter of credit ceases to be an Acceptable Bank for 60 consecutive days (but such issuing bank has not suffered an Issuing Bank Ratings Event) and the Company has not arranged for the replacement thereof with an Acceptable Letter of Credit on or before the date which is 60 days following the date on which the issuing bank ceases to be an Acceptable Bank; (iii) the issuing bank of such letter of credit suffers an Issuing Bank Ratings Event; or (iv) at any time funds are payable out of the Series 2014 Bond DSRA, and there is no cash or Permitted Investments on deposit in the Series 2014 Bond DSRA to the extent of such deficiency.

Major Maintenance Reserve Account. The Major Maintenance Reserve Account will be funded initially from the Revenue Account, to the extent available as described in level *fourth* under the caption “—Revenue Account—Flow of Funds”, up to the Major Maintenance Reserve Account Required Balance. The Major Maintenance Reserve Account thereafter will be funded from the Revenue Account as described in level *fourth* under the caption “—Revenue Account—Flow of Funds”, up to the then applicable amount of the Major Maintenance Reserve Account Required Balance.

Except as described below, any amounts on deposit in the Major Maintenance Reserve Account in excess of the Major Maintenance Reserve Account Required Balance will be applied as described under the caption “—Revenue Account—Excess Amounts”.

Except as described below, upon delivery of a Funds Transfer Certificate by the Company to the Collateral Agent, moneys on deposit in the Major Maintenance Reserve Account will be transferred by the Collateral Agent to the Operating Account and applied to pay Major Maintenance Costs in respect of the Project.

Notwithstanding any other provision of the Collateral Agency Agreement, the Company may substitute an Acceptable Letter of Credit in favor of the Collateral Agent for all or any portion of the cash or Permitted Investments on deposit or required to be on deposit in the Major Maintenance Reserve Account. In the event the Company replaces cash or Permitted Investments on deposit in the Major Maintenance Reserve Account with an Acceptable Letter of Credit and delivers such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred (i) so long as no Senior Event of Default has occurred and is continuing, to the Distribution Account or (ii) if a Senior Event of Default has occurred and is continuing, to the Revenue Account.

The Collateral Agent will utilize any available cash or Permitted Investments in the Major Maintenance Reserve Account prior to drawing on an Acceptable Letter of Credit. The Collateral Agent will (without further direction from the Company) draw on any Acceptable Letter of Credit on deposit in the Major Maintenance Reserve Account, if: (i) such letter of credit is not replaced ten days prior to expiry thereof; (ii) the issuing bank of such letter of credit ceases to be an Acceptable Bank for 60 consecutive days (but such issuing bank has not suffered an Issuing Bank Ratings Event) and the Company has not arranged for the replacement thereof with an Acceptable Letter of Credit on or before the date which is 60 days following the date on which the issuing bank ceases to be an Acceptable Bank; (iii) the issuing bank of such letter of credit suffers an Issuing Bank Ratings Event; or (iv) at any

time funds are payable out of the Major Maintenance Reserve Account and there is no cash or Permitted Investments on deposit therein to the extent of such deficiency.

Mandatory Prepayment Account. The Bond Mandatory Prepayment Sub-Account will be established and created within the Mandatory Prepayment Account.

Upon the incurrence of any Other Permitted Senior Secured Indebtedness (other than Additional Parity Bonds), the Company will establish and maintain additional sub-accounts in the Mandatory Prepayment Account in respect of such Other Permitted Senior Secured Indebtedness.

Funds deposited into the Mandatory Prepayment Account will be allocated pro rata to the Bond Mandatory Prepayment Sub-Account and each other sub-account of the Mandatory Prepayment Account to the extent that the relevant Other Senior Secured Documents require such funds to be utilized to prepay the relevant Other Permitted Senior Secured Indebtedness. If the transactions under any Senior Hedging Contracts are required to be terminated in whole or in part as a result of the mandatory prepayment of any Other Permitted Senior Secured Indebtedness, then the amount allocated to such mandatory prepayment will be reduced by the amount of interpolated early termination payments or expenses payable by the Company as a result of the mandatory partial termination of such transactions to the extent required by the Company to comply with its obligations and covenants in the Senior Hedging Contracts and the Other Senior Secured Documents and such interpolated early termination payments or expenses will be allocated to the sub-account of the Mandatory Prepayment Account established in favor of the counterparties to such Senior Hedging Contracts.

The following amounts, when received by the Company (or as otherwise required as described in this paragraph), will be deposited into the Mandatory Prepayment Account and allocated as described above:

(i) to the extent permitted under the Public-Private Agreement, from net amounts of insurance or loss proceeds (excluding delayed opening and business interruption insurance) and condemnation proceeds (if any), received by the Company, to the extent that (A) such proceeds exceed the amount required to restore the Project or any portion thereof or any other property required to be restored in accordance with the terms of the Public-Private Agreement to the condition existing prior to the relevant event of loss or to such other condition as may be required under the terms of the Public-Private Agreement, or (B) the affected property cannot be restored or is not required to be restored pursuant to the terms of the Public-Private Agreement, the Financing Documents and the Other Senior Secured Documents and the Company elects not to do so;

(ii) from proceeds of any Termination Compensation received from the Contracting Authority under the Public-Private Agreement; and

(iii) on a Business Day selected by the Company on or after the Substantial Completion Date but in no event later than the date that is five years and 90 days after the date of issuance of each series of tax-exempt Bonds (including the Series 2014 Bonds), in the principal amount equal to the remaining unspent proceeds of such series of Bonds (rounded upward to a multiple of \$5,000) from any remaining unspent Bond proceeds on deposit in the PABs Proceeds Sub-Account on such date; provided, that no such redemption will be required if the Company has obtained an opinion of Bond Counsel stating that the failure to redeem the Bonds will not adversely affect the excludability of the interest on such Bonds from gross income for federal income tax purposes or the exemption of the interest on such Bonds from income taxation in the State and that such redemption is not required by the IFA Act; provided, further, that notwithstanding anything to the contrary in the Collateral Agency Agreement, the application of any proceeds on deposit in the PABs Proceeds Sub-Account as described in this subparagraph will be transferred to the Creditor Representative solely for the redemption of the Bonds in accordance with the Indenture. If more than one series of tax-exempt Bonds are issued, then the requirements of the Collateral Agency Agreement described in this subparagraph (iii) will be applied such that the proceeds of each such series is utilized to redeem only such series.

Notwithstanding anything to the contrary in the Collateral Agency Agreement, the Bond Mandatory Prepayment Sub-Account will be pledged solely as collateral to secure the Bonds and will be established solely for

the benefit of the Owners of the Bonds, and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Owners, except as described in subparagraph (iii) of the immediately preceding paragraph (and the holders of any Other Permitted Senior Secured Indebtedness will have no security interest in the Bond Mandatory Prepayment Sub-Account). Each other sub-account of the Mandatory Prepayment Account will be pledged solely as collateral to secure the relevant Other Permitted Senior Secured Indebtedness and will be established solely for the benefit of the holders of such Other Permitted Senior Secured Indebtedness and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of such holders (and the Owners and any other Secured Parties will have no security interest in such sub-account).

Funds on deposit in the Bond Mandatory Prepayment Sub-Account and any additional sub-account established in the Mandatory Prepayment Account in respect of any Other Permitted Senior Secured Indebtedness will be transferred to the Series 2014 Redemption Account or the applicable redemption account established under the Indenture, any Supplemental Indenture or Other Senior Secured Documents, as applicable, for application for purposes of mandatory prepayments in accordance with the Indenture, the Bonds, any Supplemental Indenture or Other Senior Secured Documents, as applicable.

Distribution Reserve Account. The Distribution Reserve Account will be funded as described under the caption “—Revenue Account—Flow of Funds”.

Funds on deposit in the Distribution Reserve Account may be transferred to the Distribution Account on or after a Calculation Date but prior to the next Semi-Annual Date solely to the extent that the following conditions (the “Dividend Lock-Up Conditions”) are satisfied:

- (i) the Substantial Completion Date has been achieved;
- (ii) the DSCR on the most recent Calculation Date for the Calculation Period ending on the day immediately preceding such Calculation Date taken as a whole is equal to or greater than 1.15 to 1.00 and is not projected by the Company, based on reasonable assumptions confirmed by the Technical Advisor with respect to technical aspects to the extent of any technical assumptions typically and customarily reviewed by technical advisors for projects of a similar nature as the Project to be less than 1.15 to 1.00 for the immediately succeeding twelve-month period taken as a whole;
- (iii) the Series 2014 Bond DSRA and each other Debt Service Reserve Account is funded in cash in an amount that, together with the amount available for drawing under an Acceptable Letter of Credit on deposit therein, equals or exceeds the relevant DSRA Requirement;
- (iv) the Major Maintenance Reserve Account is funded in cash in an amount that, together with the amount available for drawing under an Acceptable Letter of Credit on deposit therein, equals or exceeds the Major Maintenance Reserve Account Required Balance;
- (v) no Senior Default or Senior Event of Default under any Financing Document has occurred and is continuing or would exist as a result of the making of any transfer pursuant to the Distribution Release Certificate; and
- (vi) the Company has delivered to the Collateral Agent and the Creditor Representative an appropriately completed and duly authorized and executed Distribution Release Certificate confirming the foregoing, signed by a Responsible Officer of the Company, together with, if applicable, the confirmation of the Technical Advisor described in subparagraph (ii) above.

The funds held in the Distribution Reserve Account may, at the direction of the Company, be used to fund any shortfall described in levels *first* through *ninth* under the caption “—Revenue Account—Flow of Funds”.

Distribution Account. The Distribution Account will be funded as described under the captions “—Revenue Account—Flow of Funds” and “—Distribution Reserve Account”. The Company will have the exclusive

right to withdraw or otherwise dispose of funds on deposit in the Distribution Account to any other account or to such other person as directed by the Company in its sole discretion, and the Distribution Account (and any amounts on deposit therein) will *not* be pledged as security to the Secured Parties.

Operating Account. Funds will be transferred into the Operating Account (i) prior to the Substantial Completion Date, from time to time as described under the caption “—Construction Account” and (ii) on and after the Substantial Completion Date, from time to time as described in level first under the caption “—Revenue Account—Flow of Funds” and as described under the caption “—Major Maintenance Reserve Account”. Withdrawals from the Operating Account will not require compliance with any conditions, other than that such amounts must be applied towards (x) prior to the Substantial Completion Date, Project Costs and (y) on and after the Substantial Completion Date, O&M Expenditures, Major Maintenance Costs or Handback Requirements (as defined in the Public-Private Agreement), as applicable.

Handback Requirements Reserve Account. The Company will be permitted to open a Handback Requirements Reserve Account and execute and deliver an Authority Account Control Agreement and perform any obligations thereunder with respect thereto that meets the requirements of the Public-Private Agreement. The Company is not required to open such account on the Closing Date.

Funds as Collateral

All cash, cash equivalents, instruments, investments and other securities on deposit in the Project Accounts will be subject to the Security Interest of the Security Agreement and will be held by the Collateral Agent as collateral for the benefit of the Secured Parties as provided in the Collateral Agency Agreement.

Investment

Funds in the Project Accounts may be invested and reinvested only in Permitted Investments (at the risk and expense of the Company) in accordance with written instructions given to the Collateral Agent by the Company (or, for so long as a Senior Event of Default has occurred and is continuing, as directed by the Creditor Representative) and the Company (or, during a Senior Event of Default, the Creditor Representative) is entitled to instruct the Collateral Agent to liquidate Permitted Investments for purposes of effecting any such investment or reinvestment or for any other purpose permitted under the Collateral Agency Agreement. The Permitted Investments held in the Series 2014 Bond DSRA, any Debt Service Reserve Account with respect to Additional Parity Bonds or the Major Maintenance Reserve Account will be marked to market by the Collateral Agent not less than once every six months.

All funds in the Project Accounts (other than the Operating Account) and all Permitted Investments made in respect thereof will be held by the Collateral Agent and the interests of the Company therein will constitute part of the security subject to the pledge and security interest created by the Security Documents.

The Company anticipates investing a portion of the proceeds of the Series 2014 Bonds, certain amounts in the Equity Contribution Sub-Account and all the Milestone Payments pursuant to an investment agreement, to be entered into on or around the Closing Date, among the Company, the Collateral Agent and Deutsche Bank AG, New York Branch, and a portion of the proceeds of the Series 2014 Bonds and certain amounts in the Equity Contribution Sub-Account pursuant to a master repurchase agreement, to be entered into on or around the Closing Date, between the Collateral Agent and Citigroup Global Markets Inc., all in accordance with the requirements of the Collateral Agency Agreement. Amounts invested in these agreements, together with any earnings thereon, will be used for the purposes permitted by the Collateral Agency Agreement.

Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Senior Event of Default.

Except as described under the captions “—Construction Account”, “—Debt Payment Account”, “—PSD Payment Account” and “—Distribution Reserve Account” and as described below or as may otherwise be expressly provided under the Collateral Agency Agreement, each withdrawal or transfer of funds from the Project Accounts (other than the Operating Account) by the Collateral Agent on behalf of the Company will be made pursuant to an

executed Funds Transfer Certificate, which certificate must be provided and prepared by the Company and contain a certification by the Company that such withdrawal or transfer complies with the requirements of the Collateral Agency Agreement.

Unless a shorter period is acceptable to the Collateral Agent, such Funds Transfer Certificate relating to each applicable Project Account (other than the Operating Account) must be delivered to the Collateral Agent no later than two Business Days prior to each date on which funds are proposed to be withdrawn or transferred.

Except as described in the paragraph below, the Company will have the right to withdraw or cause to be transferred funds from the Operating Account, solely for the purpose of payment of Project Costs, O&M Expenditures or Major Maintenance Costs, as applicable, at any time without approval or consent of the Creditor Representative, the Collateral Agent or any other person, so long as such withdrawal is effected in accordance with the terms of the Collateral Agency Agreement.

Notwithstanding anything to the contrary contained in the Collateral Agency Agreement, upon receipt of a notice of a Senior Event of Default and during the continuance of the related Senior Event of Default, the Creditor Representative may, following the taking of an Enforcement Action, without consent of the Company, instruct the Collateral Agent in writing to apply proceeds of the Project Accounts to the payment of Senior Secured Obligations, in accordance with the terms of the Collateral Agency Agreement and in the order described under APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—Collateral and Remedies—Application of Proceeds”, so long as such payments are on account of amounts due under the Transaction Documents; provided, that at any time prior to the taking of an Enforcement Action, amounts in the Revenue Account will be applied in the order described under the caption “—Revenue Account”; provided, further, that the Construction Account and the Debt Service Reserve Accounts may only be applied as described under the captions “—Construction Account” and “—Debt Service Reserve Accounts”, respectively.

Notwithstanding any other provision of the Collateral Agency Agreement, the Collateral Agent will not be obligated to monitor or verify (i) the accuracy of any Funds Transfer Certificate or Construction Account Withdrawal Certificate or other written instructions provided to the Collateral Agent for the transfer or deposit of funds with respect to any Project Account or (ii) the use of amounts withdrawn from the Project Accounts pursuant to written instructions given by the Company.

THE INDIANA FINANCE AUTHORITY

General. The Indiana Finance Authority is a body politic and corporate, not a State agency, but an independent instrumentality, exercising essential public functions of the State. Though separate from the State, the exercise by the Indiana Finance Authority of its powers constitutes an essential governmental, public and corporate function. The Indiana Finance Authority was reconstituted by the Indiana General Assembly in 2005 as a body politic and corporate pursuant the IFA Act. The Indiana Finance Authority has no taxing power, and any indebtedness incurred by the Indiana Finance Authority does not constitute an indebtedness of the State within the meaning or application of any constitutional provision or limitation.

Organization, Membership. The Indiana Finance Authority consists of the State Budget Director (or the State Budget Director's designee), who serves as Chairman of the Indiana Finance Authority, the Treasurer of State (or the Treasurer of State's designee), and three members appointed by the Governor. All members must be residents of the State. No more than two of the Governor's appointees may be members of the same political party. In addition, the Governor's appointees serve for terms of four years and until their successors are appointed and qualified and may be reappointed by the Governor. The members of the Indiana Finance Authority elect one of the members to serve as Vice Chairman and other officers as they may determine. The following persons comprise the current members of the Indiana Finance Authority:

CHRISTOPHER D. ATKINS*, Director of the Office of Management and Budget of the State of Indiana, Chairman of the Indiana Finance Authority. Residence: Indianapolis, Indiana. Principal occupation: Director of the Office of Management and Budget.

RICHARD E. MOURDOCK, Treasurer of State. Residence: Evansville, Indiana. Principal occupation: Treasurer of State.

OWEN B. MELTON, JR., appointed member; term expires May 15, 2014.** Residence: Carmel, Indiana. Principal occupation: Retired (former Chief Executive Officer of First Indiana Bank, N.A.).

HARRY F. MCNAUGHT, JR., appointed member; term expires May 15, 2011.** Residence: Carmel, Indiana. Principal occupation: President and CEO, Denison Properties.

KERRY M. STEMLER, appointed member; term expires May 15, 2016. Residence: Sellersburg, Indiana. Principal occupation: President and CEO of KM Stemler Co Inc. and KM Stemler Trucking Inc.

The Public Finance Director of the State of Indiana will administer, manage and direct the affairs and activities of the Indiana Finance Authority and employees of the Indiana Finance Authority in accordance with the policies and under the control of and direction of the members of the Indiana Finance Authority. Kendra W. York is the Public Finance Director of the State of Indiana.

Roles of the Indiana Finance Authority. As described herein, the Indiana Finance Authority has two separate and distinct roles and responsibilities in connection with the financing and implementation of the Project: (a) as a party to the Public-Private Agreement and (b) as the "conduit issuer" of the Series 2014 Bonds. When acting in its capacity as the issuer of the Series 2014 Bonds, which will be special, limited obligations of the Indiana Finance Authority issued for the benefit of the Company, the Indiana Finance Authority is referred to in this Official Statement as the "Issuer." When acting in its capacity as a party to the Public-Private Agreement, the Indiana Finance Authority is referred to in this Official Statement as the "Contracting Authority".

Notes:

* Under the IFA Act, the State Budget Director or the State Budget Director's designee is the Chairman of the Indiana Finance Authority. Christopher D. Atkins has been designated by the State Budget Director to serve as the Chairman of the Indiana Finance Authority for all purposes.

** Pursuant to the IFA Act, an Indiana Finance Authority member continues to serve in such capacity until a successor member is appointed and qualified.

Role as Issuer. The Series 2014 Bonds will be issued under and pursuant to the IFA Act and pursuant to a resolution adopted by the Issuer on May 15, 2014. The Series 2014 Bonds will be special and limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate under the Indenture, including the payments to be made by the Company to the Issuer under the Senior Loan Agreement and will not be payable from taxes or appropriations made by the General Assembly of the State. The Series 2014 Bonds will not constitute an indebtedness, or a pledge of the faith and credit, of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The special limited obligation of the Issuer to pay the amount of the principal of, and interest and premium, if any, on, the Series 2014 Bonds will not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Issuer has no taxing power. The Owners of the Series 2014 Bonds will have, individually or collectively, no right to have taxes levied or compel appropriations by the General Assembly of the State or any political subdivision of the State for the payment of any or all of the amount of such principal of, or interest or premium, if any, on the Series 2014 Bonds. The members of the Issuer, the officers and employees of the Issuer, the Public Finance Director, any agents of the Issuer and any other persons executing the Series 2014 Bonds are not subject to personal liability or accountability by reason of any act authorized by the IFA Act, including without limitation the issuance of the Series 2014 Bonds, the failure to issue the Series 2014 Bonds and the execution of the Series 2014 Bonds.

The Issuer has heretofore sold and delivered numerous series of bonds or notes secured by instruments separate and apart from the Indenture and the Senior Loan Agreement that will secure the Series 2014 Bonds. The owners of such bonds and notes have no claim on assets, funds or revenues of the Issuer that will secure the Series 2014 Bonds and the Owners of the Series 2014 Bonds will have no claims on assets, funds or revenues of the Issuer securing such other bonds and notes. Other than any Additional Parity Bonds, issues which may be sold by the Issuer in the future will be created under separate and distinct indentures or resolutions and will be secured by instruments, properties and revenues separate from those that will secure the Series 2014 Bonds.

Role as Contracting Authority. Under the Public-Private Agreements Act, the Contracting Authority was authorized to (i) seek proposals from one or more private sector entities to develop, design, build, finance, operate and maintain projects, including the Project, pursuant to public-private agreements, under availability payment concessions, (ii) in accordance with the Public-Private Agreements Act, enter into public-private agreements with the selected private sector entities to design, build, finance, operate and maintain such projects, (iii) to pay amounts owed under such public-private agreements from funds available to the Contracting Authority, and (iv) enter into agreements necessary to the execution of the powers of the Contracting Authority thereunder.

The Project is being developed pursuant to the Public-Private Agreement under which the Contracting Authority has granted to the Company an exclusive concession to, and the Company has agreed to, design, construct and finance the Project and to operate and maintain a portion of the Project in return for payments by the Contracting Authority to the Company consisting primarily of Milestone Payments and Availability Payments. The Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation are limited obligations of the Contracting Authority, payable solely from the amounts payable by the Department to the Contracting Authority under the Milestone Agreement or Use Agreement or as otherwise appropriated by the General Assembly of the State to the Contracting Authority or otherwise, for such purpose. Payments by the Department to the Contracting Authority under the Milestone Agreement or Use Agreement are subject to and dependent upon appropriations being made for such purpose by the General Assembly of the State as described herein. The obligations of the Contracting Authority to pay Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation do not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligation of the Contracting Authority to pay Milestone Payments, Availability Payments, Compensation Amounts and Termination Compensation does not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Indiana Finance Authority has no taxing power. The Company does not, and the Owners of the Series 2014 Bonds will not, have a right to have taxes levied or to compel appropriations by the General Assembly of the State for any payment of the Milestone Payments, Availability Payments, Compensation Amounts or Termination Compensation.

The Indiana Finance Authority has in the past entered, and may in the future enter, into additional public-private agreements for the design, construction, financing, operation or maintenance of additional projects located

within the State of Indiana. See APPENDIX A—“FINANCIAL AND ECONOMIC STATEMENT FOR STATE OF INDIANA—STATE INDEBTEDNESS—Obligations Payable from Possible State Appropriations—Indiana Finance Authority”, “—Contingent Obligations”, “—Public Private Agreements” and “—Economic Development”.

EXCEPT FOR INFORMATION CONCERNING THE INDIANA FINANCE AUTHORITY IN THE SECTIONS HEREOF CAPTIONED “SUMMARY—THE INDIANA FINANCE AUTHORITY AND THE PROJECT—THE INDIANA FINANCE AUTHORITY”, “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—ISSUER NOT LIABLE ON THE SERIES 2014 BONDS”, “RISK FACTORS—RISKS RELATING TO THE INDIANA FINANCE AUTHORITY AND THE COMPANY—APPROPRIATION RISK”, “CONTRACTING AUTHORITY AGREEMENTS”, “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW”, “THE INDIANA FINANCE AUTHORITY”, “LITIGATION—THE ISSUER,” “LITIGATION—THE CONTRACTING AUTHORITY”, “CONTINUING DISCLOSURE OF INFORMATION” (WITH RESPECT TO ONLY THE INFORMATION RELATED TO THE INDIANA FINANCE AUTHORITY CONTINUING DISCLOSURE AGREEMENT AND THE CONTRACTING AUTHORITY’S COMPLIANCE WITH PREVIOUS CONTINUING DISCLOSURE UNDERTAKINGS), APPENDIX A—“FINANCIAL AND ECONOMIC STATEMENT FOR STATE OF INDIANA”, APPENDIX I-1—“FORM OF INDIANA FINANCE AUTHORITY CONTINUING DISCLOSURE AGREEMENT”, AND APPENDIX L—“SUMMARY OF CERTAIN CONTRACTING AUTHORITY AGREEMENTS”, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE INDIANA FINANCE AUTHORITY, AND THE INDIANA FINANCE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

ESTIMATED SOURCES AND USES OF FUNDS AT CLOSING

Sources and Uses of Funds on the Closing Date **

	<i>(in thousands of dollars)</i>
Sources	
Series 2014 Bond Proceeds ⁽¹⁾	251,756
Equity Contributions by Isolux Infrastructure ⁽²⁾	14,677
Equity Contributions by Infra-PSP ⁽³⁾	3,106
Total Sources of Funds ⁽⁸⁾	<u>269,539</u>
Uses	
Deposit into Construction Account	212,301
Deposit by Isolux Infrastructure into Equity Contribution Sub-Account of the Construction Account	11,443
Construction Costs ⁽⁴⁾	34,852
Development Costs ⁽⁵⁾	8,711
SPV Costs ⁽⁶⁾	665
Financing Costs/Fees ⁽⁷⁾	1,533
Sales & Use Tax Payable	34
Total Uses of Funds ⁽⁸⁾	<u>269,539</u>

Notes:

- ** Certain amounts are based on the expected adjustment of the Base MAP to \$20,323,123 on the Closing Date.
- (1) Includes original issue premium.
- (2) Represents equity contributions by Isolux Infrastructure prior to, and during the month of, the Closing Date.
- (3) Represents equity contributions by Infra-PSP during the month of closing.
- (4) Consists of estimated construction costs incurred on or prior to the Closing Date.
- (5) Consists of estimated bid preparation costs, due diligence consultant fees, legal counsel fees, rating agency fees, financial advisor fees and development fees.
- (6) Consists of estimated personnel, office, administrative and insurance costs.
- (7) Consists of underwriters' discount and estimated fees and letter of credit fees.
- (8) Totals may not foot due to rounding.

Projected Sources and Uses of Funds During the Construction Funding Period (Ending December 31, 2016)**

	<i>(in thousands of dollars)</i>
Sources	
Series 2014 Bond Proceeds ⁽¹⁾	251,756
Equity ⁽²⁾	40,453
Milestone Payments	80,000
Interest Income	717
Total Sources of Funds ⁽¹⁰⁾	<u>372,926</u>
Uses	
Construction Costs ⁽³⁾	317,745
Development Costs ⁽⁴⁾	8,711
SPV Costs ⁽⁵⁾	4,647
Financing Costs/Fees ⁽⁶⁾	1,898
Debt Service Reserve Account Initial Funding ⁽⁷⁾	6,212
O&M Costs ⁽⁸⁾	3,354
Debt Service during Construction ⁽⁹⁾	30,058
Indiana Sales & Use Tax Payable	300
Total Uses of Funds ⁽¹⁰⁾	<u>372,926</u>

Notes:

** Certain amounts are based on the expected adjustment of the Base MAP to \$20,323,123 on the Closing Date.

(1) Includes original issue premium.

(2) Represents all estimated equity contributions during the construction and pre-construction funding period.

(3) Consists of estimated construction costs incurred during the construction and pre-construction funding period.

(4) Consists of estimated bid preparation costs, due diligence consultant fees, legal counsel fees, rating agency fees, financial advisor fees and development fees.

(5) Consists of estimated personnel, office, administrative and insurance costs.

(6) Consists of underwriters' discount and estimated fees and letter of credit fees.

(7) Funded at Substantial Completion in an amount equal to the forecasted Series 2014 Mandatory Debt Service that is projected to become due and payable on or prior to the first Series 2014 payment date after the Substantial Completion Date (March 1, 2017).

(8) Consists of estimated operations, roadway and structure maintenance costs from the Closing Date to December 31, 2016.

(9) Consists of debt service payments (principal and interest) from the Closing Date to December 1, 2016 on the Series 2014 Bonds.

(10) Totals may not foot due to rounding.

Projected Annual Receipt and Expenditure of Funds**

Semi-Annual Period Ending*	Jul/2014	Dec/2014	Jun/2015	Dec/2015	Jun/2016	Dec/2016	Total
<i>(in thousands of dollars)</i>							
Sources of Funds							
Milestone Payments (used for Project Costs) ⁽¹⁾	-	-	5,000	25,000	30,000	16,470	76,470
Milestone Payments (used to repay Series 2014 Bond Debt Service) ⁽¹⁾	-	-	-	-	-	3,530	3,530
Series 2014 Bond Proceeds ⁽²⁾	251,756	-	-	-	-	-	251,756
Equity	17,783	2,340	3,805	5,389	2,845	8,291	40,453
Interest Income ⁽³⁾	-	192	217	147	87	74	717
Total Receipt of Funds ⁽¹⁴⁾	269,539	2,532	9,022	30,536	32,932	28,366	372,926
Uses of Funds							
Construction Costs ⁽⁴⁾	34,852	31,854	53,186	92,488	42,571	62,794	317,745
Development Costs ⁽⁵⁾	8,711	-	-	-	-	-	8,711
SPV Costs ⁽⁶⁾	665	693	877	899	899	614	4,647
O&M Costs ⁽⁷⁾	-	652	806	720	747	429	3,354
Financing Costs/Fees ⁽⁸⁾	1,533	76	90	91	77	31	1,898
Interest During Construction ⁽⁹⁾	-	1,361	6,283	6,283	6,283	6,318	26,528
Repayment of the Series 2014 Bonds ⁽¹⁰⁾	-	-	-	-	-	3,530	3,530
Debt Service Reserve Account Initial Funding ⁽¹¹⁾	-	-	-	-	-	6,212	6,212
Taxes Payable During Construction	34	49	63	58	59	37	300
Total Expenditures ⁽¹⁴⁾	45,795	34,686	61,304	100,540	50,636	79,966	372,926
Cash Balance (Ex Reserves)							
Cash (Draw)/Deposit	223,745	(32,154)	(52,283)	(70,004)	(17,704)	(51,600)	
End of Period Cash Balance	223,745	191,591	139,308	69,304	51,600	-	
Available Resources							
End of Period Cash Balance	223,745	191,591	139,308	69,304	51,600	-	
Debt Service Reserve Account	-	-	-	-	-	6,212	
Isolux Equity Letter of Credit	5,954	5,954	5,954	5,679	4,229	-	
Total Resources ⁽¹⁴⁾	229,699	197,545	145,262	74,984	55,829	6,212	

Notes:

- ** Certain amounts are based on the expected adjustment of the Base MAP to \$20,323,123 on the Closing Date.
- * Excluding the period December 2014 which represents all cashflows between August 1, 2014 and December 31, 2014.
- (1) Milestone Payments are subject to a maximum cumulative annual payment limit. The amount presented in the table assumes no adjustments or deductions. See "PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement—Milestone Payments".
- (2) Includes original issue premium.
- (3) Cash Balances will be invested in Permitted Investments with an assumed annual interest rate of 25bps during construction and 70% of the Eurodollar curve (at December 31, 2013) thereafter.
- (4) Based on the fixed price established by the Design-Build Contract.
- (5) Consists of estimated bid preparation costs, due diligence consultant fees, legal counsel fees, rating agency fees, financial advisor fees and development fees.
- (6) Consists of estimated personnel, office, administrative and insurance costs.
- (7) Consists of estimated operations, roadway and structure maintenance costs from the Closing Date to December 31, 2016.
- (8) Consists of underwriters' discount and estimated fees and letter of credit fees.
- (9) Includes interest payable on the Series 2014 Bonds.
- (10) Reflects the payment of the redemption price applicable to the Short Term Serial Bond, assuming an optional redemption thereof on December 1, 2016.
- (11) Funded at Substantial Completion in an amount equal to the forecasted Series 2014 Mandatory Debt Service that is projected to become due and payable on or prior to the first Series 2014 payment date after the Substantial Completion Date.
- (13) Ending cash balance in the Construction Account includes a contingency for potential Public-Private Agreement deductibles and working capital for Company costs until the first Availability Payment is received. See "PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement—Compensation for Relief Events".
- (14) Totals may not foot due to rounding.

Annual Debt Service Requirements on the Series 2014 Bonds for the Project

Year ⁽¹⁾	Free Cash Flow ⁽²⁾	Debt Service ⁽³⁾	Debt Service Coverage Ratio ⁽⁴⁾
		<i>(in thousands of dollars)</i>	
2018	18,726	12,425	1.51x
2019	18,748	12,425	1.51x
2020	18,956	12,425	1.53x
2021	19,397	12,425	1.56x
2022	19,899	12,425	1.60x
2023	20,397	12,425	1.64x
2024	20,924	13,895	1.51x
2025	21,411	16,994	1.26x
2026	21,965	17,437	1.26x
2027	22,514	17,889	1.26x
2028	23,097	18,385	1.26x
2029	23,633	18,829	1.26x
2030	24,245	19,169	1.26x
2031	24,851	19,598	1.27x
2032	25,494	20,113	1.27x
2033	26,087	20,601	1.27x
2034	26,762	21,189	1.26x
2035	27,431	20,827	1.32x
2036	28,141	20,137	1.40x
2037	28,795	19,447	1.48x
2038	29,540	18,763	1.57x
2039	30,279	18,068	1.68x
2040	31,062	17,394	1.79x
2041	31,784	16,733	1.90x
2042	32,607	16,090	2.03x
2043	33,422	14,709	2.27x
2044	34,287	14,432	2.38x
2045	35,084	14,530	2.41x
2046	32,714	12,723	2.57x

Notes:

- (1) Columns reflect cash flows for the 12-month period ending September 1 at that year.
- (2) Free Cash Flow for that calendar year.
- (3) Consists of the aggregate of all scheduled principal, interest, and commitment and other similar fees due and payable in respect of the Senior Secured Obligations for the period.
- (4) DSCR based on the ratio of A divided by B where:
 - A= the Free Cash Flow for such period; and
 - B = the aggregate of all scheduled principal, interest, and commitment and other similar fees due and payable in respect of the Senior Secured Obligations for the period.

PERMITS; ENVIRONMENTAL COMPLIANCE AND ENVIRONMENTAL LITIGATION

The Final Environmental Impact Statement (“FEIS”) for the Project was completed in 2013 and the Federal Highway Association (the “FHWA”) issued its Record of Decision (“ROD”) on August 7, 2013. The environmental studies identified environmental impacts and actions to mitigate those impacts. The Contracting Authority submitted applications for Governmental Approvals from the United States Army Corps of Engineers pursuant to Section 404 of the Clean Water Act and to the Indiana Department of Environmental Management pursuant to Section 401 of the Clean Water Act. The Company will be responsible for obtaining any modifications to these Governmental Approvals and performing any related mitigation. Under the terms of the Public-Private Agreement, the Company is responsible for obtaining all other necessary Governmental Approvals and complying with all of the applicable conditions and requirements of all Governmental Approvals.

The Project is located in a region with karst features. As a result, the Public-Private Agreement requires the Company to design and construct, and with respect to the portions of the Project located within the O&M Limits, to operate and maintain, the Project in accordance with certain agreements addressing such karst features. Karst features that may be encountered include sinkholes, springs, swallets/sinking streams, caves, cave conduits with or without cave streams, rubble columns and other conduits. Although remediation will be evaluated on a case-by-case basis, remediation may include excavation and removal of soil, backfilling, spanning, and measures to avoid discharges to springs and sinking streams. The Company may claim a Relief Event for karst features that cannot be avoided and for which a treatment measure is required to be implemented; however, under the Public-Private Agreement, the Company is prohibited from seeking Delay Costs and certain other costs. As a result, Karst Feature Treatment Work may result in uncompensated delays to the overall completion schedule. Under the Public-Private Agreement, the Company is eligible for certain Extra Work Costs arising out of or relating to Karst Feature Treatment Work, subject to certain requirements. The Company is solely responsible for the first \$6,000,000 of Extra Work Costs arising out of or relating to Karst Feature Treatment Work and will share equally all such costs in excess of \$6,000,000 up to and including \$10,000,000 with the Contracting Authority. The Contracting Authority is solely responsible for Extra Work Costs in excess of \$10,000,000. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Relief Events—Relief for Relief Events”. Compensation for Extra Work Costs payable by the Contracting Authority is subject to appropriations. See “RISK FACTORS—Risks Relating to the Project—Environmental and Permitting Risks”.

Subject to certain Contracting Authority responsibilities, the Public-Private Agreement provides that the Company is responsible for Hazardous Materials Management (including remediation) of all Hazardous Materials. The Company will be the generator and arranger with respect to any Company Release of Hazardous Materials by a Company-Related Entity in the course of performing Work. Designation as the generator or arranger of hazardous substances triggers obligations related to the handling and disposal of hazardous substances and also carries potential liability should environmental contamination occur in connection with the handling and disposal of the hazardous substances. The Company also indemnifies the Contracting Authority from claims, causes of action or losses in connection with offsite disposal of Hazardous Materials for which the Company is deemed to be the generator or arranger.

Neither the Contracting Authority nor the Company is aware of any challenges to the NEPA process or in connection with any other Governmental Approval. See APPENDIX H—“TECHNICAL ADVISOR’S REPORT”.

TECHNICAL ADVISOR'S REPORT

Altus Group Limited (the "Technical Advisor") was engaged by Isolux Infrastructure to prepare a Lenders' due diligence review on the technical aspects of the Project (the "Technical Advisor's Report"). Matters addressed in the Technical Advisor's Report are based on various assumptions, information available and methodologies and are subject to certain qualifications. Reference is hereby made to the entire Technical Advisor's Report for such assumptions, methodologies and qualifications. The following is a summary of selected provisions of the Technical Advisor's Report relating to the Project and is not a full statement of the terms of the Technical Advisor's Report. Accordingly, the following summary is qualified in its entirety by reference to the Technical Advisor's Report and is subject to the full text of the Technical Advisor's Report. A copy of the Technical Advisor's Report is attached hereto as APPENDIX H—"TECHNICAL ADVISOR'S REPORT".

The Technical Advisor's Report and the analyses made and opinions expressed therein rely wholly, or in part, on data, documentation, reports, and related information obtained from the Company that the Technical Advisor has presumed to be accurate, complete, reliable, timely, non-infringing and fit for the intended purpose. Except as set forth in the Technical Advisor's Report, the Technical Advisor makes no representation, guarantee or warranty, expressed or implied, as to the accuracy, validity, completeness, reliability, non-infringement, fitness for purpose or correctness of the information, data, statements, processes, methodologies, findings, observations or conclusions set forth in the Technical Advisor's Report. Any content within the Technical Advisor's Report does not constitute, and is not represented by the Technical Advisor to be an opinion or recommendation concerning financial, investment or legal predictions, risk or other positions. Except as specifically set forth in the Technical Advisor's Report, the Technical Advisor does not provide opinions regarding engineering, environmental, geotechnical, archaeological, and construction matters. The Technical Advisor's aggregate liability for claims resulting directly from the provision of its services in connection with the Technical Advisor's Report is limited to \$5 million.

Reliance by any Owner of the Series 2014 Bonds or any other person (for clarity, the term "person" used herein includes both an Owner of the Series 2014 Bonds and any other person) on the Technical Advisor's Report is subject to the following limitations: (i) the Technical Advisor will have no greater liability to any such person than if such person were a party to the Technical Advisor's engagement letter, (ii) the Technical Advisor may rely upon any rights in defense to any claim or action from any such person that the Technical Advisor would have if such person were a party to the Technical Advisor's engagement letter, and (iii) the Technical Advisor will not be liable to any such person for any direct, indirect, consequential or special loss or damage or any liability arising from such person's use of the Technical Advisor's Report or reliance on any of its content.

Unless otherwise stated, any reference in this section "Technical Advisor's Report" to any agreement will mean such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified and in effect as of the date hereof. Capitalized terms used in this Section but not defined herein have the meaning assigned to such terms in the Technical Advisor's Report attached to this Official Statement as APPENDIX H—"TECHNICAL ADVISOR'S REPORT".

Scope of Review of the Project

The Technical Advisor reviewed the following Project documents in preparation of the Technical Advisor's Report:

- the Public-Private Agreement, including the related Technical Provisions and the other PPA Documents;
- the Design-Build Contract; and
- various other background information, disclosed data and technical reports made available by the Company.

Overview

The Technical Advisor has reviewed the technical approach and schedule proposed by the Company as well as the work plan proposed for the highway construction of the Project. The Technical Advisor is of the opinion that the technical approach and schedule are reasonable and responsive to the requirements in the Public-Private Agreement, and that the works and the risks can be managed by the Company and its team based on their experience on similar projects.

The Technical Advisor reviewed the Project's operations, maintenance and lifecycle rehabilitation approach and the schedule of maintenance and lifecycle activities as provided by the Company. The operations and maintenance activities during construction will be primarily performed by the Design-Build Contractor. After Substantial Completion, the operations, maintenance and lifecycle activities will be performed by the Company. It is anticipated that some lifecycle activities will be contracted out to third parties. The Technical Advisor is of the opinion that the Company's plan represents an adequate approach for meeting the operations, maintenance, lifecycle and handback requirements of the Public-Private Agreement.

The construction schedule for the Project is set at 27 months, with Substantial Completion expected to occur on October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement. The Company has prepared a detailed schedule, with due consideration given to the seasonal restrictions, permitting and coordination of activities that are listed in the schedule. The design prepared by the Company, which will be further refined and finalized, is routine, utilizing well-established and customary construction practices. The Company and its team have adequate expertise in engineering, construction, geotechnical, environmental and utilities-related work with respect to highways, as well as highway operations, maintenance and rehabilitation, such as those required under the Public-Private Agreement.

The following are the Technical Advisor's opinions, comments and conclusions on the Project and its components:

Project Scope. The Project is an availability-based payment highway develop-design-build-finance-operate-maintain project with no tolling. The construction period is estimated at 27 months, and the operations period is 35 years, commencing on the Baseline Substantial Completion Date. The Project generally involves (i) converting approximately 21 miles of an existing four-lane, median-separated highway with a number of at-grade crossings into a mostly six-lane (southern part) and four-lane (northern part), grade-separated highway providing for some truck-climbing lanes (northern part); (ii) construction of 12 new bridges and rehabilitation, widening or enhancement of 14 bridges and widening of one highway bridge over a CSX Railway line; (iii) reconfiguring access roads to facilitate highway grade separation; (iv) performing utility relocations and adjustments; (v) improving the adjacent local road system that is impacted by the highway reconfiguration; and (vi) improving and adding highway appurtenances, such as drainage, noise walls, interchange highway lighting and traffic signals (for local roads). Karst formations, which have been mapped, underlay a large portion of the Project, and a karst specialist is required and has been allocated to the design team. Highway widening is generally from the median, and the entire highway (existing and widened) will be paved. Pavement will be hot mix asphalt for the entire corridor. The scope of the Project is not complex. Highway widening provides little opportunity for changing alignments and grades, or for major innovation. Construction does not pose any extraordinary issues. Traffic management has been planned and is workable. The design-build team includes local engineers and contractors with extensive Department experience, some of which is on the existing corridor. The risks associated with the Project are relatively minor and not likely to impact the contract schedule.

The Technical Advisor believes that the estimated construction costs and the O&M budget are reasonable and consistent with expected ranges.

Utilities. There are a number of utilities impacted by the Project and utility adjustments are anticipated. Utility Adjustment work is categorized into three types by the Public-Private Agreement: (i) Type 1 Utility Adjustments, for which the Utility Owner performs the work and is paid by the Contracting Authority; (ii) Type 2 Utility Adjustments, for which the Company is required to negotiate a Utility Agreement with the Utility Owner, the Company or the Utility Owner will perform the design, the Company will be responsible for the design and construction costs and perform the Utility Adjustment Work using a contractor acceptable to the Utility Owner, and

the Company may seek reimbursement from the Utility Owner for any Betterment of its utilities in accordance with such Utility Agreement; and (iii) Type 3 Utility Adjustments, for which the Company is required to negotiate a Utility Agreement based on an estimated cost and schedule already received from the Utility Owner, which agreement will require the Utility Owner to perform the work and receive reimbursement from the Company. Not all utilities identified in the Project Right of Way will require relocation. Utility Adjustments are not complex, but require coordination with various utility companies. In addition, utility costs identified in the Construction Price and preliminary contracts have been established with utilities during the design and investigation phases undertaken by the Department. The Company will be entitled to up to an aggregate amount of \$20,000,000 upon the achievement of certain Utilities Milestones, subject to the terms of the Public-Private Agreement. An unreasonable and unjustified delay by a Utility Owner to (i) perform under its agreement with the Contracting Authority or the Company, or (ii) in relocating a Utility for which it is responsible to relocate, in each case is, subject to certain conditions, a Relief Event. The discovery of an Unknown Utility that directly affects the Construction Work will also entitle the Company to a Relief Event.

Railroads. Railroad coordination is required with CSX Transportation and the Indiana Rail Road Company, which have railroad tracks crossing the Project. The Company will coordinate the Project design with the owning and operating railroads, including meetings, plan submissions, and resolution of pertinent commentary provided by the railroad and will consult the railroads as necessary to ensure compliance with all standards and a viable final design. The railroad has final approval rights for the design of work affecting its facilities.

Permits and Approvals. The Project requires obtaining approvals from various state and federal agencies with respect to construction and operations and maintenance activities. The Contracting Authority has obtained a 2013 Record of Decision issued by the FHWA. The Contracting Authority has advanced some permitting with regard to Clean Water Act and Water Quality Certification, and the Company is responsible for compliance and securing additional permits related to its construction. No blasting for construction is proposed. No impact on adjacent cemeteries is expected. The permits required are routine and do not pose a risk to the Project. The Company's team is very aware of these issues and requirements and their proposed design/construction methodology is consistent with all the environmental commitments included in the Technical Provisions, and there is no indication that there will be a need to reopen the environmental documents already approved by FHWA.

Operations, Maintenance and Lifecycle. Operations and maintenance is the responsibility of the Company during construction and for a 35-year term after Substantial Completion. Lifecycle and meeting handback requirements are also included within the Company's responsibilities. The Design-Build Contractor will perform the majority of the operations and maintenance activities during construction. It is contemplated that the Company will self-perform operations, maintenance and lifecycle activities after Substantial Completion. For most non-compliances, there are cure periods before adjustments to the Milestone Payments and Availability Payments and other consequences of non-compliance are imposed. The Company has provided a comprehensive operations, maintenance and lifecycle plan and has shown a good understanding of the requirements of the Project. The scope of operations and maintenance activities, as well as lifecycle and handback requirements, are routine and do not pose a risk beyond typical highway projects.

Schedule. Financial Close is expected in July 2014. The Public-Private Agreement allows for certain site investigation, utilities coordination and preparatory activities to commence after the PPA Effective Date. Construction is scheduled to start in early August 2014, and is expected to have a duration of 27 months, with Substantial Completion expected on October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement. The Company has prepared a Project Schedule, with due consideration given to the scope of work, coordination amongst various activities and with the Contracting Authority and external agencies, seasonal constraints, traffic control and availability of resources. The proposed Project Schedule is reasonable and achievable in terms of the requirements of the Project.

LITIGATION

The Issuer

There is no action, suit, proceeding or litigation pending against the Issuer or, to the knowledge of its members, officers or counsel, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2014 Bonds, or in any way contesting or affecting the validity of the Series 2014 Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security provided for the payment of the Series 2014 Bonds, the use of the Series 2014 Bond proceeds or the existence or powers of the Issuer or its officers or members.

The Contracting Authority

There is no action, suit, proceeding, or litigation pending and served on the Contracting Authority which challenges the authority of the Contracting Authority to execute, deliver or perform, or the validity or enforceability of, the Public-Private Agreement, the Milestone Agreement, or the Use Agreement or which challenges the authority of the Contracting Authority official executing the Public-Private Agreement, the Milestone Agreement, or the Use Agreement. See “PERMITS; ENVIRONMENTAL COMPLIANCE AND ENVIRONMENTAL LITIGATION” and APPENDIX A—“FINANCIAL AND ECONOMIC STATEMENT FOR STATE OF INDIANA”.

The Company

At the time of delivery and payment for the Series 2014 Bonds, the Company will deliver a certificate substantially to the effect that there is no litigation or other proceeding of any nature now pending or threatened against or adversely affecting the Company of which the Company has notice or, to the Company’s knowledge, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2014 Bonds, or in any way contesting or affecting the validity of the Series 2014 Bonds, the resolutions adopted by the Company to authorize the transaction, the Company’s obligation and agreement to provide certain continuing disclosure as set forth in the Senior Loan Agreement and the Borrower Continuing Disclosure Agreement, or any proceedings of the Company taken with respect to the issuance or sale of the Series 2014 Bonds, or the pledge, collection or application of any moneys or security provided for the payment of the Series 2014 Bonds, or the existence, powers or operations of the Company, or contesting the completeness or accuracy of this Official Statement.

CONTINUING DISCLOSURE OF INFORMATION

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12) (“Rule 15c2-12”), the Company will agree in a Continuing Disclosure Agreement, to be dated as of the Closing Date (the “Borrower Continuing Disclosure Agreement”), between the Company and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”), to provide certain financial information, other operating data and notices of certain enumerated events for the benefit of the Owners of the Series 2014 Bonds. Pursuant to Rule 15c2-12, the Indiana Finance Authority has also agreed in a Continuing Disclosure Agreement to be dated as of the Closing Date (the “Indiana Finance Authority Continuing Disclosure Agreement”), among the Indiana Finance Authority and the State of Indiana, acting through its Office of Management and Budget, and the Trustee, as counterparty, to provide certain financial information and notices of certain enumerated events for the benefit of the Owners of the Series 2014 Bonds. Forms of the Indiana Finance Authority Continuing Disclosure Agreement and the Borrower Continuing Disclosure Agreement are attached hereto as APPENDIX I-1 and I-2, respectively. A failure by the Indiana Finance Authority, the Company, the Dissemination Agent or the Trustee to comply with the requirements of the Indiana Finance Authority Continuing Disclosure Agreement or the Borrower Continuing Disclosure Agreement does not in and of itself constitute an event of default under the Indenture or the Senior Loan Agreement (unless such default thereunder is also a specified event of default as defined in the Indenture or the Senior Loan Agreement). Nevertheless, such a failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2014 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2014 Bonds and their market price. During the last five years, the Company has not failed to comply, in any material respect, with any previous continuing disclosure undertakings in a written contract or agreement specified in subsection (b)(5)(i) of Rule 15c2-12.

The Indiana Finance Authority and its predecessors have been in compliance with all of their continuing disclosure contracts in all material respects during the last five years, except to the extent that the following is deemed to be material. The Indiana Finance Authority filed its most recent annual financial information with the MSRB, through the EMMA system, as required by applicable continuing disclosure undertakings in a timely fashion on January 23, 2014. However, in a single isolated instance in 2014, the financial information was inadvertently not posted on the EMMA system to certain CUSIP numbers associated with a single bond issue, the Indiana Finance Authority’s Tax-Exempt Private Activity Bonds (Ohio River Bridges East End Crossing Project (Series 2013 A and B)). As a result, although the required information was generally available with respect to the Indiana Finance Authority, it was not available on the EMMA system under the links for such CUSIP numbers. The Indiana Finance Authority caused such financial information to be posted to those CUSIP numbers through an EMMA filing on April 15, 2014, by adding the necessary bonds and their CUSIP numbers to the prior annual disclosure filing. The Indiana Finance Authority has taken appropriate steps to prevent this from occurring in the future.

LEGAL MATTERS

The Issuer will furnish the Underwriters a transcript of certain procedures incident to the authorization and issuance of the Series 2014 Bonds. The Issuer will also furnish, at the Company's expense, the approving legal opinion of Bond Counsel to the Issuer as set forth in APPENDIX J—"FORM OF APPROVING OPINION OF BOND COUNSEL".

The various legal opinions to be delivered concurrently with the delivery of the Series 2014 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The Series 2014 Bonds will be offered when, as and if executed and delivered by the Issuer and accepted by the Underwriters and subject to the approving legal opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, as Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon, for the Indiana Finance Authority, by its special counsel Ice Miller LLP, Indianapolis, Indiana, and Nossaman LLP, Los Angeles, California; for the Company, the Pledgor and Isolux Infrastructure, by its special counsel, Chadbourne & Parke LLP, New York, New York, and Barnes & Thornburg LLP, Indianapolis, Indiana; for Isolux Infrastructure, by its counsel, Baker & McKenzie, Amsterdam, The Netherlands; for PSP Investments, by its counsel, Morrison & Foerster LLP, New York, New York; and for the Underwriters, by their counsel, White & Case LLP, New York, New York and Krieg DeVault LLP, Indianapolis, Indiana. Krieg DeVault LLP has also acted as special counsel for Indiana law matters to Corsán USA in connection with the DB Assignment and Amendment. In addition, certain legal matters with respect to litigation statements related to Isolux Infrastructure will be passed upon for the the Isolux Group entities by Mr. Javier Prados, General Counsel of Isolux Infrastructure, and certain legal matters with respect to Canadian law will be passed upon for the entities part of PSP Investments by Mr. Shawn Denton, Senior Director, Legal Affairs of PSP Investments supporting Infra-PSP.

TAX MATTERS

Opinion

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2014 Bonds (the “Code”), except for interest on any Series 2014 Bond during any period while it is held by a “substantial user” of the Project or a “related person” as those terms are used in Section 147(a) of the Code. The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Issuer and the Company and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the Series 2014 Bonds is exempt from income taxation in the State for all purposes except the State financial institutions tax. See APPENDIX J—“FORM OF APPROVING OPINION OF BOND COUNSEL” for the form of opinion of Bond Counsel as to such matters.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2014 Bonds as a condition to the excludability of the interest on the Series 2014 Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the Series 2014 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the Series 2014 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2014 Bonds would be materially and adversely affected. It is not an Indenture Event of Default if interest on the Series 2014 Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2014 Bonds.

The Code also subjects taxpayers to an alternative minimum tax on a taxpayer’s “alternative minimum taxable income”, which, in general terms, consists of a taxpayer’s regular taxable income plus its preferences and special adjustments with respect to certain deductions used by a corporation to compute taxable income. The interest on the Series 2014 Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

The Series 2014 Bonds will not be “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in the State. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render an opinion that interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the Series 2014 Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2014 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2014 Bonds.

Federal Income Tax Accounting Treatment of Amortizable Bond Premium

The initial public offering prices of the Series 2014 Bonds maturing on March 1, 2017 and on September 1 on each of the years 2025, 2026, 2027, 2028, 2029, 2034 and 2040 (collectively, the “Premium Bonds”) are greater than the principal amounts thereof payable at maturity or on earlier call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale,

redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (1) the amount of amortizable Bond Premium and (2) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Series 2014 Bonds. This discussion is based on existing laws, which are subject to change or modification, retroactively. The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN IS NOT EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2014 BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Series 2014 Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Series 2014 Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation exceeds one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a *de minimis* amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the principal amount thereof payable at maturity or, in the case of a Discount Bond, the "revised issue price" (*i.e.*, the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the Series 2014 Bonds. Prospective purchasers of the Series 2014 Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the Series 2014 Bonds under applicable state or local laws. Prospective foreign purchasers should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Changes in Federal and State Tax Law

From time to time, legislative proposals are pending in Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or adversely affect the market value of the Series 2014 Bonds. It cannot be predicted whether or in what form any of such proposals, either pending or that could be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Series 2014 Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2014 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2014 Bonds or the market value thereof would be impacted thereby.

RATINGS

The Series 2014 Bonds have been assigned preliminary ratings of “BBB-” and “BBB” by S&P and Fitch, respectively. It is a condition to delivery of the Series 2014 Bonds that such ratings are final and in effect on the Closing Date. The ratings of S&P and Fitch reflect only the views of such organizations, and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same at the following addresses: (i) Standard & Poor’s, 55 Water Street, New York, New York 10041; and (ii) Fitch Rating Services, 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on information and materials furnished to it and on investigations, studies and assumptions by such rating agency. A rating is not a recommendation to buy, sell or hold the Series 2014 Bonds. There is no assurance that any such rating will continue for any given period of time or will not be revised downward, suspended or withdrawn entirely by the relevant rating agency, if, in its judgment, circumstances so warrant. Any such lowering, suspension or withdrawal of any such rating might have an adverse effect upon the market price or marketability of the Series 2014 Bonds. The Underwriters, the Issuer and the Company undertake no responsibility after the issuance of the Series 2014 Bonds to assure the maintenance of any rating or to oppose any revision or withdrawal thereof (other than the Company’s limited covenants in the Senior Loan Agreement regarding cooperation with Nationally Recognized Rating Agencies and “rating surveillance” agreements; see APPENDIX G—“SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LOAN AGREEMENT—Covenants of the Company—Nationally Recognized Rating Agencies”).

UNDERWRITING

The Series 2014 Bonds will be sold at an aggregate purchase price of \$250,238,905.33 (representing the aggregate original principal amount of the Series 2014 Bonds, plus an original issue premium of \$7,911,280.75 and less an underwriting discount of \$1,517,375.42) to the Underwriters pursuant to a Bond Purchase Agreement entered into among Citigroup Global Markets Inc. and Jefferies LLC, the Issuer and the Company. The expenses associated with the issuance of the Series 2014 Bonds will be paid by the Company from proceeds of the Series 2014 Bonds and other available funds. The right of the Underwriters to receive compensation in connection with the Series 2014 Bonds is contingent upon the actual sale and delivery of the Series 2014 Bonds. The Underwriters will initially offer the Series 2014 Bonds for sale at the prices or yields set forth on the inside cover of this Official Statement. Such prices or yields may subsequently change in connection with the marketing of the Series 2014 Bonds. The Underwriters may offer and sell the Series 2014 Bonds to certain dealers (including dealers depositing the Series 2014 Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in this Official Statement. The Underwriters reserve the right to join with dealers and other investment banking firms in offering the Series 2014 Bonds for sale.

Citigroup Global Markets Inc., an underwriter of the Series 2014 Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. (“TMC”) and UBS Financial Services Inc. (“UBSFS”). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2014 Bonds.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Issuer or the Company and to persons and entities with relationships with the Issuer or the Company, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, certain of the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer or the Company (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer or the Company. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Company anticipates investing a portion of the proceeds of the Series 2014 Bonds and certain amounts in the Equity Contribution Sub-Account pursuant to a master repurchase agreement, to be entered into on or around the Closing Date, between the Collateral Agent and Citigroup Global Markets Inc., in accordance with the requirements of the Collateral Agency Agreement. See “PROJECT ACCOUNTS AND FLOW OF FUNDS – Investment.” Citigroup Global Markets Inc. is one of the Underwriters in this offering.

MISCELLANEOUS

Financial Advisors

KPMG Corporate Finance LLC (“KPMG”) has provided financial advisory services to the Contracting Authority with respect to matters relating to the planning, structuring and procurement of the Project. KPMG is a registered broker-dealer who is not engaged in the business of underwriting or distributing municipal securities or any other public securities. KPMG has not performed Municipal Advisory services related to the project, and assumes no responsibility for the accuracy, completeness or fairness of this Official Statement.

Rubicon Infrastructure Advisors (“Rubicon”) has acted as financial advisor to the Company in connection with certain aspects of the issuance of the Series 2014 Bonds. Rubicon has provided advice on the plan of finance and structure of the issue and has reviewed and commented on certain legal and disclosure documents. Rubicon has not been engaged, nor has it undertaken, to make an independent verification or to guarantee the accuracy, completeness or fairness of the information contained in this Official Statement.

Public Resources Advisory Group, New York, New York (“PRAG”) has been retained by the Issuer to serve as Municipal Advisor with respect to the Series 2014 Bonds. PRAG is an independent financial advisory organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. Under the terms of its engagement, PRAG assisted the Issuer with services related to the pricing of the Series 2014 Bonds and is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Due to the limited scope of its engagement, PRAG assumes no responsibility for the accuracy or completeness of the information herein. PRAG’s fee for services rendered with respect to the sale of the Series 2014 Bonds is contingent upon the issuance and delivery of the Series 2014 Bonds.

Registration of the Series 2014 Bonds

Registration or qualification of the offer and sale of the Series 2014 Bonds (as distinguished from registration of the ownership of the Series 2014 Bonds) is not required under the federal Securities Act of 1933, as amended, or the IFA Act. The Issuer assumes no responsibility for the qualification or registration of the Series 2014 Bonds for sale under the securities laws of any jurisdiction in which the Series 2014 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred.

Additional Information

Copies of the Indenture and the Security Documents will be available following the date of issuance of the Series 2014 Bonds, upon delivery of a written request, and the payment of reasonable copying, mailing and handling charges, to the Trustee.

The preparation of this Official Statement and its distribution have been authorized by the Company and the Issuer. This Official Statement is not to be construed as an agreement or contract between the Issuer or the Company and any purchaser, owner or holder of any Bond.

I-69 DEVELOPMENT PARTNERS LLC

By: /s/ José Ramón Ballesteros Martinez

Name: José Ramón Ballesteros Martinez

Title: Chief Executive Officer

INDIANA FINANCE AUTHORITY

By: /s/ Kendra W. York

Name: Kendra W. York

Title: Public Finance Director of the State of Indiana

APPENDIX A
FINANCIAL AND ECONOMIC STATEMENT
FOR
STATE OF INDIANA

TABLE OF CONTENTS

INTRODUCTION.....	5
STRUCTURE OF STATE GOVERNMENT	5
Division of Powers.....	5
Executive Department.....	5
Legislative Department.....	6
Judicial Department	6
FISCAL POLICIES	6
Fiscal Years	6
Accounting System.....	6
Fund Structure	7
Budget Process.....	8
State Board of Finance.....	9
Office of Management and Budget.....	10
Cash Management and Investments.....	10
Audits.....	10
2013 Financial Report.....	11
STATE BUDGET PROFILE AND FINANCIAL RESULTS OF OPERATIONS	11
Operating Revenue	11
General Fund Revenue Sources	11
Lottery and Gaming Revenue	13
Revenue History	13
Operating Expenditures	14
Fund Balances.....	18
Revenue Forecast for Fiscal Years 2014 and 2015	19
Combined Balance Statements	19
STATE INDEBTEDNESS.....	21
Constitutional Limitations on State Debt.....	21
Other Debt, Obligations	21
Obligations Payable from Possible State Appropriations	21
Contingent Obligations	27
Public Private Agreements	31
Other Entities Issuing Debt	31
INDIANA PUBLIC RETIREMENT SYSTEM AND STATE PENSION FUNDING OBLIGATIONS	32
INPRS and State Retirement Plans	32
State Pension Funding Obligations	47
ECONOMIC AND DEMOGRAPHIC INFORMATION	49
Summary.....	49
Population.....	50
Employment.....	51
Income	52
Gross Domestic Product	53
Exports.....	54
Civil Rights Litigation	56
Other Contingencies	56

SCHEDULE OF TABLES

Table 1	State Operating Revenue	14
Table 2	Expenditures	15
Table 3	Schedule of Fee Replacement Debt	16
Table 4	General Fund and Property Tax Replacement Fund Combined Statement of Actual and Estimated Unappropriated Reserve	20
Table 5	Schedule of Long Term Debt Obligations Payable from Possible State Appropriations	23
Table 6	Scheduled Principal and Interest Payments Obligations Payable from Possible State Appropriations	26
Table 7	Ratios of Outstanding Debt Subject to Possible Appropriation to Population and Personal Income	27
Table 8	Schedule of Long Term Debt Contingent Obligations	30
Table 9	Public Employees' Retirement Fund Schedule of Funding Progress	36
Table 10	Public Employees' Retirement Fund Schedule of Employer Contributions	36
Table 11	Pre-1996 Account Schedule of Funding Progress	37
Table 12	Pre-1996 Account Schedule of Contributions from the Employers and other Contributing Entities	37
Table 13	1996 Account Schedule of Funding Progress	38
Table 14	1996 Account Schedule of Contributions from the Employers and other Contributing Entities	38
Table 15	Total of TRF Plans Schedule of Funding Progress	39
Table 16	Total of TRF Plans Schedule of Contributions from the Employers and other Contributing Entities	39
Table 17	Other State Pension Funds Summary of Results of Actuarial Valuation as of June 30, 2012	40
Table 18	1977 Police Officers' and Firefighters' Pension Disability Fund Schedule of Funding Progress	41
Table 19	1977 Police Officers' and Firefighters' Pension Disability Fund Schedule of Employer Contributions	41
Table 20	Judges' Retirement System Schedule of Funding Progress	42
Table 21	Judges' Retirement System Schedule of Employer Contributions	42
Table 22	Prosecuting Attorneys' Retirement Fund Schedule of Funding Progress	43
Table 23	Prosecuting Attorneys' Retirement Fund Schedule of Employer Contributions	43

Table 24	Legislators' Retirement System Schedule of Funding Progress	44
Table 25	Legislators' Retirement System Schedule of Employer Contributions	44
Table 26	State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officer's Retirement Plan Schedule of Funding Progress	45
Table 27	State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan Schedule of Employer Contributions	45
Table 28	Indiana State Police Pension Trust Schedule of Funding Progress	46
Table 29	Indiana State Police Pension Trust Schedule of Employer Contributions	47
Table 30	Public Employees' Retirement Fund (Active, State-Related Portion, Not Including the PERF ASA)	47
Table 31	Indiana State Teachers' Retirement Fund Pre 1996 Budgetary Impacts	48
Table 32	Indiana State Teachers' Retirement Fund Pre 1996 Pension Stabilization Fund Balances	49
Table 33	Population Educational Attainment, Indiana Population 25 Years & Over	50
Table 34	Population Population, including Selected Indiana MSAs	51
Table 35	Employment Indiana High Wage Subsectors	51
Table 36	Employment Indiana Non-Farm Employment by Super Sector; December 2001 to December 2011	52
Table 37	Employment Unemployment Rate	52
Table 38	Income Growth in Per Capita Personal Income	53
Table 39	Gross Domestic Product by State Indiana Gross Domestic Product by Sector: 2001 to 2011	54
Table 40	Exports Annual Percentage Change	55
Table 41	Exports Indiana's Leading Export Industries and Destinations	55

INTRODUCTION

This Financial and Economic Statement (this “Appendix A”) for the State of Indiana (the “State”) includes a description of the State’s economic and fiscal condition, the results of operations and revenue and expenditure projections through the end of the biennium ending June 30, 2013. The information is compiled on behalf of the State by the State Budget Agency (the “Budget Agency”) and the Indiana Finance Authority and includes information and data taken from the Budget Agency’s unaudited reports. It also includes information obtained from other sources the State believes to be reliable.

This Appendix A should be read in its entirety, together with any supplements.

STRUCTURE OF STATE GOVERNMENT

Division of Powers

The State constitution divides the powers of State government into three separate departments: the executive (including the administrative), the legislative and the judicial. Under the State constitution, no person in any department may exercise any function of another department, unless expressly authorized to do so by the constitution.

Executive Department

The Governor, Lieutenant Governor, Secretary of State, Auditor of State, Treasurer of State, Attorney General and Superintendent of Public Instruction comprise the executive department of the State. All are elected for four-year terms.

The executive power of the State is vested in the Governor. The State constitution requires the Governor to take care that the laws are faithfully executed. The Governor may recommend legislation to the General Assembly of the State (the “General Assembly”), call special sessions of the General Assembly and veto any bill passed by the General Assembly (although any veto may be overridden if the bill is re-passed by a majority of all the members elected to each house of the General Assembly).

The Lieutenant Governor serves as the President of the State Senate. The Lieutenant Governor also serves as Secretary of Agriculture and Rural Development, is a member of the Indiana Housing and Community Development Authority, oversees the Office of Tourism Development, oversees the Office of Energy and Defense Development and chairs the Counter-Terrorism and Security Council.

The Secretary of State administers State laws regulating the chartering of new businesses, the filing of commercial liens and the issuance of trademarks, notaries public and summonses. In addition, the Secretary of State regulates the State’s securities industry and oversees the State’s elections.

The Treasurer of State is responsible for the investment and safekeeping of State moneys. The Treasurer of State is Secretary-Investment Manager of the State Board for Depositories and chairs the Indiana Bond Bank and Indiana Education Savings Authority. The Treasurer of State is a member of the State Board of Finance, Indiana Finance Authority, Indiana Housing and Community Development Authority, Indiana Wireless Enhanced 911 Advisory Board, Indiana Public Retirement System and Deferred Compensation Plan and is a Trustee of the Indiana State Police Pension Trust.

The Auditor of State maintains the State’s centralized financial accounting system for all State agencies. Responsibilities include accounting for State funds, overseeing and disbursing tax distributions to local governments, paying the State’s bills and paying the State’s employees. The Auditor of State is required by statute to prepare and publish annual statements of State funds, outlining receipts and disbursements of each State department and agency. The Auditor of State is the administrator of the Deferred Compensation Plan, the secretary of the State Board of Finance and a member of the Board for Depositories and the Indiana Public Retirement System.

The Attorney General is the chief legal officer of the State and is required to represent the State in lawsuits in which the State is a party. The Attorney General, upon request, gives legal opinions to the Governor, members of

the General Assembly and officers of the State. In addition, the Attorney General investigates and prosecutes certain consumer complaints and Medicaid fraud.

The Superintendent of Public Instruction chairs the State Board of Education and directs the Department of Education.

Legislative Department

The legislative authority of the State is vested in the General Assembly, which is comprised of the House of Representatives and the Senate. The House of Representatives consists of 100 members who are elected for two-year terms beginning in November of each even-numbered calendar year. The Senate consists of 50 members who are elected for four-year terms, with one-half of the Senate elected biennially. The Speaker presides over the House of Representatives. The members of the House of Representatives select the Speaker from among the ranks of the House.

By law, the term of each General Assembly extends for two years, beginning in November of each even-numbered calendar year. The first regular session of every General Assembly occurs in the following odd-numbered year, convening not later than the second Monday in January and adjourning not later than April 29. The second regular session occurs in the following year, convening not later than the second Monday in January and adjourning not later than March 14.

Special sessions of the General Assembly may be convened by the Governor at any time. A special session of the General Assembly may not exceed 30 session days during a 40-calendar-day period. The Governor cannot limit the subject of any special session or its scope.

Judicial Department

The judicial power of the State is vested in a Supreme Court, a Court of Appeals, Circuit Courts and such other courts as the General Assembly may establish.

The Judicial Nominating Commission (comprised of the Chief Justice or his designee, three attorneys elected by the attorneys of Indiana and three non-attorney citizens appointed by the Governor) evaluates the qualifications of potential candidates for vacant seats on the Supreme Court and Court of Appeals. When a vacancy occurs in either court, the Judicial Nominating Commission submits the names of three nominees and the Governor selects one of the three.

The initial term of each newly appointed justice and judge is two years, after which the justice or judge is subject to a “yes” or “no” referendum at the time of the next general election. For justices of the Supreme Court, the entire State electorate votes on the question of approval or rejection. For Court of Appeals judges, the referendum is by district. Those justices and judges receiving an affirmative vote serve a ten-year term, after which they are again subject to referendum.

FISCAL POLICIES

Fiscal Years

The State’s fiscal year is the twelve-month period beginning on July 1 of each calendar year and ending on June 30 of the succeeding calendar year (a “Fiscal Year”).

Accounting System

The State maintains a central accounting system that processes all payments for State agencies and institutions, except State colleges and universities. The Auditor of State is responsible for the pre-audit of all payments, the issuance of all warrants and the maintenance of the accounting system.

Budgetary control is integrated into the accounting system. Legislative appropriations are entered into the system as an overall spending limit by account for each agency within each fund, but appropriations are not available for expenditure until allotted by the Budget Agency. Allotments authorize an agency to spend a portion of

its appropriation. The Budget Agency makes quarterly allotments. Capital is allotted as projects are approved by the State Budget Committee or the Budget Agency.

The accounting system is maintained using the cash basis of accounting. At year-end, accruals are recognized as necessary to convert from the cash basis of accounting. Government-wide financial statements are recognized as full accrual basis of accounting and fund statements are recognized as modified accrual basis of accounting in accordance with generally accepted accounting principles for government financial reporting purposes.

Fund Structure

Funds are used to record the financial activities of State government. There are three major fund types: Governmental, Proprietary and Fiduciary.

Governmental Funds. Governmental Funds are used to account for the State's general governmental activities and use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual (that is, when it is "measurable and available"). Expenditures are recorded when the related fund liability is incurred, except that (i) unmatured interest on general long-term debt is recognized when due and (ii) certain compensated absences and related liabilities and claims and judgments are recognized when the obligations are expected to be liquidated. Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

General Fund. The General Fund is maintained to account for resources obtained and used for those services traditionally provided by State government that are not required to be accounted for in another fund.

Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Special Revenue Funds include the Motor Vehicle Highway Fund, which receives revenue from gasoline taxes motor vehicle registrations, and operator licensing fees. Revenue from this fund is distributed among the State and its counties, cities, and towns to be used for the construction, reconstruction, improvement, and maintenance of highways and secondary roads.

Debt Service Funds. Debt Service Funds are used to account for the accumulation of resources and payment of bond principal and interest from special revenue component units that are bodies corporate and politic with the legal authority to issue bonds to finance certain improvements within the State.

Capital Projects Funds. Capital Projects Funds are used to account for financial resources to be used by the State for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Capital Projects Funds include the Post War Construction Fund, Build Indiana Fund ("BIF"), Veterans Home Fund, State Police Building Commission Fund, Law Enforcement Academy Building Fund, Interstate Bridge Fund and Major Construction-Indiana Army National Guard Fund.

Proprietary Funds. Proprietary Funds are used to account for a government's business-type activities. They use the accrual basis of accounting. There are two types of Proprietary Funds: Enterprise Funds and Internal Service Funds.

Enterprise Funds. Enterprise Funds are used to account for provision of services to customers outside the government. Examples are the State Lottery Commission and Inns and Concessions.

Internal Service Funds. Internal Service Funds are used to account for provision of services to other funds, departments or agencies of the government. For example, the Indiana Office of Technology and the State Personnel Department provide centralized resources to state agencies.

Fiduciary Funds. Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and cannot be used to support government programs. They use the accrual basis of accounting. Indiana has three types of Fiduciary Funds: Pension Trust Funds, Private-purpose Trust Funds and Agency Funds.

Pension Trust Funds. Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans or other employee benefit plans. Examples are the State Police Pension Fund and the Employees' Deferred Compensation Fund.

Private-purpose Trust Funds. Private-purpose Trust Funds are used to report any trust arrangement not properly reported in a pension trust fund or an investment trust fund under which principal and income benefit individuals, private organizations or other governments. Examples are the Student Loan Program Fund and the Abandoned Property Fund.

Agency Funds. Agency Funds are used to account for situations where the government's role is purely custodial, such as receipt and temporary investment of fiduciary resources and their remittance to individuals, private organizations or other governments. Examples are the Child Support Fund and the Local Distributions Fund.

Budget Process

State Budget Agency. The Budget Agency is responsible for preparing the State budget. After the budget is enacted by the General Assembly, the Budget Agency has extensive statutory authority to administer it. The chief executive officer of the Budget Agency is the State Budget Director, who is appointed by the Governor. The Governor also appoints two Deputy Budget Directors; by law, the deputies must be of different political parties.

State Budget Committee. The Budget Committee consists of the State Budget Director and four State legislators. The Budget Committee oversees the preparation of the budget and administration of capital budgets after enactment. The legislative members of the Budget Committee consist of two members of the Senate, appointed by the President pro tempore of the Senate, and two members of the House of Representatives, appointed by the Speaker of the House of Representatives. One of the two appointees from each chamber must be nominated by the minority floor leader. Four alternate members of the Budget Committee must be legislators selected in the same manner as regular members. An alternate member participates and has the same privileges as a regular member, except that an alternate member votes only if the regular member from the alternate member's respective chamber and political party is not present. The legislators serve as liaisons between the executive and legislative departments and provide fiscal information to their respective caucuses.

Budget Development. The State operates under a two-year budget; the legislature enacts one act containing two annual budgets. On or before the first day of September in each even-numbered year, all State agencies, including State-supported higher education institutions and public employee and teacher pension fund trustees, submit budget requests to the Budget Agency. The Budget Agency then conducts an internal review of each request. In the fall of each even-numbered year, the Budget Committee begins hearings on budget requests. After presentations by the agencies and the Budget Agency, the Budget Committee makes budget recommendations to the Governor.

Revenue Projections. Revenue projections are prepared by the State's Technical Forecast Committee (the "Forecast Committee"). Starting with the December 2008 forecast, Global Insight, Inc. provided the forecasted independent variables. Global Insight, Inc. was chosen following a thorough evaluation of submitted proposals based on forecasting capabilities and detailed knowledge of the State, national, and international economies.

The Forecast Committee is responsible for developing econometric models used to derive the State's revenue projections and for monitoring changes in State and federal laws that may have an impact on State revenue. Each regular member of the Budget Committee appoints a member of the Forecast Committee. Members of the Budget Committee appoint one additional member from a higher education institution for a total of six members. Members of the Forecast Committee are individuals with expertise in public finance.

Budget Report. The budget report and budget bill are prepared by the Budget Committee with the Budget Agency's assistance. The budget report and bill are based upon the recommendations and estimates prepared by the Budget Agency and the information obtained through hearings and other inquiries. If the Budget Agency and a majority of the members of the Budget Committee differ upon any item, matter or amount to be included in the budget report and bill, the recommendation of the Budget Agency is included in the bill.

Before the second Monday of January in the year immediately after their preparation, the Budget Committee submits the budget report and bill to the Governor. If a gubernatorial election is held same year as budget preparation, then the submission of the budget report and budget bill are instead due by the third Monday of January. The Governor then delivers the budget bill to the Budget Committee members appointed by the Speaker of the House of Representatives for introduction in the House. Although there is no law that requires a budget bill to originate in the House, by tradition, the House passes a budget bill first and sends it to the Senate for consideration.

The budget report includes (a) a statement of policy, (b) a general summary, (c) detailed data on actual receipts and expenditures for the previous budget period, (d) a description of the State capital improvement program, (e) the requests for appropriations by State agencies and (f) the Budget Agency's recommended appropriations.

Appropriations. Within 45 days following the adjournment of each regular session of the General Assembly or within 60 days following a special session of the General Assembly, the Budget Agency is required to prepare a list of all appropriations made for the budget period beginning on July 1 following such session, or for such other period as may be provided in the appropriation. The State Budget Director is required to prepare a written review and analysis of the fiscal status and affairs of the State as affected by the appropriations. The report is forwarded to the Governor, the Auditor of State, and the General Assembly.

On or before the first day of June of each calendar year, the Budget Agency is required to prepare a list of all appropriations made for expenditure or encumbrance for the ensuing Fiscal Year. The Auditor of State then establishes the necessary accounts based upon the list.

Intra-Agency Transfers. The Budget Agency is responsible for administering the State budget after it is enacted. The Budget Agency may, with the approval of the Governor and the State Budget Director, transfer, assign or reassign all or any part of any appropriation made to any agency for a specific use or purpose to another use or purpose, except any appropriation made to the Indiana State Teachers' Retirement Fund. The Budget Agency may take such action only if the transfer, assignment or reassignment is to meet a use or purpose that an agency is required or authorized by law to perform. The agency whose appropriation is involved must approve the transfer, assignment or reassignment.

Contingency Appropriations. The General Assembly may also make "contingency appropriations" to the Budget Agency, which are general and unrelated to any specific State agency. In the absence of other directions imposed by the General Assembly, contingency appropriations must be for the general use of any agency of the State and must be for its contingency purposes or needs, as the Budget Agency in each situation determines. The Budget Agency fixes the amount of each transfer and orders the transfer from such appropriations to the agency. The Budget Agency may make and order allocations and transfers to, and authorize expenditures by, the various State agencies to achieve the purposes of such agencies or to meet the following: (a) necessary expenditures for the preservation of public health and for the protection of persons and property that were not foreseen when appropriations were last made; (b) repair of damage to, or replacement of, any building or equipment owned by the State which has been so damaged as to materially affect the public safety or utility thereof, or which has so deteriorated as to become unusable if such deterioration was not foreseen when appropriations were last made; (c) emergencies resulting from an increase in costs or any other factor or event that was not foreseen when appropriations were last made; or (d) supplement an exhausted fund or account of any State agency, whatsoever the cause of such exhaustion, if it is found necessary to accomplish the orderly administration of the agency or the accomplishment of an existing specific State project.

These provisions may not change, impair or destroy any fund previously created nor affect the administration of any contingency appropriations previously or subsequently made for specific purposes.

State Board of Finance

The State Board of Finance (the "Finance Board") consists of the Governor, the Treasurer of State, and the Auditor of State. The Finance Board elects from its membership a president, who, by tradition, is the Governor. Typically, the Governor's designee on the Finance Board is the State Budget Director. The Auditor of State is the secretary of the Finance Board. The Finance Board is responsible for supervising the fiscal affairs of the State and has advisory supervision of the safekeeping of all funds coming into the State treasury and all other funds belonging to the State coming into the possession of any State agency or officer. The Finance Board may transfer money

between funds, except trust funds, and the Finance Board may transfer money between appropriations for any State board, department, commission, office or benevolent or penal institution.

The Finance Board has statutory authority to negotiate loans on behalf of the State for the purpose of meeting “casual deficits” in State revenue. A loan may not be for a period longer than four years after the end of the Fiscal Year in which it is made. If sufficient revenue is not being received by the General Fund to repay the loan when due, the Finance Board may levy a tax on all taxable property in the State sufficient to pay the amount of the indebtedness. The Finance Board has never negotiated a loan to meet a deficit in State revenue.

Office of Management and Budget

The Office of Management and Budget (“OMB”) directs the fiscal management and budget policy of the State. The Director (“Director”) of the OMB is the chief financial officer of the State, and reports directly to the Governor. The Director is responsible for and has authority over all functions performed by the Budget Agency, the Department of State Revenue, and the Department of Local Government Finance, as well as all budgeting, accounting and spending functions within the various agencies, departments and programs of State government. The Director may also serve as the State Budget Director. By statutory designation, the State Budget Director or his designee also serves as the Chairman of the Indiana Finance Authority. Pursuant to Executive Order 05-02, the OMB oversees and coordinates the functions, responsibilities and duties of the Indiana Public Retirement System and the State Board of Accounts to the fullest extent permitted by law.

The Division of Government Efficiency and Financial Planning of the OMB conducts operational and procedural audits of State government, performs financial planning, designs and implements efficiency projects, and carries out such other responsibilities as may be designated by the Director.

Cash Management and Investments

The Treasurer of State is responsible for the receipt, custody and deposit of all moneys paid into the State Treasury and keeps daily accounts of all funds received into the Treasury and all moneys paid out of it. The Treasurer of State is responsible for investing the General Fund and more than 60 other funds. The investments in which the Treasurer of State may invest State funds are limited to: (a) securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by the United States Treasury, a federal agency, a federal instrumentality or a federal government sponsored enterprise; (b) obligations issued by (i) agencies or instrumentalities of the United States government, (ii) federal government sponsored enterprises or (iii) the Indiana Bond Bank that are secured by tax anticipation time warrants or notes that (A) are issued by a political subdivision of the State and (B) have a maturity date not later than the end of the calendar year following the year of issuance; (c) certain money market mutual funds, the portfolio of which is limited to (i) direct obligations of the United States, (ii) obligations issued by any federal agency, federal instrumentality or federal government sponsored enterprise or (iii) repurchase agreements fully collateralized by obligations described in (i) or (ii); (d) deposit accounts of certain designated depositories; or (e) certain other securities. Investments may be made only in securities having a maturity of up to two years, except that up to 25% of the total portfolio of funds invested by the Treasurer of State may be invested in securities having a maturity of up to five years.

Audits

The State Board of Accounts is the State agency responsible for (a) auditing all State and local units of government and (b) approving uniform systems of accounting for such governments.

The State Board of Accounts performs its financial and compliance audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The State Board of Accounts issues its opinion on the fairness of financial statements and their conformity to generally accepted accounting principles for the State agencies and local units of government it audits, including the comprehensive annual financial report (or CAFR) prepared annually by the Auditor of State.

2013 Financial Report

The Indiana Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2013 (the “2013 Financial Report”), contains certain financial information about the State, including the financial statements and is available to the public on the Auditor of State’s Internet Web site (<http://www.in.gov/auditor>). It is included in this Appendix A by specific reference.

The 2013 Financial Report speaks only as of its date. The inclusion of the 2013 Financial Report in this Appendix A does not imply that there has been no change in the information therein since the date thereof.

STATE BUDGET PROFILE AND FINANCIAL RESULTS OF OPERATIONS

Operating Revenue

While certain revenue of the State is required by law to be credited to particular funds other than the General Fund, the requirement is primarily for accounting purposes and may be changed. Substantially all State revenue is general revenue until applied. No lien or priority is created to secure the application of such revenue to any particular purpose or to any claim against the State. All revenue not allocated to a particular fund is credited to the General Fund. The general policy of the State is to close each Fiscal Year with a surplus in the General Fund and a zero balance in all other accounts, except for certain dedicated and trust funds and General Fund accounts reimbursed in arrears.

The combined State receipts in the General Fund are referred to as “State Operating Revenue” or “Operating Revenue.” Operating Revenue is defined as the General Fund and other revenue forecasted by the Technical Forecast Committee. Total Operating Revenue together with “DSH revenue” and “HAF revenue” transferred to the General Fund, plus transfers from other funds when necessary and available, are used in the determination of the State’s unappropriated balance reflected on the General Fund Unappropriated Reserve Statement. “DSH” is an acronym for “Disproportionate Share for Hospitals (federal funds),” and DSH revenue constitutes additional Medicaid reimbursements provided to the State from the federal government for hospitals that serve disproportionately large numbers of poor people. “HAF” is an acronym for “Hospital Assessment Fee,” and constitutes Medicaid reimbursements provided to the State for hospitals that have been assessed the HAF.

General Fund Revenue Sources

Sales and use taxes, corporate and individual income taxes and wagering taxes are the three primary sources of State Operating Revenue. Table 1 provides annual revenue by source and growth rates over time. The following is a summary of Operating Revenue by source.

Sales and Use Taxes. The State’s sales and use tax rate is 7.0%. This tax is imposed on the sale and rental of tangible personal property and the sale of certain services, including the furnishing of public utility services and the rental or furnishing of public accommodations such as hotel and motel room rentals. In general, the complementary 7.0% use tax is imposed upon the storage, use or consumption of tangible personal property in the State. Some of the major exemptions from the sales and use taxes are sales of certain property to be used in manufacturing, research and development equipment, agricultural production, public transportation or governmental functions, sales for resale, food sold in grocery stores and prescription drugs.

Corporate Income Taxes.

Corporate Adjusted Gross Income Tax. The corporate adjusted gross income tax is applicable to corporations doing business in the State. The corporate adjusted gross income tax rate is 8.5% of apportioned Indiana adjusted gross income (AGI). P.L 172-2011 reduced the corporate AGI tax rate from 8.5% to 6.5% in 0.5% increments over four years beginning on July 1, 2012. The phase-in of the tax rate reduction will be complete on July 1, 2015. AGI is federal taxable income with certain additions and subtractions. Certain international banking facilities and insurance companies, S corporations, limited liability companies, partnerships and tax-exempt organizations (to the extent their income is exempt for federal tax purposes) are not subject to the corporate adjusted gross income tax. Corporate adjusted gross income tax collections are allocated to the General Fund.

Financial Institution Tax. This tax is applicable to a financial institution for the privilege of exercising its franchise or the corporate privilege of transacting the business of a financial institution in Indiana. It applies to any business which is primarily engaged in extending credit, or engaged in leasing. The tax base is a taxpayer's apportioned adjusted gross income with statutory deductions and additions. Insurance companies, international banking facilities, federally chartered credit unions, and S corporations are exempt. P.L. 93-2013 reduced the tax rate from 8.5% to 6.5% in 0.5% increments over four years beginning on January 1, 2014. The rate reduction will be complete on January 1, 2017. Prior to Fiscal Year 2014, local units of government were guaranteed revenue based on the former Financial Institution Taxes in 1989. Beginning with Fiscal Year 2014, local units will receive 40% of what they received in the previous Fiscal Year. Any remaining revenue collected is deposited in the state General Fund.

Utilities Receipts Tax. The utilities receipts tax is based on gross receipts from retail utility sales and is imposed at a rate of 1.4%. All revenue is deposited in the state General Fund. Utilities must also pay the corporate adjusted gross income tax. A use tax is imposed on consumers of utilities if the Utilities Receipts Tax was not paid by the seller. The use tax is imposed at the rate of 1.4% on the gross purchase price of the utilities.

Individual Adjusted Gross Income Tax. Adjusted gross income (federal adjusted gross income modified by adding back certain federal adjustments and subtracting certain federal exemptions and deductions) of residents and non-residents with income derived from Indiana sources is taxed at 3.4%. Under P.L. 205-2013, the tax rate will be reduced to 3.3% for tax years 2015 and 2016 and 3.23% for subsequent tax years. All revenue derived from the collection of the adjusted gross income tax imposed on persons is credited to the General Fund.

Wagering Tax. The wagering tax is applied to the adjusted gross receipts of riverboat gambling operations in Indiana. Riverboat gambling operations are permitted to implement flexible scheduling, enabling patrons to gamble while a riverboat is docked. Riverboats that adopt flexible scheduling are required to pay a graduated tax currently set at 15% of the first \$25 million of adjusted gross receipts in a fiscal year, 20% of receipts between \$25 million and \$50 million, 25% of receipts between \$50 million and \$75 million, 30% of receipts between \$75 million and \$150 million, 35% of receipts between \$150 million and \$600 million, and 40% of all adjusted gross receipts exceeding \$600 million. P.L. 229-2013 established an additional rate schedule applicable to a riverboat with adjusted gross receipts of less than \$75 million in the previous fiscal year with the lowest rate being 5% and the highest rate being 25%. A financial penalty will apply in the event a riverboat pays based on the lower rate schedule and subsequently exceeds the \$75 million limit in that same fiscal year. P.L. 229-2013 also allowed riverboats to deduct from their adjusted gross receipts the adjusted gross receipts attributable to free promotional play provided by the riverboats up to \$2.5 million per riverboat in Fiscal Year 2013 and \$5.0 million per riverboat in Fiscal Year 2014 and Fiscal Year 2015.

In addition, the first \$33 million of wagering taxes collected in the State's Fiscal Year must be set aside for revenue sharing among local units of government that do not have riverboats. Of the remaining revenue, 25% is distributed to the cities and counties with riverboat operations, and 75% is deposited in the General Fund. The legislation capped the amounts that may be distributed to the cities and towns with riverboat operations at the amounts distributed in Fiscal Year 2002. All revenue in excess of the capped amounts is deposited in the General Fund. The General Fund receives 37.5% of wagering tax from the Orange County Casino. The remaining wagering tax revenue from the Orange County Casino is deposited in the local funds. From the revenue distributed to the General Fund, an amount is distributed annually to the BIF. The transfer amount is such that the total lottery and gaming revenue deposited in the BIF equals \$250 million in a Fiscal Year. Interest revenue deposited in the fund does not count against the \$250 million cap.

The two existing licensed horse racing facilities in Indiana may maintain up to 2,000 slot machines on their premises. A graduated wagering tax is levied in the amount of 25% of the first \$100 million of adjusted gross receipts in a fiscal year, 30% of receipts between \$100 million and \$200 million, and 35% of receipts exceeding \$200 million. The graduated slot machine wagering tax applies to 99% of the adjusted gross receipts received. The wagering taxes are deposited in the General Fund.

Other Operating Revenue. Other revenue ("Other Revenue") is derived from cigarette taxes, alcoholic beverage taxes, inheritance taxes, insurance taxes, interest earnings and miscellaneous revenue. The current cigarette tax is \$0.995 per pack.

Lottery and Gaming Revenue

By statute, certain revenue from the Hoosier Lottery, horse racing pari-mutual wagering tax and charity gaming taxes and license fees (collectively, "Gaming Revenue") must be deposited in the BIF. Currently, the annual distributions of wagering tax revenue to the BIF is in the amount of \$250 million per year less the annual amounts distributed to the BIF from Hoosier Lottery profits, charitable gaming taxes and license fees and pari-mutuel wagering taxes. Any revenue in excess of \$250 million is to remain in the General Fund. For a description of wagering taxes, *see* "STATE BUDGET PROFILE AND FINANCIAL RESULTS OF OPERATIONS - General Fund Revenue Sources -Wagering Tax."

Before Hoosier Lottery profits are transferred to the BIF, \$60 million annually is used to fund pension liabilities—\$30 million goes to the Teachers' Retirement Fund and \$30 million goes to the local Police and Firefighter Pension Fund. For Fiscal Year 2011, the Hoosier Lottery changed the revenue transfer schedule from quarterly to monthly, thus accelerating two months of profits transferred to state funds. As a result, \$35 million was transferred to the Teachers' Retirement Fund and \$35 million was transferred to the local Police and Fire Pension Fund (for a total of \$70 million in Fiscal Year 2011). The Hoosier Lottery continued the monthly transfer schedule in Fiscal Year 2012 and Fiscal Year 2013 and plans to do so in future years. All lottery and gaming revenue deposited to BIF is appropriated by the General Assembly, and the statute that governs deposits of that revenue also governs priority of distribution in the event that revenue falls short of appropriations. At present, the highest distribution priority (after pension account transfers) is to the State's counties for motor vehicle excise tax replacement, providing a substantial cut in the excise tax charged on motor vehicles; \$236.2 million was appropriated for Fiscal Year 2013.

As shown below, gaming revenue totaling \$918.3 million was collected by the State in Fiscal Year 2013. This amount includes revenue deposited in the state and local funds but does not include riverboat admissions tax revenue distributed in Fiscal Year 2013 to state and local units in the amount of \$66.7 million. The \$685.6 million for wagering taxes includes \$105.9 million in revenues from slot machine operations allowed at Indiana horse racing facilities under P.L. 233-2007.

<u>Type of Tax (in Millions)</u>	<u>FY 2013</u>
Wagering Taxes	\$685.6
Lottery	\$224.5
Charity Gaming	\$5.3
Horse Racing	\$2.5
Type II Gambling	<u>\$0.4</u>
Total	\$918.3

Source: State Budget Agency

Revenue History

Annual percentage changes for each component of Operating Revenue are reflected in Table 1. The table also includes actual revenue for prior fiscal years as well as projected revenue for Fiscal Year 2014.

Table 1
State Operating Revenue
(Millions of Dollars)

	FY 2008 ⁽¹⁾	FY 2009 ⁽¹⁾	FY 2010 ⁽¹⁾	FY 2011 ⁽¹⁾	FY 2012 ⁽¹⁾	FY 2013 ⁽²⁾	FY 2014 ⁽²⁾
Sales Tax	5,686.0	6,153.2	5,914.7	6,217.5	6,621.8	6,795.8	6,909.1
Changes from Prior Year	5.71%	8.22%	-3.88%	5.12%	6.50%	2.63%	1.67%
Individual Income	4,837.5	4,313.8	3,875.6	4,585.6	4,765.5	4,977.5	5,021.4
Change from Prior Year	4.81%	-10.83%	-10.16%	18.32%	3.92%	4.45%	0.88%
Corporate Income ⁽³⁾	909.5	839.0	592.2	704.8	958.8	968.4	937.6
Change from Prior Year	-7.86%	-7.75%	-29.42%	19.01%	36.04%	1.00%	-3.18%
Wagering Tax	582.9	608.2	658.9	660.3	614.1	554.6	504.4
Change from Prior Year	-6.78%	4.34%	8.34%	0.21%	-7.00%	-9.70%	-9.05%
Other ⁽⁴⁾	1,066.3	1,021.1	1,145.4	1,106.0	1,164.9	1,165.8	1,016.0
Change from Prior Year	4.63%	-4.24%	12.17%	-3.44%	5.33%	0.08%	-12.85%
Total ⁽⁵⁾⁽⁶⁾	13,082.2	12,935.3	12,186.7	13,274.2	14,125.1	14,462.1	14,728.2
Change from Prior Year	3.61%	-1.12%	-5.79%	8.92%	6.41%	2.39%	-0.51%

⁽¹⁾ Actual, but unaudited, Operating Revenue.

⁽²⁾ Revenues are as projected by the Technical Forecast Committee on December 20, 2013. Revenues exclude Disproportionate Share Hospital (DSH), Quality Assessment Fee (QAF), Hospital Assessment Fee (HAF), and other miscellaneous revenues excluded from the forecast such as Marion County Juvenile Arrearage payments and dedicated statewide cost allocation plan revenues.

⁽³⁾ Corporate Income Tax collections were under-reported in Fiscal Year 2007 through Fiscal Year 2011 as the result of a programming error. The amounts listed above should be increased by \$4.7 million for Fiscal Year 2007, \$29.6 million for Fiscal Year 2008, \$56.2 million for Fiscal Year 2009, \$58.3 million for Fiscal Year 2010, and \$139.2 million for Fiscal Year 2011. This revenue is reflected in Table 4 as "Prior Year Corporate Income Tax (e-check)."

⁽⁴⁾ See "General Fund Revenue Sources – Other Operating Revenue."

⁽⁵⁾ P.L. 146-2008, the Governor's property tax reform legislation, included the following revenue changes in Fiscal Year 2009: an increase in sales tax from 6% to 7% effective April 1, 2008; individual income impacted by state-captured miscellaneous revenues and increase in renter's deduction; wagering tax from slots at the race tracks; and loss of reimbursement for juvenile incarceration costs.

⁽⁶⁾ Excluding P.L. 156-2008, total revenues increased by 2.4% in Fiscal Year 2008, and then decreased by 7.4% in Fiscal Year 2009. Excluding P.L. 146-2008, wagering tax revenues decreased by 6.4% in Fiscal Year 2009. Excluding P.L. 146-2008, other revenues decreased by 7.6% in Fiscal Year 2009.

Source: State Budget Agency

Operating Expenditures

Actual expenditures may differ from estimated levels as a result of a number of factors, including unforeseen expenses and executive and legislative action. The State's five largest expenditure categories (as of Fiscal Year 2009) include local school aid, higher education, property tax relief, Medicaid and corrections. Table 2 sets forth operating expenditures and estimates for all major expenditure categories for Fiscal Years 2008 through 2014.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Table 2
Expenditures
(Millions of Dollars)

	FY 2008 ⁽¹⁾	FY 2009 ⁽¹⁾	FY 2010 ⁽¹⁾	FY 2011 ⁽¹⁾	FY 2012 ⁽¹⁾	FY 2013 ⁽¹⁾	FY 2014 ⁽²⁾
Local School Aid ⁽³⁾	4,795.6	5,673.1	7,147.2	7,249.0	7,269.4	7,463.2	7,637.9
Change from Prior Year	3.60%	18.30%	25.98%	1.42%	0.28%	2.67%	2.34%
Property Tax Relief ⁽⁴⁾	2,346.4	1,660.0	0.0	0.0	0.0	0.0	0.0
Change from Prior Year	6.10%	-29.25%	-100.00%	N/A	N/A	N/A	N/A
Higher Education ⁽⁵⁾	1,704.8	1,756.3	1,711.7	1,703.1	1,691.1	1,695.4	1,792.0
Change from Prior Year	7.23%	3.02%	-2.54%	-0.50%	-0.70%	0.25%	5.70%
Medicaid ⁽⁶⁾	1,583.2	1,321.8	1,259.9	1,436.0	1,856.4	2,023.5	2,132.3
Change from Prior Year	4.53%	-16.51%	-4.68%	13.98%	29.28%	9.00%	5.38%
Correction	615.7	634.8	652.4	647.5	638.3	672.4	666.6
Change from Prior Year	4.50%	3.10%	2.77%	-0.75%	-1.42%	5.34%	-0.86%
Other ⁽⁷⁾⁽⁸⁾	1,834.0	2,005.9	2,143.8	2,001.5	2,123.4	3,310.8	2,623.9
Change from Prior Year	7.08%	9.37%	6.87%	-6.64%	6.09%	55.92%	-20.74%
Total	12,879.7	13,051.9	12,915.0	13,037.1	13,578.6	15,165.3	14,852.7
Change from Prior Year	5.17%	1.34%	-1.05%	0.95%	4.15%	11.69%	-2.06%

⁽¹⁾ Actual, but unaudited, expenditures.

⁽²⁾ Estimated expenditures.

⁽³⁾ Fiscal Year 2009 figures exclude \$536.4 million of Education Stabilization Funds provided under the American Recovery and Reinvestment Act (ARRA). Inclusion of these funds would result in a total of \$6,209.5 million, an increase of 29.48% over Fiscal Year 2008, primarily attributable to P.L. 146-2008. Fiscal Year 2010 figures also exclude Education Stabilization Funds provided under ARRA.

⁽⁴⁾ P.L. 146-2008, the Governor's property tax reform legislation, replaced Property Tax Replacement Credits with the State assuming 100% of the Tuition Support Levy and various other local levies previously borne by local government.

⁽⁵⁾ Higher education figures exclude federal stimulus funds provided under the ARRA; the vast majority of these funds have been distributed.

⁽⁶⁾ Medicaid figures for Fiscal Years 2009, 2010, and 2011 exclude federal stimulus funds provided under ARRA in the form of increased federal medical assistance percentages.

⁽⁷⁾ P.L. 146-2008 also required the State to assume a number of local levies now included under "Other," such as the Family and Children Levy, the Children with Special Health Care Needs Levy, the State Fair Levy, the State Forestry Levy, and Public Safety Pensions costs.

⁽⁸⁾ Figures for Fiscal Year 2013 include one-time transfers for the Automatic Taxpayer Refund (\$360.6M), statutory distributions of "excess" reserves to various pension funds (\$360.6M), bond defeasance (\$163.0M), and paying back loans to the common school fund for charter schools (\$91.2M).

Source: State Budget Agency

Local School Aid. Prior to January 1, 2003, the State provided approximately 66% of school corporations' general fund budgets. As a result of the tax restructuring legislation enacted in 2002, the State provided approximately 85% of the school corporations' general fund budgets. As part of the property tax reform legislation enacted by P.L. 146-2008, the State assumed responsibility for the local share of tuition support and provides 100% of the tuition support for school corporation general funds beginning in January 2009. During Fiscal Year 2010, the state utilized \$209 million of American Recovery and Reinvestment Act (ARRA) Fiscal Stabilization funds in lieu of state general fund dollars.

Local school aid includes distributions for programs such as assessment and performance, as well as tuition support. The General Assembly established the State's calendar year 1972 funding level as the base for local school aid.

Including the appropriation for full-day kindergarten, the K-12 tuition support for Fiscal Year 2013 totaled \$6,498.9 million. The appropriation for Fiscal Year 2014 for tuition support including full-day kindergarten is \$6,622.8 million. In addition, \$21.7 million is appropriated in Fiscal Year 2014 for educating adult learners, funding formerly part of the tuition support appropriation. Accounting for full day kindergarten, adult education, and tuition support combined, K-12 tuition support is increased by 2.2% for 2014.

Property Tax Relief. Prior to 2009, spending for property tax relief primarily consisted of Property Tax Relief Credits ("PTR Credits") and the Homestead Credits. Prior to 2003, PTR Credits equaled 20% of property taxes charged excluding property taxes imposed for debt service or imposed in excess of the State's levy limitations. Homestead Credits equaled 10% of property taxes charged on homesteads excluding property taxes imposed for debt service or imposed in excess of the State's levy limitations. Appropriations for PTR Credits and Homestead Credits were made from the PTR Fund. A special legislative session in 2002 resulted in PTR Credits being increased, subject to appropriation, to 60% of property taxes imposed by school corporations for general fund

purposes and 20% of all other property taxes excluding property taxes imposed for debt service or imposed in excess of the State's levy limitations. Property taxes imposed on personal property were made ineligible to receive the 20% PTR Credits. During the same special legislative session, Homestead Credits were increased to 20%, subject to appropriation. These changes were effective January 1, 2003. Beginning with the Fiscal Years 2005-2007 biennium, the total amount of PTR Credits and Homestead Credits distributed in a Fiscal Year from the PTR Fund was limited to the amount distributed in Fiscal Year 2002 plus an amount equal to the increase in the State sales tax from 5.0% to 6.0% enacted during the 2002 special legislative session. House Enrolled Act 1835-2007 established the Property Tax Reduction Trust Fund for the purpose of providing additional property tax relief payable solely from new revenues resulting from the operation of slot machines at horse racing tracks located within the State.

P.L. 146-2008 eliminated the appropriation for PTR Credits, replacing them with Homestead Credits and the State's assumption of 100% of the tuition support for school corporation general funds beginning in January 2009. P.L. 146-2008 provided for \$690 million in Homestead Credits during the Fiscal Years 2008 and 2009.

Higher Education. Through the General Fund, the State supports seven higher education institutions: Ball State University, Indiana University, Indiana State University, Ivy Tech Community College of Indiana, Purdue University, University of Southern Indiana and Vincennes University. Higher education expenditures from the General Fund for Fiscal Year 2012 were \$1,691.1 million, a decrease of 0.7% from Fiscal Year 2011. Expenditures for higher education from the General Fund for Fiscal Year 2013 were \$1,699.1 million, a increase of 0.5% from Fiscal Year 2012. Estimated expenditures for higher education from the General Fund are \$1,957.9 million for Fiscal Year 2014. These figures exclude ARRA funds. Appropriations for higher education include university operating, university fee-replaced debt service, university line items, other higher education line items, university repair and rehabilitation, university capital projects, and State student aid. See "STATE BUDGET PROFILE AND FINANCIAL RESULTS OF OPERATIONS - Financial Results of Operations."

Since Fiscal Year 1976, the General Assembly has appropriated to each State university and college an amount equal to the annual debt service requirements due on qualified outstanding student fee and building facilities fee bonds and other amounts due with respect to debt service and debt reduction for interim financings (collectively, "Fee Replacement Appropriations"). The Fee Replacement Appropriations are not pledged as security for such bonds and other amounts. Under the Indiana Constitution, the General Assembly cannot bind subsequent General Assemblies to continue the present Fee Replacement Appropriations policy; however, it is anticipated that the policy will continue for outstanding bonds and notes.

Table 3 sets forth the aggregate principal amount of bonds and notes outstanding as of June 30, 2013, for each State university and college eligible for Fee Replacement Appropriations and the amount of Fee Replacement Expenditures for Fiscal Year 2013 and Fee Replacement Appropriations for Fiscal Year 2014.

Table 3
Schedule of Fee Replacement Debt

	Estimated Amount of Debt Outstanding June 30, 2013	Fiscal Year 2013 Fee Replacement Expenditures	Fiscal Year 2014 Fee Replacement Appropriations
Ball State University	\$111,085,000	\$14,016,445	\$15,570,428
Indiana University ⁽¹⁾	\$386,207,168	\$45,665,826	\$53,035,190
Indiana State University	\$57,403,649	\$8,153,440	\$8,531,280
Ivy Tech Community College	\$266,320,600	\$30,742,077	\$33,874,414
Purdue University ⁽²⁾	\$233,552,301	\$31,068,944	\$30,145,940
University of Southern Indiana	\$89,252,657	\$11,384,767	\$11,064,580
Vincennes University	\$45,142,800	\$4,478,725	\$4,786,137
Total⁽³⁾	\$1,188,964,174	\$145,510,223	\$157,007,969

⁽¹⁾ Includes its regional campuses other than Indiana University-Purdue University at Fort Wayne.

⁽²⁾ Includes its regional campuses other than Indiana University-Purdue University at Indianapolis.

⁽³⁾ Totals may not add due to rounding.

Source: State Budget Agency

Medicaid. Medicaid is a state/federal shared fiscal responsibility with the State supporting 32.94% of the total program through a combination of State General Fund and dedicated funds over the biennium. Federal funding accounts for the remaining 67.06%. The federal share increased during Fiscal Years 2009, 2010, and 2011 as a result of ARRA. For Fiscal Year 2010, State General Fund Medicaid expenditures totaled \$1,259.9 million. In Fiscal Years 2011, 2012 and 2013, State General Fund Medicaid expenditures totaled \$1,436.0 million, \$1,856.4 million, and \$2,023.5 million respectively. Enrollment was estimated to be 1,025,740 at the end of Fiscal Year 2013 and is expected to reach 1,170,049 by the end of Fiscal Year 2014 (these figures exclude the Children's Health Insurance Program and the Healthy Indiana Program). Indiana's base federal reimbursement rate equaled 66.96% for the first quarter of Fiscal Year 2012 and 67.16% for the remaining three quarters of Fiscal Year 2012 and the first quarter of Fiscal Year 2013. State General Fund Medicaid appropriations for Fiscal Years 2013 and 2014 were set as \$2,023.8 million and \$2,162.3 million, respectively. All figures above exclude ARRA funds and only represent the State General Fund expenditures or appropriations.

Indiana is working with the federal government to replace the traditional Medicaid program for non-disabled adults by expanding the Healthy Indiana Plan (HIP) for 2015. HIP 2.0 is expected to provide healthcare coverage to over 450,000 Hoosiers within the next 5 years. The expanded program has been designed to improve healthcare utilization and promote personal responsibility. In addition, HIP 2.0 will maintain financial sustainability and will not increase taxes for Hoosiers. The program will be funded by enhanced federal funding, the hospital assessment fee, and existing cigarette tax revenues previously used for HIP.

Corrections. Appropriations for the Department of Correction, payable almost entirely from the General Fund, include funds for incarceration and rehabilitation of adult and juvenile offenders, as well as parole programs. Corrections expenditures were \$638.3 million for Fiscal Year 2012 and \$672.3 million for Fiscal Year 2013. Fiscal Year 2013 expenses include over \$40.6 million that was set aside for bond defeasance. General Fund appropriations for Fiscal Year 2014 total \$672.1 million.

Offender population is the most significant driver of corrections expenditures. The total offender population, including those in jail and contract beds, increased to 29,655 in Fiscal Year 2013 – up 2.56% from 28,915 in Fiscal Year 2012.

Other. The balance of State expenditures is composed of spending for a combination of other purposes, the principal ones being the costs of institutional care and community programs for persons with mental illnesses and developmental disabilities, the State's administrative operations, the State's share of public assistance payments, the General Fund share of State Police costs, economic development programs and General Fund expenditures for capital improvements. Other expenditures for Fiscal Year 2009 from the General Fund totaled \$2,005.9 million, an increase of 9.4% over Fiscal Year 2008. This increase was attributable to a number of local levies assumed by the State under P.L. 146-2008, such as the Family and Children Levy, the Children with Special Health Care Needs Levy, the State Fair Levy, the State Forestry Levy, and Public Safety Pension costs. Other categories of General Fund expenditures totaled \$2,143.8 million for Fiscal Year 2010 and \$2,001.5 million for Fiscal Year 2011. Other categories of expenditures for Fiscal Year 2012 (\$2,123.4 million) and Fiscal Year 2013 (\$3,310.8 million) increase for a number of reasons including the full phasing-in of costs associated with the levies assumed by the State under P.L. 146-2008 and the complete phasing-out of ARRA funding. Fiscal Year 2013 Other expenditures also include one-time transfers for the Automatic Taxpayer Refund (\$360.6 million), statutory distributions of "excess" reserves to various pension funds (\$360.6 million), bond defeasance (\$163.0 million), and paying back loans to the common school fund for charter schools (\$91.2 million). One-time transfers included in the Fiscal Year 2014 Other expenditures category are transfers to the Tuition Reserve Fund (\$150.0 million) and the Major Moves 2020 Trust Fund (\$200.0 million).

Expenditure Limits. In 2002, the General Assembly enacted a law establishing a State spending cap. The law provides that the maximum annual percentage growth in State's spending cap from the General Fund and the PTR Fund must be the lesser of the average percentage change in Indiana non-farm personal income during the past six calendar years or 6%. At present, State expenditures are well below the spending cap. The law excludes expenditures from revenue derived from gifts, federal funds, dedicated funds, intergovernmental transfers, damage awards and property sales. Expenditures from the transfer of funds between the General Fund, the PTR Fund and the Rainy Day Fund, reserve fund deposits, refunds of intergovernmental transfers, State capital projects, judgments and settlements, distributions of specified State tax revenue to local governments and Motor Vehicle Excise Tax

replacement payments are also exempt from the expenditure limit. The expenditure limit is applied to appropriations from the General Fund and Rainy Day Fund and, prior to 2009, the PTR Fund.

The law directs the Budget Agency to compute a new State spending growth quotient before December 31 in each even-numbered year. The State spending growth quotient is equal to the lesser of the six-year average increase in Indiana non-farm personal income or 6%. The legislation allows the State spending cap to be increased or decreased to account for new or reduced taxes, fees, exemptions, deductions or credits adopted after June 30, 2002. The Budget Agency computed the spending growth quotient for Fiscal Years 2012 and 2013 to be 2.4% and 2.8%, respectively. The spending growth quotient computed for Fiscal Years 2014 and 2015 is 2.6% for each year.

Fund Balances

The State has four primary funds that build or hold unappropriated reserves: the Rainy Day Fund, the State Tuition Reserve, the Medicaid Reserve, and the General Fund. Each of these funds is described below.

Rainy Day Fund. In 1982, the General Assembly established the Counter-Cyclical Revenue and Economic Stabilization Fund, commonly called the “Rainy Day Fund.” One of three primary funds into which general purpose tax revenue is deposited, the Rainy Day Fund is essentially a State savings account that permits the State to build up a fund balance during periods of economic expansion for use during periods of economic recession.

Each year the State Budget Director determines calendar year Adjusted Personal Income (“API”) for the State and its growth rate over the previous year. In general, moneys are deposited automatically into the Rainy Day Fund if the growth rate in API exceeds 2.0% and moneys are withdrawn automatically from the Rainy Day Fund if API declines by more than 2.0%. An automatic withdrawal of \$370.9 million from the Rainy Day Fund occurred in Fiscal Year 2010, and automatic deposits from the General Fund into the Rainy Day Fund occurred in Fiscal Years 2011, 2012, and 2013 (\$53.5 million, \$291.0 million, and \$14.8 million respectively). In addition, the General Assembly has authorized money to be transferred from the Rainy Day Fund to the General Fund from time to time during periods of economic recession. The General Assembly has also authorized money in the Rainy Day Fund to be used to make loans to local governments from time to time. *See* “STATE BUDGET PROFILE AND FINANCIAL RESULTS OF OPERATIONS - Financial Results of Operations.”

During a Fiscal Year when a transfer is made to the Rainy Day Fund, if General Fund revenue is less than estimated (and the shortfall cannot be attributed to a statutory change in the tax rate, tax base, fee schedules or revenue sources from which the revenue estimates were made), an amount reverts to the General Fund from the Rainy Day Fund equal to the lesser of (a) the amount initially transferred to the Rainy Day Fund during the Fiscal Year and (b) the amount necessary to maintain a positive balance in the General Fund for the Fiscal Year.

All earnings from the investment of the Rainy Day Fund balance remain in the Rainy Day Fund. Money in the Rainy Day Fund at the end of a Fiscal Year does not revert to the General Fund. If the balance in the Rainy Day Fund at the end of a Fiscal Year exceeds 7.0% of total General Fund revenue for the Fiscal Year, the excess is transferred from the Rainy Day Fund to the General Fund. *See* Table 4 for Rainy Day Fund balances.

State Tuition Reserve. The Tuition Reserve was a cash flow device intended to assure that the State had sufficient cash to make local school aid payments on time. Prior to each June 1, the Budget Agency estimated and established the Tuition Reserve for the ensuing Fiscal Year. *See* Table 4 for Tuition Reserve Fund balances. P.L. 146-2008 formally created the State Tuition Reserve Fund to which the balance of the Tuition Reserve was transferred and can only be used to make local school aid payments. An additional \$50 million was deposited in the Tuition Reserve Fund on June 30, 2008, two-and-a-half years before the legislative deadline of December 31, 2010. The Budget Agency transferred \$536.4 million from the General Fund to the State Tuition Reserve Fund on June 30, 2009, to support tuition support appropriations from the General Fund in Fiscal Year 2010 and Fiscal Year 2011. The Budget Agency ordered net transfers of \$945.7 million from the State Tuition Reserve Fund to the General Fund during Fiscal Year 2010 to support tuition support appropriations. P.L. 205-2013 directs the state to transfer \$150 million from the General Fund to the State Tuition Reserve Fund on both July 1, 2013 and July 1, 2014.

Medicaid Reserve. In 1995, the General Assembly established the Medicaid Reserve and Contingency Account to provide a reserve to fund timely payments of Medicaid claims, obligations and liabilities. The Medicaid Reserve was designed to represent the estimated amount of obligations that were incurred, but remained unpaid, at

the end of a Fiscal Year. The Budget Agency transferred \$57.6 million from the Medicaid Reserve to the General Fund during Fiscal Year 2010 to support Medicaid obligations. The Budget Agency transferred \$145.0 million to the Medicaid Reserve during Fiscal Year 2013 from unspent prior year Medicaid Assistance appropriations. See Table 4 for Medicaid Reserve Fund balances. P.L. 2015-2013 directs the Budget Agency to transfer \$250 million during Fiscal Year 2014 to the Medicaid Reserve from unspent Fiscal Year 2013 Medicaid Assistance appropriations.

General Fund. The General Fund is the primary fund into which general purpose tax revenue, or Operating Revenue, is deposited or transferred. The State closed Fiscal Year 2013 with combined balances of \$1,428.0 million in the General Fund, which was 9.7% of that Fiscal Year's operating revenue.

Fiscal Year 2013 was marked by continued fiscal restraint and solid state revenue growth. The Governor caused approximately \$184.3 million of reversions to the General Fund, while reducing bond debt and other liabilities.

Revenue Forecast for Fiscal Years 2014 and 2015

The Forecast Committee last updated the forecast of State revenue for Fiscal Years 2014 and 2015 on December 20, 2013. Fiscal Year 2011 revenue increased by \$1,087.5 million (or 8.9%) over 2010 revenues and Fiscal Year 2012 revenue increased by \$850.9 million (or 6.4%) over 2011 revenues. Fiscal Year 2013 revenue increased by 2.4% (\$337 million) over 2012 revenues. Revenue growth of 0.5% and 3.3% is projected for Fiscal Years 2014 and 2015, respectively.

P.L. 146-2008 increased the sales tax from 6.0% to 7.0% effective April 1, 2008, as part of the property tax reform legislation. The increase generated \$151.6 million in Fiscal Year 2008, and generated \$879.0 million in Fiscal Year 2009. P.L. 146-2008 increased wagering tax collections for Fiscal Year 2009 to the General Fund by \$62.8 million, caused by the elimination of the Property Tax Reduction Trust Fund on December 31, 2008. P.L. 146-2008 also increased "Other" collections for Fiscal Year 2009 by \$25.8 million due to state captured miscellaneous revenues.

Combined Balance Statements

Table 4 sets forth the Budget Agency's unaudited end-of-year combined balance statements and estimates and projections, including revenue and other resources, expenditures and balances at the end of each Fiscal Year. For past Fiscal Years, the balances reflect actual revenue and other resources and expenses before adjustments to the modified accrual basis of accounting. As a result, the Budget Agency's "working" statements may differ from the results included in the 2013 Financial Report or the Auditor of State's comprehensive annual financial reports for other Fiscal Years. Forecasted revenue is developed by the Forecast Committee, and actual revenue may be higher or lower than forecasted. Estimates of other resources and uses were developed by the Budget Agency taking into account historical resources and appropriations as well as other variables, including the budget for Fiscal Year 2014. Combined balances for Fiscal Year 2013 were maximized at \$1,943.1 million. Had balances exceeded this amount, then a transfer to the Pension Stabilization Fund would have been triggered – dropping the combined balances to \$1,894.1 million. The Governor chose to defease the bonds for Miami Correctional Facility at a cost of \$75.9 million in order to lower the State's debt and maximize our combined balances.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Table 4
General Fund and Property Tax Replacement Fund
Combined Statement of Actual and Estimated Unappropriated Reserve
(Millions of Dollars)

	Actual FY2010	Actual FY2011	Actual FY2012	Actual FY2013	Estimated FY2014 ⁽¹⁾
Resources:					
Working Balance on July 1	54.9	830.7	1,124.3	1,803.4	1,428.0
Current Year Resources:					
Forecast Revenue	12,186.7	13,274.2	14,125.1	14,462.1	14,388.5
Miscellaneous Revenue	38.7	12.2	18.4	35.7	22.5
2014 Outside Acts	-	-	-	-	-4.9
DSH Revenue	57.9	58.2	10.1	-	-
Hospital Assessment Fee	-	-	154.1	207.3	180.0
Quality Assessment Fee	33.3	39.6	23.6	51.1	48.9
Prior Year Corporate Income Tax (E-check)	-	-	288.0	-	-
FY 2001-2011 Reconciliation	-	-	-	33.6	-
FY 2011 LOIT Adjustment	-	-	-70.6	-	-
Transfer from Medicaid Reserve to General Fund	57.6	-	-	-	-
Transfer from Rainy Day Fund to General Fund	370.9	-	-	-	-
Transfer from General Fund to Rainy Day Fund	-	-53.5	-291.0	-14.8	-
Transfer from General Fund to State Tuition Reserve	-73.6	-	-	-	-150.0
Transfer from State Tuition Reserve to General Fund	1,019.3	-	-	-	-
Total Current Year Resources	<u>13,690.8</u>	<u>13,330.7</u>	<u>14,257.7</u>	<u>14,775.0</u>	<u>14,485.0</u>
Total Resources	13,745.7	14,161.4	15,382.0	16,578.4	15,913
Uses: Appropriations, Expenditures and Reversions:					
Appropriations					
Budgeted Appropriations	13,571.4	14,113.0	13,980.7	14,317.6	14,924.7
Pensions 13 th Check	-	-	-	-	26.0
Major Moves 2020 Trust Fund	-	-	-	-	200.0
2012 Session: As-Passed Appropriations	-	-	6.0	19.6	-
Total Appropriations	13,571.4	14,113.0	13,986.7	14,337.5	15,150.07
Other Expenditures and Transfers					
Augmentations and Expenditure Adjustments ⁽²⁾	125.8	33.5	17.7	143.8	10.5
2013 Outside Acts	-	-	-	-	5.7
2014 Outside Acts	-	-	-	-	0.9
Local Option Income Tax Distributions	11.6	1.6	-	-	-
PTRC & Homestead Credit Adjustments	26.2	-14.0	-11.2	-5.1	-
Adjustment for Stadium/Convention Center Appropriation	-40.0	-42.0	-112.1	-111.0	-114.3
Judgments and Settlements ⁽³⁾	4.7	8.0	13.5	10.3	15.5
HEA 1072 Loans (Net of Repayments)	-	-	-	9.6	-9.6
Bond Defeasance	-	-	-	128.0	-
Charter School Loans	-	-	-	91.2	-
Indianapolis Public School Distribution for 2012 Tuition	-	-	-	7.4	-
Transfer to Preneed Consumer Settlement Fund	-	-	-	1.9	-
Statutory Distribution to Pension Stabilization Fund	-	-	-	360.6	-
Automatic Taxpayer Refund	-	-	-	360.6	-
Total Appropriations and Expenditures	13,699.7	14,100.1	13,894.6	15,334.8	15,059.4
Reversions	-784.7	-1,063.0	-316.0	184.3	-256.0
Total Net Uses	<u>12,915.0</u>	<u>13,037.1</u>	<u>13,578.6</u>	<u>15,150.5</u>	<u>14,803.4</u>
General Fund Reserve Balance at June 30	830.7	1,124.3	1,803.4	1,428.0	1,098.2
Reserved Balances					
Medicaid Reserve	0.0	0.0	0.0	145.0	395.0

Tuition Reserve	0.0	0.0	0.0	0.0	150.0
Rainy Day Fund ⁽⁴⁾	0.0	57.2	351.6	370.1	373.1
Total Combined Balances	830.7	1,181.5	2,155.0	1,943.1	2,027.7
Payment Delay Liability	0.0	0.0	0.0	0.0	0.0
Combined Balance as a Percent of Operating Revenue	6.7%	8.8%	15.0%	13.2%	13.9%

- ⁽¹⁾ Revenues are those projected by the Technical Forecast Committee on December 20, 2013; appropriations are those authorized by the 2013 General Assembly for Fiscal Year 2014.
- ⁽²⁾ Adjustments to appropriations by augmentation, transfer, open-ended appropriations, and other reconciling adjustments made as part of the end-of-Fiscal Year closing process are shown in total.
- ⁽³⁾ Represents the estimated cost to the State of judgments and other legal and equitable claims. No reserve fund is established for judgments or other legal or equitable claims against the State. Judgments and other such claims must be paid from appropriations or balances. See "LITIGATION."
- ⁽⁴⁾ Net of outstanding loans to local governments. The loans are authorized by the General Assembly and are illiquid.

Source: State Budget Agency

STATE INDEBTEDNESS

Constitutional Limitations on State Debt

Under Article X, Section 5 of the State constitution, the State may not incur indebtedness except: to meet casual deficits in revenue; to pay interest on State debt; or to repel invasion, suppress insurrection or, if hostilities are threatened, to provide for the public defense. The State has no indebtedness outstanding under the State constitution. See "FISCAL POLICIES—State Board of Finance."

Other Debt, Obligations

Substantial indebtedness anticipated to be paid from State appropriations is outstanding, together with State university and college debt and what is described below as "contingent obligations." In addition, the commissions and authorities described below may issue additional debt or incur other obligations from time to time to finance additional facilities or projects or to refinance such facilities or projects. The type, amount and timing of such additional debt or other obligations are subject to a number of conditions that cannot be predicted at present. See "STATE INDEBTEDNESS - Obligations Payable from Possible State Appropriations—Authorized but Unissued Debt."

In 2005, the General Assembly enacted legislation establishing the Indiana Finance Authority, a body politic and corporate, separate from the State. The Indiana Finance Authority is required to establish and periodically update a State debt management plan.

Obligations Payable from Possible State Appropriations

The General Assembly has created certain financing entities, including the Indiana Finance Authority and the Indiana Bond Bank, each of which is a body politic and corporate, separate from the State. These financing entities have been granted the authority to issue revenue bonds and other obligations to finance various capital projects. Certain agencies of the State, including the Department of Administration, the Department of Transportation, the Department of Natural Resources and the Indianapolis Airport Authority (under an agreement with the State), have entered into use and occupancy agreements or lease agreements with the financing entities. Lease rentals due under the agreements are payable primarily from possible appropriations of State funds by the General Assembly. However, there is and can be under State law no requirement for the General Assembly to make any such appropriations for any facility in any Fiscal Year. No trustee or holder of any revenue bonds issued by any such financing entity may legally compel the General Assembly to make any such appropriations. Revenue bonds issued by any of the financing entities do not constitute a debt, liability, or pledge of the faith and credit of the State within the meaning of any constitutional provision or limitation. Such use and occupancy agreements, lease agreements and other obligations do not constitute indebtedness of the State within the meaning or application of any constitutional provision or limitation. Following is a description of the entities that have issued bonds and the projects that have been financed with the proceeds and which are subject to use and occupancy agreements or lease agreements.

Indiana Finance Authority. Before 2005, there had been numerous bodies corporate and politic of the State, each with separate decision making and borrowing authority, that issued bonds and otherwise accessed the financial markets. On May 15, 2005, to provide economic efficiencies and management synergies and to enable the State to communicate, with a single voice, with the various participants in the financial markets, the Indiana Development Finance Authority, the State Office Building Commission, the Indiana Transportation Finance Authority, the Recreational Development Commission, the State Revolving Fund Programs, and the Indiana Brownfields Program were consolidated into the Indiana Finance Authority. Effective July 1, 2007, the Indiana Health and Educational Facility Financing Authority was also merged into the Indiana Finance Authority. As the successor entity, the Indiana Finance Authority has assumed responsibility for the financing of certain buildings, highways, aviation facilities and recreation facilities.

For a description of other powers and responsibilities of the Indiana Finance Authority, including its authority to issue other debt, *see* "STATE INDEBTEDNESS - Contingent Obligations" and Table 8.

Buildings. The Indiana Finance Authority is authorized (and its predecessor, the State Office Building Commission, had been authorized) to issue revenue bonds, payable from lease rentals under use and occupancy agreements with various State agencies, to finance or refinance the cost of acquiring, constructing or equipping buildings, structures, improvements or parking areas for the purpose of (a) housing the personnel or activities of State agencies or branches of State government; (b) providing parking for State employees or persons having business with State government; (c) providing buildings, structures or improvements for the custody, care, confinement or treatment of committed persons under the supervision of the State Department of Correction; (d) providing buildings, structures or improvements for the care, maintenance or treatment of persons with mental or addictive disorders; (e) providing buildings, structures or improvements for the care, maintenance or treatment of adults or children with mental illness, developmental disabilities, addictions or other medical or rehabilitative needs; or (f) providing the infrastructure of a State-wide wireless public safety communications system. Lease rentals under the use and occupancy agreements are payable primarily from possible State appropriations. *See* "Table 5—Schedule of Long Term Debt—Obligations Payable from Possible State Appropriations—STATE BUILDINGS."

The Indiana Finance Authority has the authority to provide (and its predecessor, the State Office Building Commission, had provided) short-term, or construction, financing for authorized projects through the issuance of commercial paper payable from proceeds of its revenue bonds. As of June 30, 2013, there is no commercial paper outstanding.

Highways. The Indiana Finance Authority is authorized (and its predecessor, the Indiana Transportation Finance Authority, had been authorized) to issue revenue bonds pursuant to Indiana Code 8-14.5, payable from lease rentals under lease agreements with the Indiana Department of Transportation, to finance or refinance the cost of construction, acquisition, reconstruction, improvement or extension of the State's highways, bridges, streets, roads or other public ways. Lease rentals under the lease agreements are payable primarily from possible State appropriations. Authorization pursuant to Indiana Code 8-14.5 for new money bond issues has expired, however, the Indiana Finance Authority may still issue refunding bonds thereunder. *See* "Table 5—Schedule of Long Term Debt—Obligations Payable from Possible State Appropriations—HIGHWAY REVENUE BONDS."

In 2005, legislation was enacted that authorizes the Indiana Finance Authority to issue grant anticipation revenue bonds to finance highway projects eligible for federal highway revenues. However, none have been issued and legislative authorization has expired

Aviation Facilities. The Indiana Finance Authority is authorized (and its predecessor, the Indiana Transportation Finance Authority, had been authorized) to issue revenue bonds, payable from the revenues pledged thereto, to finance or refinance improvements related to airports or aviation-related property or facilities.

Pursuant to this authority, the Indiana Transportation Finance Authority issued its revenue bonds to finance and refinance (a) improvements related to an airport and aviation-related property and facilities at the Indianapolis International Airport and (b) an aviation technology center at the Indianapolis International Airport. The bonds are payable from lease rentals under lease agreements with the Indianapolis Airport Authority. Lease rentals under the lease agreements are payable primarily from possible State appropriations. *See* "Table 5—Schedule of Long Term Debt—Obligations Payable from Possible State Appropriations—AVIATION FACILITIES."

Recreation Facilities. The Indiana Finance Authority is authorized (and its predecessor, the Recreational Development Commission, had been authorized) to issue revenue bonds, payable from the revenues pledged thereto, to finance or refinance the costs of the acquisition, construction, renovation, improvement or equipping of facilities for the operation of public parks.

Pursuant to this authority, the Recreational Development Commission issued its revenue bonds to finance and refinance the costs of acquisition, construction, renovation, improvement and equipping of various lodging and other facilities for public parks in the State. The bonds are payable from lease rentals under use and occupancy agreements with the State’s Department of Natural Resources or the Indiana State Museum and Historic Sites Corporation. The lease rentals under the use and occupancy agreements are payable primarily from possible State appropriations. See “Table 5—Schedule of Long Term Debt—Obligations Payable from Possible State Appropriations—RECREATIONAL FACILITIES.”

Qualified Motorsports Facility. The Indiana Finance Authority is authorized to issue revenue bonds, payable from lease rentals under lease agreements with the Indiana Motorsports Commission, to finance or refinance improvements to the Indianapolis Motor Speedway, a qualified motorsports facility. Lease rentals under such lease agreements are payable primarily from possible State appropriations. No such revenue bonds have been issued pursuant to this authorization at this time.

Bond Bank. The Bond Bank issued its revenue bonds, payable from possible State appropriations, to finance or refinance certain State interests or initiatives, including the Columbus Learning Center (“CLC”), an educational facility to be used by a number of State post-secondary educational institutions to provide services in South Central Indiana. See “Table 8—Schedule of Long Term Debt—Contingent Obligations—BOND BANK Special Program Pool.” For a description of other powers and responsibilities of the Bond Bank, including its authority to issue other debt, see “STATE INDEBTEDNESS - Contingent Obligations—Indiana Bond Bank” and “Table 8—Schedule of Long Term Debt—Contingent Obligations – BOND BANK Special Program Pool.

Schedule of Long Term Debt. Table 5 lists, by type of financing, long-term debt that is subject to possible State appropriations as of June 30, 2013. See “Authorized but Unissued Debt”, “Public Private Agreements” and “Table 3 – Schedule of Fee Replacement Debt” for related obligations that are subject to possible State appropriations.

Table 5
Schedule of Long Term Debt
Obligations Payable from Possible State Appropriations

<u>Type/Series</u>	<u>Original Par Amount</u>	<u>Ending Balance 6/30/2012</u>	<u>(Redeemed)/ Issued</u>	<u>Ending Balance 6/30/13</u>
STATE BUILDINGS				
Forensic & Health Sciences Lab Series 2006A ⁽²⁾	\$62,900,000	\$54,280,000	(\$54,280,000)	\$0
Subtotal	\$62,900,000	\$54,280,000	(\$54,280,000)	\$0
Government Center Parking Facilities				
Series 1990A ⁽¹⁾	\$26,669,824	\$6,325,000	(\$6,325,000)	\$0
Series 2003A ⁽¹⁾	26,735,000	2,565,000	(2,565,000)	0
Series 2012E ⁽¹⁾	1,455,000	1,455,000	(1,455,000)	0
Series 2012F ⁽¹⁾	475,000	475,000	(475,000)	0
Subtotal	\$55,334,824	\$10,820,00	(\$10,820,000)	\$0
Government Center North				
Series 1990B ⁽¹⁾	\$77,123,542	\$19,620,000	(\$19,620,000)	\$0
Series 2003B ⁽¹⁾	73,205,000	22,695,000	(22,695,000)	0
Series 2012G ⁽¹⁾	8,835,000	8,835,000	(8,835,000)	0
Subtotal	\$159,163,542	\$51,150,000	(\$51,150,000)	\$0
Government Center South				
Series 1990C ⁽¹⁾	\$18,063,800	\$4,285,000	(\$4,285,000)	\$0
Series 2003C ⁽¹⁾	7,835,000	2,350,000	(2,350,000)	0
Series 2008B	13,725,000	13,725,000	(13,725,000)	0
Series 2012H ⁽¹⁾	900,000	900,000	(900,000)	0

Subtotal	\$40,523,800	\$21,260,000	(\$21,260,000)	\$0
Other Facilities				
Series 1995B ⁽¹⁾	\$47,975,000	\$13,140,000	(\$13,140,000)	\$0
Series 2002A	128,110,000	6,290,000	(6,290,000)	0
Series 2003A ⁽²⁾	83,530,000	7,995,000	(7,995,000)	0
Series 2003B	31,930,000	15,610,000	(14,140,000)	1,470,000
Series 2003C	55,075,000	49,655,000	(1,725,000)	47,930,000
Series 2003D ⁽¹⁾	20,475,000	14,640,000	(14,640,000)	0
Series 2004A ⁽³⁾	46,180,000	36,095,000	(5,275,000)	30,820,000
Series 2004B	61,890,000	61,890,000	0	61,890,000
Series 2004C ⁽²⁾	33,950,000	33,940,000	(33,940,000)	0
Series 2004D	33,995,000	29,340,000	(26,625,000)	2,715,000
Series 2004E	57,005,000	49,275,000	(44,755,000)	4,520,000
Series 2008A ⁽¹⁾	29,715,000	25,355,000	(25,355,000)	0
Series 2008C ⁽³⁾	53,035,000	48,090,000	(3,415,000)	44,675,000
Series 2009A	47,360,000	39,335,000	0	39,335,000
Series 2009B	13,825,000	13,825,000	(6,945,000)	6,880,000
Series 2011A	20,730,000	20,730,000	0	20,730,000
Series 2011B ⁽²⁾	18,365,000	18,365,000	(18,365,000)	0
Series 2011C	8,410,000	8,410,000	0	8,410,000
Series 2012A	12,235,000	0	12,235,000	12,235,000
Series 2012B	20,515,000	0	20,515,000	20,515,000
Series 2013C	41,445,000	0	41,445,000	41,445,000
Energy Savings Lease 2011	24,081,196	21,985,181	(4,233,939)	17,751,242
Energy Savings Lease 2012	17,947,331	17,947,331	0	17,947,331
Energy Savings Lease 2013	11,242,471	0	11,242,471	11,242,471
Subtotal	\$919,020,999	\$531,912,512	(\$141,401,468)	\$390,511,044
TOTAL STATE BUILDINGS	\$1,236,943,165	\$669,422,512	(\$278,911,468)	\$390,511,044
HIGHWAY REVENUE BONDS				
Series 1990A	\$72,498,391	\$17,535,000	(\$5,445,000)	\$12,090,000
Series 1992A	74,035,000	26,800,000	(4,680,000)	22,120,000
Series 1993A	193,531,298	55,241,298	(12,380,000)	42,861,298
Series 1998A	175,360,000	34,490,000	0	34,490,000
Series 2003A	433,155,000	14,350,000	(14,350,000)	0
Series 2004B	147,345,000	147,345,000	0	147,345,000
Series 2004C	146,080,000	134,280,000	(6,175,000)	128,105,000
Series 2007A	642,300,000	617,975,000	(1,070,000)	616,905,000
Series 2010A	74,040,000	74,040,000	(1,700,000)	72,340,000
TOTAL HIGHWAYS	\$1,958,344,689	\$1,122,056,298	(\$45,800,000)	\$1,076,256,298
AVIATION FACILITIES				
Airport Facilities Bonds				
Series 2008A	\$127,655,000	\$119,135,000	(\$15,930,000)	\$103,205,000
Subtotal	\$127,655,000	\$119,135,000	(\$15,930,000)	\$103,205,000
Aviation Technology Bonds				
Series 2012K	\$4,800,000	\$4,800,000	(\$790,000)	\$4,010,000
Subtotal	\$4,800,000	\$4,800,000	(\$790,000)	\$4,010,000
TOTAL AVIATION FACILITIES	\$132,455,000	\$123,935,000	(\$16,720,000)	\$107,215,000
RECREATIONAL FACILITIES				
Series 2012I	\$23,485,000	\$23,485,000	(\$1,650,000)	\$21,835,000
Series 2012J	5,505,000	5,505,000	(150,000)	5,355,000
TOTAL RECREATIONAL FACILITIES	\$28,990,000	\$28,990,000	(\$1,800,000)	\$27,190,000
TOTAL ALL BONDS	\$3,356,732,854	\$1,944,403,810	(\$343,231,468)	\$1,601,172,342

⁽¹⁾These bonds were cash defeased on November 8, 2012.

⁽²⁾These bonds were cash defeased on June 25,2013.

⁽³⁾On August 15, 2013, the Indiana Finance Authority legally defeased the bonds. Revised amounts will be reflected in the table after the close of the State fiscal year on June 30, 2014.

Source: Indiana Finance Authority (as of June 30, 2013). Excludes accreted value of capital appreciation bonds.

Scheduled Principal and Interest Payments. Table 6 lists principal and interest payments payable from possible State appropriations (not including debt that has been defeased) as of June 30, 2013. See “Authorized but Unissued Debt”, “Public Private Agreements” and “Table 3 – Schedule of Fee Replacement Debt” for related obligations that are subject to possible State appropriations.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Table 6
Scheduled Principal and Interest Payments
Obligations Payable from Possible State Appropriations

Type/Series	FY 2014	FY2015	FY2016	FY2017	Thereafter
Other Facilities					
Series 2003B	1,499,400	0	0	0	0
Series 2003C	4,186,563	4,151,913	4,095,513	4,043,513	45,022,994
Series 2004A ⁽¹⁾	7,022,363	7,013,375	7,003,769	6,997,625	6,993,894
Series 2004B	9,169,625	9,731,669	9,720,375	9,709,394	37,284,538
Series 2004D	1,423,725	1,422,800	0	0	0
Series 2004E	2,358,513	2,364,194	0	0	0
Series 2008C ⁽¹⁾	5,775,638	5,673,388	5,664,638	5,744,388	34,134,519
Series 2009A	2,204,225	9,247,350	9,239,725	9,311,925	16,275,325
Series 2009B	7,052,000	0	0	0	0
Series 2011A	1,571,300	1,092,975	1,092,800	1,093,250	24,072,300
Series 2004E ⁽²⁾	4,486,438	4,473,913	4,479,594	4,470,025	53,330,838
Series 2011C	429,200	429,000	433,675	2,061,325	7,662,600
Series 2012A	457,250	1,969,255	1,962,575	363,950	11,165,175
Series 2012B	798,738	798,738	1,993,113	2,008,138	21,951,881
Series 2012C	1,790,213	1,790,213	4,120,463	4,117,963	45,144,825
Energy Savings Lease 2011	4,512,311	4,512,311	4,512,311	3,767,100	997,116
Energy Savings Lease 2012	965,083	2,035,385	2,035,385	2,035,385	13,230,003
Energy Savings Lease 2013	628,018	1,256,035	1,256,035	1,256,035	8,164,228
Subtotal	\$51,844,161	\$53,488,569	\$53,130,375	\$52,509,989	\$272,099,397
TOTAL STATE BUILDINGS	\$51,844,161	\$53,488,569	\$53,130,375	\$52,509,989	\$272,099,397
HIGHWAY REVENUE BONDS					
Series 1990A	\$6,711,525	\$6,708,488	\$0	\$0	\$0
Series 1992A	6,324,500	6,318,450	6,308,260	6,302,230	0
Series 1993A	14,462,268	14,471,875	21,190,000	21,195,000	27,500,000
Series 1998A	1,896,950	1,896,950	1,896,950	1,896,950	42,204,575
Series 2004B	8,192,175	23,334,000	22,540,863	23,835,025	113,422,125
Series 2004C	23,408,488	12,087,888	12,080,838	5,422,638	124,458,569
Series 2007A	28,578,933	28,578,289	28,957,245	35,271,595	828,626,612
Series 2010A	10,282,850	7,585,050	7,269,050	5,286,325	62,205,150
TOTAL HIGHWAYS	\$99,587,683	\$100,980,989	\$99,863,205	\$99,209,763	\$1,198,417,031
AVIATION FACILITIES					
Airport Facilities Bonds					
Series 2008A	\$21,038,125	\$20,570,000	\$20,098,750	\$19,589,500	\$117,715,000
Subtotal	\$21,38,125	\$20,570,000	\$20,098,750	\$19,589,500	\$117,715,000
Aviation Technology Bonds					
Series 2012K	\$860,550	\$867,600	\$863,900	\$868,700	\$862,750
Subtotal	860,550	867,600	863,900	868,700	862,750
TOTAL AVIATION FACILITIES	\$21,898,675	\$21,437,600	\$20,962,650	\$20,458,200	\$118,577,750
RECREATIONAL FACILITIES					
Series 2012I	\$2,592,325	\$2,627,625	\$2,565,125	\$2,268,750	\$17,571,250
Series 2012J	772,047	787,602	801,752	818,067	2,505,261
TOTAL RECREATIONAL FACILITIES	\$3,364,372	\$3,415,227	\$3,453,877	\$3,503,817	\$20,076,511
TOTAL ALL BONDS	\$176,964,891	\$179,322,384	\$177,410,107	\$175,681,768	\$1,609,170,689

⁽¹⁾On August 15, 2013, the Indiana Finance Authority legally defeased the bonds. Revised amounts will be reflected after the close of the State fiscal year on June 30, 2014.

Source: Indiana Finance Authority (as of June 30, 2013)

Table 7
Ratios of Outstanding Debt Subject to Possible Appropriation
to Population and Personal Income

<u>Fiscal Year</u>	<u>Population⁽¹⁾</u>	<u>Personal Income⁽¹⁾⁽²⁾</u>	<u>Outstanding Debt Subject to Appropriation⁽²⁾</u>	<u>Debt/Capita</u>	<u>Debt/Income</u>
2003	6,181,789	182,817	1,747	283	1.0%
2004	6,214,454	190,329	2,467	397	1.3%
2005	6,253,120	195,590	2,518	403	1.3%
2006	6,301,700	206,959	2,460	390	1.2%
2007	6,346,113	213,875	2,466	389	1.2%
2008	6,388,309	220,670	2,362	370	1.1%
2009	6,423,113	220,670	2,245	350	1.0%
2010	6,483,802	226,561	2,137	330	0.9%
2011	6,516,922	230,715	2,013	309	0.9%
2012	6,537,334	241,243	1,944	297	0.8%

⁽¹⁾ Estimated.

⁽²⁾ In millions.

Source: Population: United States Census Bureau, July 2013. Personal Income: United States Department of Commerce, Bureau of Economic Analysis. Outstanding Debt: Indiana Finance Authority.

Authorized but Unissued Debt. The General Assembly has authorized the Indiana Finance Authority (as successor to the State Office Building Commission) to issue bonds to finance additional State facilities, including:

- (a) Two additional regional mental health facilities;
- (b) State-wide wireless public safety communications network; and
- (c) Parking facilities in the area of the state capitol complex.

In addition, legislation was enacted in 2005 that authorizes the Indiana Finance Authority to provide funds for research and technology grants and loans.

The Indiana Finance Authority may initially provide short-term, or construction, financing for these facilities through its commercial paper program. As of June 30, 2013, no commercial paper was outstanding.

The Indiana Finance Authority monitors refinancing opportunities for its bonds and may issue refunding bonds to restructure outstanding indebtedness or achieve debt service savings.

Contingent Obligations

Certain State-authorized entities, including the Bond Bank and Indiana Finance Authority, may issue obligations that, in certain circumstances, may require the entity to request an appropriation from the General Assembly to fund debt service on the obligations. The General Assembly is not required to make any such appropriations. Such obligations do not constitute an indebtedness of the State within the meaning or application of any constitutional provision or limitation.

Review by the Budget Committee and approval by the Budget Director is required prior to (a) the issuance by the Bond Bank or the Indiana Finance Authority of any indebtedness that establishes a procedure for requesting an appropriation from the General Assembly to restore a debt service or other fund to required levels or (b) the execution by the Indiana Bond Bank or the Indiana Finance Authority of any other agreement that creates a moral obligation of the State to pay any indebtedness issued by the Indiana Bond Bank or the Indiana Financing Authority.

Bond Bank. The Bond Bank, a body corporate and politic, is not a State agency and is separate from the State in both its corporate and sovereign capacity. The Bond Bank has no taxing power. The Bond Bank is empowered to issue bonds or notes, payable solely from revenue and funds that are specifically allocated for such purpose, and loan the proceeds therefrom to local governments and other qualified entities.

To assure maintenance of the required debt service reserve in any reserve fund established for Bond Bank bonds or notes, the General Assembly may, but is not obligated to, appropriate to the Bond Bank for deposit in any such reserve funds the sum that is necessary to restore any such reserve funds to the required debt service reserve.

Bonds or notes issued by the Bond Bank for which such a debt service reserve is established are considered “moral obligation bonds.” However, bonds issued by the Bond Bank do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof under the State constitution. Particular sources are designated for the payment of and security for bonds issued by the Bond Bank, and a debt service reserve fund restoration appropriation would only be requested in the event that the particular designated sources were insufficient.

The total amount of bonds and notes which the Bond Bank may have outstanding at any one time (except bonds or notes issued to fund or refund bonds or notes) is limited to \$1.0 billion plus (a) up to \$200 million for certain qualified entities that operate as rural electric membership corporations or as corporations engaged in the generation and transmission of electric energy and (b) up to \$30 million for certain qualified entities that operate as telephone cooperative corporations. However, these limits do not apply to bonds or notes not secured by a reserve fund eligible for State appropriations.

For a list of Bond Bank bonds secured by a reserve fund eligible for State appropriations, see “Table 8—Schedule of Long Term Debt—Contingent Obligations—BOND BANK Special Program Pool.”

Toll Road. The Indiana Finance Authority is authorized (and its predecessor, the Indiana Transportation Finance Authority, had been authorized) to issue revenue bonds, payable from tolls and other revenues derived from the ownership and operation of toll roads, to finance or refinance the cost of any toll road projects. As of June 30, 2013, there are no bonds outstanding pursuant to this authorization.

In 2006, the General Assembly enacted legislation authorizing the Indiana Finance Authority to lease the Toll Road to a private entity to operate for a term not to exceed 75 years. A lease agreement with ITR Concession Company LLC was signed in April 2006, and the transaction was closed on June 29, 2006.

Economic Development. The Indiana Finance Authority is authorized (and its predecessor, the Indiana Development Financing Authority, had been authorized) to issue revenue bonds to finance or refinance (a) industrial development projects, rural development projects, mining operations, international exports and agricultural operations; (b) educational facility projects; (c) farming and agricultural enterprises; (d) environmental pollution prevention and remediation; (e) child care facilities; and (f) broadband development projects.

Pursuant to this authority, the Indiana Finance Authority (and its predecessor, the Indiana Development Finance Authority) issued its revenue bonds to finance and refinance a wide variety of projects. The bonds are payable solely from the revenues pledged thereto, are not in any respect a general obligation of the State and are not payable in any manner from revenue raised by taxation.

The Indiana Finance Authority is authorized to issue revenue bonds and loan the proceeds thereof to the Indiana Stadium and Convention Building Authority for the purpose of financing the acquisition and construction of a stadium and the expansion of a convention center in Indianapolis. The legislation authorizes the Indiana Stadium and Convention Building Authority to lease such capital improvements to a State agency pursuant to a lease, which requires the State agency: (1) to seek biennial appropriations from the General Assembly in an amount sufficient to pay rent equal to the debt service due on such bonds, only if: (a) the amount of such rent is fair and reasonable; and (b) such capital improvements are available for use and occupancy; and (2) to pay, from such appropriated amounts, rent sufficient to pay such debt service, only if certain local tax revenues expected to satisfy debt service are insufficient. In addition, the Indiana Finance Authority, in connection with the issuance of such revenue bonds, may establish a debt service reserve fund and a procedure for requesting appropriations from the General Assembly to restore the debt service reserve fund to required levels. The Indiana Finance Authority has issued \$666,525,000 of such revenue bonds for the stadium project, which was completed in August 2008. The Indiana Finance Authority

has issued \$329,230,000 of such revenue bonds for the convention center expansion project, which was completed in January 2011.

The Indiana Finance Authority is authorized to issue revenue bonds for the purpose of paying all or any part of the cost of acquisition, construction, and equipping of an industrial development project, as defined by law. The Indiana Finance Authority issued its \$4,580,000 Facilities Revenue Bonds, Series 2012L and its \$57,585,000 Facilities Revenue Bonds, Series 2012M to finance, acquire, construct, reconstruct, rehabilitate, remodel and renovate certain improvements at the Indiana State Fairgrounds and defease outstanding bonds of the Indiana State Fair Commission. The Indiana Finance Authority entered into a lease for such improvements with the Indiana State Fair Commission. The Indiana Finance Authority expects debt service on the bonds to be paid by or from Indiana State Fair Commission revenues and other moneys, including moneys appropriated to the Indiana State Fair Commission by the General Assembly of the State, in amounts sufficient to fully fund rental payments due under the lease. If such amounts are not sufficient to fully fund lease rental payments when due, the Indiana Finance Authority may seek an appropriation sufficient to fully fund rental payments due under the lease, which in turn are used to pay the debt service then due on the bonds. No debt service reserve fund has been established for the bonds. The improvements are anticipated to be complete in 2014.

In addition, legislation authorized the Indiana Finance Authority to issue up to \$1.0 billion of its revenue bonds, payable from the revenues pledged thereto, to provide funds for research and technology grants and loans. The Indiana Finance Authority may establish a debt service fund or reserve fund for the bonds, to which the General Assembly may, if requested, appropriate funds necessary to pay debt service or restore the required debt service reserve. As of June 30, 2013, no such revenue bonds have been issued.

Schedule of Long Term Debt. Table 8 lists the long term debt classified as contingent obligations that was outstanding on June 30, 2013. Debt classified as a contingent obligation is debt for which the issuing entity has agreed to, under certain circumstances, request an appropriation from the General Assembly to replenish a debt service reserve fund, in the case of the stadium and convention center debt, to pay rent sufficient to pay debt service only if certain local tax revenues expected to satisfy debt service are insufficient, or, in the case of Series 2012L and 2012M, to fully fund rental payments due under the lease which are in turn used to pay debt service on the bonds. See “Public Private Agreements”.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Table 8
Schedule of Long Term Debt
Contingent Obligations

<u>Type/Series</u>	<u>Original Par Amount</u>	<u>Ending Balance 6/30/2012</u>	<u>(Redeemed)/ Issued</u>	<u>Ending Balance 6/30/2013</u>
BOND BANK Special Program Pool				
Series 2002A	\$42,910,000	\$30,875,000	(\$17,855,000)	\$13,020,000
Series 2002C	3,940,000	515,000	(515,000)	0
Series 2002E	10,155,000	7,315,000	(7,315,000)	0
Series 2003A	40,385,000	35,010,000	(35,010,000)	0
Series 2003B	8,885,000	4,965,000	(4,965,000)	0
Series 2003C	10,425,000	3,140,000	(495,000)	2,645,000
Series 2003D ⁽¹⁾ (CLC)	27,515,000	23,970,000	(23,970,000)	0
Series 2003F-1	17,155,000	6,760,000	(830,000)	5,930,000
Series 2004B	17,590,000	11,410,000	(840,000)	10,570,000
Series 2004C	35,010,000	30,220,000	(980,000)	29,240,000
Series 2004D	29,275,000	20,205,000	(1,650,000)	18,555,000
Series 2005A	14,790,000	10,645,000	(575,000)	10,070,000
Series 2005C	11,160,000	8,655,000	(470,000)	8,185,000
Series 2005D	4,505,000	3,800,000	(160,000)	3,640,000
Series 2006B-1	12,400,000	11,155,000	(280,000)	10,875,000
Series 2006B-2	2,890,000	1,720,000	(315,000)	1,405,000
Series 2006A (Ref)	26,485,000	19,550,000	(1,255,000)	18,295,000
Series 2006C ⁽¹⁾	20,660,000	17,290,000	(1,235,000)	16,055,000
Series 2006D	13,985,000	9,220,000	(830,000)	8,390,000
Series 2007A (Ref)	44,915,000	44,915,000	(1,575,000)	43,340,000
Series 2008D-1	4,265,000	3,390,000	(3,390,000)	0
Series 2009A	75,000,000	67,830,000	(2,650,000)	65,180,000
Series 2009C-1	22,235,000	21,110,000	(925,000)	20,185,000
Series 2009C-2(Taxable)	1,790,000	1,625,000	(90,000)	1,535,000
Series 2009D	52,000,000	48,175,000	(1,845,000)	46,330,000
Series 2010 Multi-purpose A-1	8,595,000	6,800,000	(795,000)	6,005,000
Series 2010 Multi-purpose A-2(Taxable)	6,395,000	3,335,000	(945,000)	2,390,000
Series 2010 Multi-purpose A-3	770,000	750,000	(20,000)	730,000
Series 2011A Ref	29,140,000	28,825,000	(1,900,000)	26,925,000
Series 2012C Ref	22,090,000	0	21,210,000	21,210,000
Series 2012D Ref	34,385,000	0	34,385,000	34,385,000
Series 2013A Ref	7,330,000	0	7,330,000	7,330,000
TOTAL BOND BANK	\$659,030,000	\$483,175,000	(\$50,755,000)	\$432,420,000
INDIANA FINANCE AUTHORITY⁽²⁾				
Stadium Project Series 2005A	\$400,000,000	\$400,000,000	\$0	\$400,000,000
Stadium Project Series 2007A	211,525,000	211,525,000	0	211,525,000
Stadium Project Series 2008A	55,000,000	37,310,000	0	37,310,000
Convention Center Expansion Project Series 2008A	120,000,000	120,000,000	0	120,000,000
Convention Center Expansion Project Series 2009A	17,665,000	17,665,000	0	16,665,000
Convention Center Expansion Project Series 2009B ⁽²⁾	191,565,000	191,565,000	0	191,565,000
Series 2012L	4,580,000	0	4,580,000	4,580,000
Series 2012M	57,585,000	0	57,585,000	57,585,000
TOTAL INDIANA FINANCE AUTHORITY	\$1,057,920,000	\$977,065,000	\$62,165,000	\$1,039,230,000
TOTAL ALL BONDS	\$1,718,745,000	\$1,462,035,000	\$9,615,000	\$1,471,650,000

⁽¹⁾ Qualified obligation revenues are expected to be sufficient to pay debt service. However, a portion of qualified obligation revenues are payable solely from General Assembly appropriations to the qualified entity.

⁽²⁾ Issued under the America Recovery and Reinvestment Act of 2009 as Build America Bonds. The bonds are federally taxable, and the Indiana Finance Authority will receive a cash subsidy from the U.S. Treasury equal to 35% of the interest payable on the bonds.

Source: Indiana Finance Authority (as of June 30, 2013)

Public Private Agreements

The Indiana Finance Authority is authorized to enter into a public-private agreement with a private sector entity to design, build, finance, operate and maintain toll roads or freeway projects. The amounts owed by the Indiana Finance Authority under a public-private agreement are payable primarily from possible State appropriations. In 2012, the Indiana Finance Authority entered into a public-private agreement with WVB East End Partners, LLC with respect to the East End Crossing of the Louisville-Southern Indiana Ohio River Bridges Project ("EEC Project"). Under the public private agreement for the EEC Project, the Indiana Finance Authority agrees to pay the developer (i) upon achievement of certain milestones, payments not to exceed \$392,000,000 and (ii) commencing with substantial completion of the EEC Project, availability payments which shall not exceed a maximum established for each Fiscal Year under the agreement. That maximum is determined by adjusting the base MAP of \$33,530,853 (in 2012 dollars) pursuant to a formula that, starting at the Substantial Completion Date and for each Fiscal Year thereafter, adjusts 20% of the MAP based on the change in the Consumer Price Index (All Items, BES Series ID: CUUR000SA0) and the remaining 80% of the MAP based on an annual rate of 2.5% per Fiscal Year. Availability payments are payable during the 35 year operating period of the agreement subject to EEC Project being open and available to traffic and subject to performance standards included in the agreement. In 2014, the Indiana Finance Authority entered into a public-private agreement with I-69 Development Partners LLC with respect to Section 5 of I-69 Project ("I-69 Project"). Under the public private agreement for the I-69 Project, the Indiana Finance Authority agrees to pay the developer (i) upon achievement of certain milestones, payments not to exceed \$80,000,000 and (ii) commencing with substantial completion of the I-69 Project, availability payments which shall not exceed a maximum established for each Fiscal Year under the agreement. That maximum is determined by adjusting the base MAP pursuant to a formula that, starting at the Substantial Completion Date and for each Fiscal Year thereafter, adjusts 20% of the MAP based on the change in the Consumer Price Index (All Items, BES Series ID: CUUR000SA0) and the remaining 80% of the MAP based on an annual rate of 2.5% per Fiscal Year. The base MAP is \$21,780,000 and is subject to adjustment at the closing date upon finalization of the financial model. The adjustment of the Base MAP on the Closing Date is expected to be \$20,323,123. Availability payments are payable during the 35 year operating period of the agreement subject to the I-69 Project being open and available to traffic and subject to performance standards included in the agreement. The Indiana Finance Authority is considering entering into a public-private agreement with respect to the Indiana Portion of the Illiana Corridor and the I-65 Added Capacity Project and anticipates issuing a request for proposals in 2014.

Other Entities Issuing Debt

The following entities, although created or designated by the State, are authorities, instrumentalities, commissions, separate bodies corporate and politic, or not-for-profit corporations separate from the State. The entities may incur debt while exercising essential governmental or public functions. Any debt incurred by the entities is secured only by specific revenue and sources pledged at the time the debt is incurred and is neither direct nor indirect debt of the State. Any such debt does not constitute an indebtedness of the State within the meaning or application of any constitutional provision or limitation.

<u>Entity</u>	<u>Purpose of Debt Issuance</u>
Board for Depositories	Provide guarantees for industrial development or credit enhancement for Indiana enterprises.
Indiana Housing and Community Development Authority ⁽¹⁾	Provide funds for construction or mortgage loans for federally assisted multi-family housing or for low and moderate income residential housing.
Ports of Indiana	Provide funds for ports and other projects.
Indiana Secondary Market for Education Loans, Inc. ⁽²⁾	Provide funds for secondary market for higher education loans.
Indiana State Fair Commission	Provide funds for State fairgrounds.

State Revolving Fund Loan Program Provide funds to assist local municipalities in financing drinking water and waste water infrastructure projects.

⁽¹⁾ Formerly, Indiana Housing Finance Authority. Authorized to issue bonds, similar to the Indiana Bond Bank, that would be eligible for General Assembly appropriations to replenish the debt service reserve funds, but has not issued and does not currently expect to issue any such bonds.

⁽²⁾ A not-for-profit corporation authorized by the General Assembly.

INDIANA PUBLIC RETIREMENT SYSTEM AND STATE PENSION FUNDING OBLIGATIONS

INPRS and State Retirement Plans

Prior to July 1, 2011, the retirement plans for public employees in the State of Indiana were administered by independent instrumentalities governed by separate boards of appointed trustees, including the Public Employees’ Retirement Fund and the Indiana State Teachers’ Retirement Fund. Legislation adopted in 2010 called for a consolidation of these entities, which began with the appointment of a joint Executive Director in May 2010, and resulted in the creation, effective July 1, 2011, of the Indiana Public Retirement System (INPRS). INPRS administers seven (7) separate public retirement plans. The State Police Pension Trust continues to be separately administered.

INPRS is governed by a nine-member Board of Trustees, appointed by the Governor pursuant to the following criteria:

- (a) one trustee with experience in economics, finance, or investments,
- (b) one trustee with experience in executive management or benefits administration,
- (c) one trustee who is an active or retired member of the 1977 Fund,
- (d) two trustees who are TRF members with at least 10 years of creditable service,
- (e) one trustee who is a PERF member with at least 10 years of creditable service,

- (f) the Director of the State Budget Agency, or designee,
- (g) the Auditor of the State, or nominee and
- (h) the Treasurer of the State, or nominee.

The members of the Board of Trustees are as follows:

Ken Cochran
President
Hamilton Southeastern Utilities, Inc.

Michael Pinkham
Ft. Wayne Firefighter

Suzanne Crouch
Auditor of the State of Indiana

Christopher D. Atkins
Office of Management and Budget Director

Sarah Beth Murphy
Chief Financial Officer
Private School Corporation

Bret Swanson
President
Entropy Economics

Jodi Golden
Executive Director
Indiana Education Savings Authority

Brian Abbott
Teacher
Riverview Middle School

Kyle Ann McKinley Rosebrough
Teacher
Burkhart Elementary School

The Executive Director of INPRS is Steve Russo, who had previously served as TRF’s Executive Director since 2008. Russo is a graduate of Purdue University. His career has included leadership roles with the Naval Avionics Center and technology company Thomson.

INPRS administers and manages the following plans:

- (a) Public Employees' Retirement Fund (PERF)
- (b) Indiana State Teachers' Retirement Fund (TRF)
- (c) Prosecuting Attorneys' Retirement Fund (PARF)
- (d) 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund)
- (e) Legislators' Retirement System (LRS)
- (f) Judges' Retirement System (JRS)
- (g) State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (EG&C)

INPRS also oversees three non-retirement funds, including the Pension Relief Fund, the Public Safety Officers' Special Death Benefit Fund, and the State Employees' Death Benefit Fund.

Each retirement plan will continue as a separate plan under the oversight of a combined INPRS nine-member Board of Trustees. INPRS is not a merger of PERF and TRF Funds and neither the assets nor the liabilities of one fund become the assets or liabilities of the other. Individual funded status for each plan will continue to be calculated separately.

Each year, INPRS will make actuarial valuations of the assets and liabilities of each of the retirement plans. At least once every five years, there will be separate actuarial investigation into the mortality, service, and compensation experience of the members of the systems and their beneficiaries.

The consolidation of retirement plan administration is anticipated to enable greater efficiency, by eliminating duplication of efforts and by pooling assets together for investment purposes.

The combined membership of all plans administered by INPRS is approximately 450,000 people.

Explanatory Comments

Reference is made hereby to the INPRS website (www.in.gov/inprs) for access to copies of relevant plan documents. The discussions and tables which follow contain technical information for which the following explanatory comments may be helpful.

- (a) Certain key definitions applicable to the State's pension plans are shown in Key Definitions below.
- (b) Pension plan financial reporting contains both actual historical information and actuarially determined information. Actuarially determined information is based on specific sets of assumptions. Detailed descriptions of relevant assumptions for each plan can be found in the INPRS Comprehensive Annual Financial Report (CAFR) as referenced herein.
- (c) Annual Required Contributions (or ARC) are determined by the plan's administrator or board to be the aggregate amount expected to be required from each participating employer based on the plan's assumptions in various matters, in order to pay "normal costs" and payments made to amortize any "unfunded accrual actuarial liability." The administrator will assess each participating employer a contribution requirement expressed as percentage of covered payroll which is projected to produce the desired ARC amount. Actual employer contributions reflect the application of the designated percentage to actual payroll during the period and, thus, often vary from the ARC as calculated and assessed.
- (d) Discussions under this Section "INPRS and State Retirement Plans" are focused primarily on financial reporting and plan descriptions for the State plans. Discussions under the following Section "State Pension Funding Obligations" are intended to highlight the actual funding requirements of State government.

- (e) In 2012, the Indiana General Assembly passed P.L. 160-2012, which provides that if the amount of the state general fund excess reserves is less than \$50,000,000, the excess reserves shall be carried over to the next year; and that if the excess reserves are \$50,000,000 or more, 50% of the excess reserves shall be transferred to certain pension funds and 50% of the excess reserves shall be used for the purposes of providing an automatic taxpayer refund. In 2012, the JRS, PARF, EG&C, as defined below, and the 1987 Plan of Indiana State Police Pension Trust received 50% of the general fund excess in order to increase their funding levels to 80%. Any money that remained after funding the JRS, PARF, EG&C, and the 1987 Plan of Indiana State Police Pension Trust to 80% went to the Pension Stabilization Fund to fund the TRF Pre-1996 Account unfunded liability. If there is an excess in the general fund in or after 2013, then 50% of the excess will go to the Pension Stabilization Fund. In November 2012, the State transferred \$90.2 million to JRS, \$17.4 million to PARF, \$14.6 million to EG&C, \$31.6 million to Indiana State Police, and \$206.8 million to the TRF Pension Stabilization Fund. During Fiscal Year 2013, there were no excess reserves transferred to the Pension Stabilization Fund.

Key Definitions

Actuarial Accrued Liability (AAL). That portion, as determined by a particular Actuarial Cost Method, of the actuarial present value of pension plan benefits and expenses that is not provided for by future Normal Costs. Generally this means the portion of the present value of future benefits attributable to past service.

Actuarial Cost Method. A method used to develop the actuarial present value of benefits and the allocations of such costs to certain periods of time in order to develop the AAL. Two common Actuarial Cost Methods are projected unit credit, or PUC, and entry age normal, or EAN. The PUC method tends to push more costs into the later part of a member's service. The EAN method develops a level contribution as a percent of pay (Normal Cost) which, if contributed and invested through the member's career, is expected to generate sufficient funds to equal the actuarial value of the future benefits by the time the member retires. In order to keep the costs level, EAN allocates a large Normal Cost for the earlier years and a relatively smaller Normal Cost to the later years compared to the PUC method. All plans administered by INPRS use EAN, except the Legislators' Defined Benefit Plan which uses PUC.

Actuarial Value of Assets (AVA). The value of cash, investments, and other property belonging to a pension plan, as used by the actuary for the purpose of an actuarial valuation. An Actuarial Value (in contrast to a current market value) attempts to smooth annual investment return performance over multiple years to reduce annual return volatility.

Amortization Period. The period over which the UAAL (defined below) is amortized, which can be either a "fixed" (or "closed") period of a "rolling" (or "open") period. During a fixed period, the UAAL is amortized over a declining number of years; for example, 30 years the first year, 29 years the second year, etc. During a rolling period, the UAAL is amortized over an unchanging number of years; for example, 15 years the first year, 15 years the second year, etc. All plans administered by INPRS use closed 30-year amortization periods.

Annual Pension Costs (APC). The aggregate in a particular year of (i) the ARC, (ii) one year's interest on the NPO (defined below), and (iii) an adjustment to the ARC to offset, approximately, the amount included in item (i) for amortization of past contribution deficiencies.

Annual Required Contribution (ARC). The aggregate in a particular year of (i) the Normal Cost and (ii) payments made to amortize the UAAL.

Assumptions. An actuarial report will utilize demographic and economic assumptions as to the occurrence of future events affecting pension costs, such as investment rate of return, inflation rate, interest credited to member contributions, salary increase rate, annual cost-of-living adjustment, rates of separation from active membership, post-retirement mortality active member mortality, and rates of retirement.

Funded Ratio. The ratio of (A) the AVA or market value of assets to (B) AAL. Such valuation can be on an actuarial or a market value basis. If a plan has a funded ratio of less than 100%, then the plan has a UAAL.

GASB. Governmental Accounting Standards Board of the Financial Accounting Foundation.

Market Value of Assets. As of the valuation date, the value of assets as if they were liquidated on that date.

Net Pension Obligation (NPO). The cumulative differences between the APC and actual employer contribution (*e.g.*, does not include contributions by the employees or any Employer Offset) in a particular year.

Normal Cost. The present value of the benefits that the pension system projects to become payable in the future that are attributable to a valuation year's payroll.

Smoothing Method. A method used in determining AVA that is intended to reduce the impact of market volatility on the assets of a pension plan. Under a Smoothing Method, the annual investment return performance is "smoothed" over multiple years to reduce annual contribution volatility. For example, by use of a "five-year smoothing" methodology, a percentage difference between the net market value and the net book value for each of the most recent five years is calculated. The resulting percentages are averaged for the five-year period and applied to the valuation's year's market value of assets to arrive at the actuarial value of assets, with the result that only 20% of investment gains or losses in a particular year are taken into account in the annual actuarial valuation. All INPRS-administered plans use a four-year smoothing method with a 20% corridor.

Unfunded Actuarial Accrued Liability (or UAAL). The difference between (A) the AVA or market value of assets and (B) the AAL. Such valuation can be on an actuarial or a market value basis.

Public Employees' Retirement Fund

The Public Employees' Retirement Fund ("PERF") has been in existence since 1945 to provide retirement, disability and survivor benefits for most State and local government employees. Prior to July 1, 2011, PERF was administered by a six-member Board of Trustees, and after that date, by INPRS.

All State employees and all employees of participating political subdivisions in covered positions, including elected and appointed officials, are required to join PERF. On June 30, 2013, PERF had over 288,000 members. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' ASA Only Plan (PERF ASA Only Plan). The PERF Hybrid Plan benefit consists of (1) a pension formula benefit based upon years of service and an average of the member's annual compensation as defined by statute, and (2) an additional benefit based upon the member's annuity savings account balance, derived from employee contributions. The employee contribution rate is defined by law as 3.0% of each employee's salary. For State employees, the law requires the State to pick up the employee's contributions to PERF. The PERF ASA Only Plan was effective March 1, 2013 and for the first time, newly hired full-time employees of the state of Indiana can now elect to participate in either PERF Hybrid Plan or PERF ASA Only Plan. The PERF ASA Only Plan maintains an Annuity Savings Account for each member. Each member's account consists of two (2) subaccounts within the Annuity Savings Account structure. There is a member contribution subaccount (which is the same as the Annuity Savings Account in the PERF Hybrid) and an employer contribution subaccount. The member's contribution subaccount consists of the member's contributions, set by statute at three (3) percent of compensation. The employer contribution subaccount consists of the employer's contributions which are set by the INPRS Board of Trustees. A member is immediately vested in the member contribution account. In order to receive contributions from the employer contribution account, a member must meet vesting requirements (full years of participation) to qualify for a distribution.

Contributions are made to PERF by the State and local units determined by normal cost and amortizing the unfunded accrued liability of each unit during periods established pursuant to statute. Contribution rates are set by INPRS (and prior to July 1, 2011, by the PERF Board of Trustees) based on annual actuarial valuations. The State is responsible for making contributions for State employee members only. The State's contribution rate effective July 1, 2013 to June 30, 2014 is 11.2%. Funding for the State's obligation to PERF is included as part of the expenditures for fringe benefits by each State agency. The tables below highlight the funded status (Table 9) and contribution history (Table 10) for PERF for the last six (6) valuation dates.

Table 9
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	12,780,116	13,103,221	323,105	97.5%	4,600,354	7.0%
6/30/2009	12,569,336	13,506,280	936,944	93.1%	4,931,423	19.0%
6/30/2010	12,357,199	14,506,052	2,148,853	85.2%	4,896,013	43.9%
6/30/2011	12,000,586	14,913,147	2,912,561	80.5%	4,818,774	60.4%
6/30/2012	12,088,225	15,784,240	3,696,015	76.6%	4,904,052	75.4%
6/30/2013	12,947,283	16,145,681	3,198,398	80.2%	4,766,910	67.1%

Table 10
Schedule of Employer Contributions
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Annual Employer Contributions	Percentage Contributed
6/30/2008	6/30/2007	291,397	303,877	104.3%
6/30/2009	6/30/2008	316,059	323,151	102.2%
6/30/2010	6/30/2009	360,183	331,090	91.9%
6/30/2011	6/30/2010	483,842	342,779	70.8%
6/30/2012	6/30/2011	509,724	397,843	78.1%
6/30/2013 ⁽¹⁾	6/30/2012	477,342	455,658	95.5%

⁽¹⁾Fiscal Year 2013 Annual Required Contribution has been developed based on actual employer payroll.

For further information about PERF including CAFRs for the most recent fiscal years, as well as the most recent actuarial valuation report, current investment policy statement and other materials, go to www.in.gov/inprs and click "Publications".

For more information on the State's funding obligations regarding PERF, see "INDIANA PUBLIC RETIREMENT SYSTEM AND STATE PENSION FUNDING OBLIGATIONS— State Pension Funding Obligations, 1. PERF as to State Employees."

Indiana State Teachers' Retirement Fund

The Indiana State Teachers' Retirement Fund ("TRF") is a multiple-employer retirement fund established to provide pension benefits for teachers and their supervisors in the State's public schools. Membership in TRF is required for all legally qualified and regularly employed public school teachers. TRF provides retirement benefits, as well as death and disability benefits. Prior to July 1, 2011, TRF was administered by a six-member Board of Trustees. Effective July 1, 2011, TRF is administered by INPRS. On June 30, 2013, TRF had over 141,000 total members.

The TRF benefit consists of (1) a defined benefit based upon years of service and final average salary and (2) an additional benefit based upon the member's annuity savings account ("TRF ASA") balance, derived from member contributions. The mandatory member contribution rate to his or her TRF ASA is defined by law as 3.0% of each member's salary. Each employer is authorized to elect to pick up the member contribution.

The TRF is comprised of two plans and related accounts. For members hired prior to July 1, 1995, the plan was closed (the "Pre-1996 Account"). For members hired after that date, a separate plan was established (the "1996 Account").

For the Pre-1996 Account, monies to pay the related TRF benefits are primarily provided from General Fund appropriations as the liabilities come due each year, or on a "pay as you go" basis. To reduce the amount of future state appropriations in the Pre-1996 Account, the State established the Pension Stabilization Fund in July 1, 1995, to partially pre-fund liabilities in the Pre-1996 Account. The Pension Stabilization Fund has the result of limiting the peak required annual appropriations to the Pre-1996 Account at a 3.0% increase over the prior year based on an assumed annual investment return of 5.0%. As of June 30, 2013, the balance of the Pension Stabilization Fund was approximately \$2.6 billion. See also INDIANA PUBLIC RETIREMENT SYSTEM AND STATE PENSION FUNDING OBLIGATIONS - "State Pension Funding Obligations, 2. TRF Pre-1996 Account" for a further discussion on the State funding obligations for the TRF Pre-1996 Account.

The following tables establish the six (6) year history of funding progress and contributions, respectively, for the Pre-1996 Account (Tables 11 and 12), the 1996 Account (Tables 13 and 14) and for total TRF plans (Tables 15 and 16).

Table 11
Pre-1996 Account
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	5,953,991	15,792,305	9,838,314	37.7%	2,295,816	428.5%
6/30/2009	5,109,086	16,027,093	10,918,007	31.9%	2,030,484	537.7%
6/30/2010	5,382,410	16,282,066	10,899,656	33.1%	1,865,102	584.4%
6/30/2011	5,227,402	16,318,404	11,091,002	32.0%	1,762,750	629.2%
6/30/2012	4,978,107	16,522,015	11,543,908	30.1%	1,637,066	705.2%
6/30/2013	5,235,104	16,462,379	11,227,275	31.8%	1,383,428	811.6%

Table 12
Pre-1996 Account
Schedule of Contributions
From the Employers and other Contributing Entities
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Actual Employer Contributions	Percentage Contributed
6/30/2008	6/30/2006	678,050	675,682	99.7%
6/30/2009	6/30/2007	700,307	706,366	100.9%
6/30/2010	6/30/2008	850,493	731,149	86.0%
6/30/2011	6/30/2009	894,507	748,978	83.7%
6/30/2012	6/30/2010	866,207	764,423	88.2%
6/30/2013	6/30/2011	873,751	1,013,080	115.9% ⁽¹⁾

⁽¹⁾The TRF Pre-1996 Account was appropriated additional monies from the excess state reserves of \$206,796,000 during fiscal year 2013.

For the 1996 Account, the State capped its pension benefit obligation by (i) shifting the obligation for all teachers hired after July 1, 1995, to local school districts and (ii) implementing a level percent of payroll current funding approach. INPRS sets the contribution rate for the 1996 Account based on an actuarial valuation of the 1996 Account. The 1996 Account was intended to be responsible not only for newly hired teachers into the schools,

but also for the cost of teachers who began service before 1995 but subsequently transferred to other school corporations after 1995. The liability for these transferred teachers, which shifted from the Pre-1996 Account to the 1996 Account, began to cause an unfunded liability in the 1996 Account. The General Assembly in 2005 addressed this growing unfunded liability in the 1996 Account by stopping the transfer of liabilities—therefore transferred teachers remain part of the Pre-1996 Account, which is “pay as you go”. In addition, the actuarial assumptions used for calculating the contribution rate into the 1996 Account now include an assumption for a cost of living adjustment, thereby making the contribution rate for which local schools are liable more realistic. The contribution rate effective July 1, 2013 to June 30, 2014 for the 1996 Account is 7.5%.

Table 13
1996 Account
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	3,080,057	2,957,758	(122,299)	104.1%	2,052,720	(6.0)%
6/30/2009	2,920,735	3,135,533	214,798	93.1%	2,308,548	9.3%
6/30/2010	3,422,554	3,614,559	192,005	94.7%	2,447,509	7.8%
6/30/2011	3,664,657	3,996,839	332,182	91.7%	2,507,193	13.2%
6/30/2012	3,936,455	4,338,309	401,854	90.7%	2,594,952	15.5%
6/30/2013	4,453,828	4,749,368	295,540	93.8%	2,740,940	10.8%

Table 14
1996 Account
Schedule of Contributions
From the Employers and other Contributing Entities
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Actual Employer Contributions	Percentage Contributed
6/30/2008	6/30/2006	122,009	132,446	108.6%
6/30/2009	6/30/2007	119,331	147,425	123.5%
6/30/2010	6/30/2008	101,627	154,491	152.0%
6/30/2011	6/30/2009	154,142	166,633	108.1%
6/30/2012	6/30/2010	173,651	181,067	104.3%
6/30/2013 ⁽¹⁾	6/30/2011	167,311	180,714	108.0%

⁽¹⁾Fiscal Year 2013 Annual Required Contribution has been developed based on actual employer payroll.

Table 15
Total of TRF Plans
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	9,034,048	18,750,063	9,716,015	48.2%	4,348,536	223.4%
6/30/2009	8,029,821	19,162,626	11,132,805	41.9%	4,339,032	256.6%
6/30/2010	8,804,964	19,896,625	11,091,661	44.3%	4,312,611	257.2%
6/30/2011	8,892,059	20,315,243	11,423,184	43.8%	4,269,943	267.5%
6/30/2012	8,914,562	20,860,324	11,945,762	42.7%	4,232,018	282.3%
6/30/13	9,688,932	21,211,747	11,522,815	45.7%	4,124,368	279.4%

Table 16
Total of TRF Plans
Schedule of Contributions
From the Employers and other Contributing Entities
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Actual Employer Contributions	Percentage Contributed
6/30/2008	6/30/2006	800,059	808,128	101.0%
6/30/2009	6/30/2007	819,638	853,791	104.2%
6/30/2010	6/30/2008	952,120	885,640	93.0%
6/30/2011	6/30/2009	1,048,649	915,611	87.3%
6/30/2012	6/30/2010	1,039,858	945,490	90.9%
6/30/2013	6/30/2011	1,041,062	1,193,794	114.7% ⁽¹⁾

⁽¹⁾The TRF Pre-1996 Account was appropriated additional monies from the excess state reserves of \$206,796,000 during fiscal year 2013.

For further information about TRF including CAFRs for the most recent fiscal years, as well as the most recent actuarial valuation report, current investment policy statement and other materials, go to www.in.gov/inprs and click "Publications". In addition, CAFRs and actuarial reports are also available for prior fiscal years at the referenced website.

Other Plans

INPRS also administers five other plans in addition to PERF and TRF. These include the 1977 Police Officers' and Firefighters' Pension and Disability Fund, the Judges' Retirement System, the Legislators' Retirement System, the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan, and the Prosecuting Attorneys' Retirement Fund. Table 17 highlights the actuarial valuation results for these plans as of June 30, 2013.

Table 17
Other State Pension Funds
Summary of Results of Actuarial Valuation as of June 30, 2013
(dollars in thousands)

	Judges' Retirement System	Legislators' Defined Benefit Plan	State Excise Police, Gaming Agent, Gaming Control Officer & Conservation Enforcement Officers' Retirement Plan	Prosecuting Attorneys' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund
<u>Funded Status</u>					
Actuarial Value of Assets	381,240	3,428	98,608	48,762	4,180,704
Actuarial Accrued Liability (AAL)	453,110	4,295	118,097	61,940	4,392,947
Unfunded/(Overfunded) AAL	71,870	867	19,489	13,178	212,243
Funded Ratio	84.1%	79.8%	83.5%	78.7%	95.2%
<u>Contribution History</u>					
Annual Required Contributions	25,458	140	5,003	2,542	88,287
Actual Employer Contributions	111,419	150	19,740	19,443	137,111
Percentage Contributed	437.7% ⁽¹⁾	107.1%	394.6% ⁽¹⁾	764.9% ⁽¹⁾	155.3% ⁽²⁾

⁽¹⁾In accordance with Legislation passed during March 2012, the State appropriated additional monies during FY 2013 to reach a funded status of 80.0 percent based on the actuarial valuations as of June 30, 2012 for the following three (3) retirement plans:

Judges' Retirement System - \$90,187,000

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan - \$14,619,000

Prosecuting Attorney's Retirement Fund - \$17,363,000

⁽²⁾Fiscal Year 2013 Annual Required Contribution has been based on actual employer payroll

Source: Actuarial Valuation Reports, June 30, 2013

Further information about other plans including CAFRs for the most recent fiscal years, as well as the most recent actuarial valuation report, current investment policy statement and other materials, go to www.in.gov/inprs and click "Publications". In addition, CAFRs and actuarial reports are also available for prior fiscal years.

1977 Police Officers' and Firefighters' Pension Disability Fund

The 1977 Police Officers' and Firefighters' Pension and Disability Fund ("1977 Fund") has been in existence since 1977 to provide retirement, disability and survivor benefits for Police Officers and Firefighters. Prior to July 1, 2011, the 1977 Fund was administered by a six-member Board of Trustees, and after that date, by INPRS.

On June 30, 2013, the 1977 Fund had 17,703 members, survivors and beneficiaries. The pension benefit consists of a pension formula benefit based upon years of service and the first-class salary as defined by statute. The employee contribution rate is defined by law as 6% of first-class salary.

Contributions are made to the 1977 Fund by the participating employer units as determined by INPRS. Contribution rates are set by INPRS (and prior to July 1, 2011, by the PERF Board of Trustees) based on annual actuarial valuations. Funding for the participating employer unit's obligation to the 1977 Fund is included as part of the expenditures for fringe benefits by the participating unit. The tables below highlight the funded status (Table 18) and contribution history (Table 19) for the 1977 Fund for the last six (6) valuation dates.

Table 18
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	3,281,480	2,889,295	(392,185)	113.6%	603,963	(64.9)%
12/31/2008	3,352,705	3,150,827	(201,878)	106.4%	644,936	(31.3)%
6/30/2009	3,265,598	3,332,686	67,088	98.0%	649,018	10.3%
6/30/2010	3,374,438	3,639,669	265,231	92.7%	675,797	39.2%
6/30/2011	3,593,787	3,638,956	45,169	98.8%	687,342	6.6%
6/30/2012	3,786,595	4,122,436	335,841	91.9%	697,111	48.2%
6/30/2013	4,108,704	4,392,947	212,243	95.2%	706,603	30.0%

Table 19
Schedule of Employer Contributions
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Annual Employer Contributions	Percentage Contributed
12/31/2007	12/31/2006	108,741	122,712	112.7%
12/31/2008	12/31/2007	117,773	133,196	112.6%
6/30/2009	6/30/2008	62,881	64,285	102.2%
6/30/2010	6/30/2009	126,558	130,775	103.3%
6/30/2011	6/30/2010	133,903	133,726	99.9%
6/30/2012	6/30/2011	141,988	135,605	95.5%
6/30/2013 ⁽¹⁾	6/30/2012	88,287	137,111	155.3%

⁽¹⁾Fiscal Year 2013 Annual Required Contribution has been developed based on actual employer payroll.

The 1977 Fund provides pension and disability benefits for local police officers and firefighters hired after April 30, 1977. Benefits for the members of this plan have been funded on an actuarial basis through contributions from cities and towns and from plan members. In addition, the INPRS Board of Trustees administers a Pension Relief Fund for local police and fire units whose employees participate in the 1925 police pension fund, the 1937 firefighters' pension fund and the 1953 police pension fund (the "Old Funds"). Benefits for the members who participate in the Old Funds have been funded on a "pay-as-you-go" basis, under which benefits are paid from current revenue of cities and towns and by plan members' contributions. The State currently reimburses cities and towns for their entire pension benefit expenditure under the Old Funds via the Pension Relief Fund, but previously reimbursed cities and towns for a portion of their pension benefit expenditures. To provide such pension relief, the State has dedicated a portion of the State's cigarette tax revenue, liquor tax revenue, Hoosier Lottery profits, and investment earnings on the Public Deposit Insurance Fund. From time to time, the General Assembly has also appropriated general and dedicated funds to pension relief. During Fiscal Year 2013, \$220 million was expended from the Pension Relief Fund, and on June 30, 2013, the total net assets of the Pension Relief Fund were \$37 million.

Further information about the 1977 Fund including CAFRs for the most recent fiscal years, as well as the most recent actuarial valuation report, current investment policy statement and other materials, go to www.in.gov/inprs and click "Publications".

Judges' Retirement System

The first Judges' Retirement Plan was created in 1953. In 1985, the Judges' Retirement System ("JRS") was formed to provide retirement, disability and survivor benefits for Judges. Prior to July 1, 2011, The Judges' Retirement System was administered by a six-member Board of Trustees, and after that date, by INPRS.

All Judges and magistrates in covered positions are required to join the JRS. On June 30, 2013, the JRS had 785 members, survivors and beneficiaries. The pension benefit consists of a pension formula benefit based upon years of service and the member's salary as defined by statute. The employee contribution rate is defined by law as 6% of each employee's salary.

Contributions are made to the JRS by the State as determined by INPRS. Contribution amounts are set by INPRS (and prior to July 1, 2011, by the PERF Board of Trustees) based on the annual actuarial valuation. The State's obligation to the JRS is funded by appropriations from the state general fund. The tables below highlight the funded status (Table 20) and contribution history (Table 21) for the JRS for the last six (6) valuation dates.

Table 20
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	234,881	338,749	103,868	69.3%	33,729	307.9%
6/30/2009	240,954	330,551	89,597	72.9%	36,196	247.5%
6/30/2010	242,143	364,123	121,980	66.5%	36,722	332.2%
6/30/2011	248,623	400,274	151,651	62.1%	45,764	331.4%
6/30/2012	260,096	437,854	117,758	59.4%	45,138	393.8%
6/30/2013	381,240	453,110	71,870	84.1%	46,967	153.0%

Table 21
Schedule of Employer Contributions
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Annual Employer Contributions	Percentage Contributed
6/30/2008	6/30/2007	10,028	15,920	158.8%
6/30/2009	6/30/2008	16,131	20,861	129.3%
6/30/2010	6/30/2009	16,077	18,631	115.9%
6/30/2011	6/30/2010	18,910	19,200	101.5%
6/30/2012	6/30/2011	19,664	18,896	96.1%
6/30/2013	6/30/2012	25,458	111,419	437.7% ⁽¹⁾

⁽¹⁾In accordance with Legislation passed during March 2012, the State appropriated \$90,187,000 during FY 2013 to reach a funded status of 80.0 percent based on the actuarial valuations as of June 30, 2012.

Further information about the JRS including CAFRs for the most recent fiscal years, as well as the most recent actuarial valuation report, current investment policy statement and other materials, go to www.in.gov/inprs and click "Publications".

Prosecuting Attorneys' Retirement Fund

(“PARF”) has been in existence since 1989 to provide retirement, disability and survivor benefits for Prosecuting Attorneys, Chief Deputy Prosecuting Attorneys and Deputy Prosecuting Attorneys. Prior to July 1, 2011, PARF was administered by a six-member Board of Trustees, and after that date, by INPRS.

All Prosecuting Attorneys, Chief Deputy Prosecuting Attorneys and Deputy Prosecuting Attorneys are required to join PARF. PARF members are also required to join PERF. On June 30, 2013, PARF had 550 members, survivors and beneficiaries. The PARF benefit consists of a pension formula benefit based upon years of service and the member’s annual compensation as defined by statute. The employee contribution rate is defined by law as 6% of each employee’s salary. The employer may pick up the employee’s contributions to PARF.

Contributions are made to PARF by the State determined by normal cost and amortizing the unfunded accrued liability during periods established pursuant to statute. Contribution amounts are set by INPRS (and prior to July 1, 2011, by the PERF Board of Trustees) based on annual actuarial valuations. The tables below highlight the funded status (Table 22) and contribution history (Table 23) for PARF for the last six (6) valuation dates.

Table 22
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	26,350	38,069	11,719	69.2%	20,617	56.8%
6/30/2009	26,467	44,632	18,165	59.3%	20,782	87.4%
6/30/2010	26,166	49,174	23,008	53.2%	21,016	109.5%
6/30/2011	25,651	53,252	27,601	48.2%	18,082	152.6%
6/30/2012	27,501	56,080	28,579	49.0%	21,705	131.7%
6/30/2013	48,762	61,940	13,178	78.7%	21,217	62.1%

Table 23
Schedule of Employer Contributions
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Annual Employer Contributions	Percentage Contributed
6/30/2008	6/30/2007	1,040	170	16.3%
6/30/2009	6/30/2008	1,340	170	12.7%
6/30/2010	6/30/2009	1,663	170	10.2%
6/30/2011	6/30/2010	1,960	170	8.7%
6/30/2012	6/30/2011	2,037	1,839	90.3%
6/30/2013	6/30/2012	2,542	19,443	764.9% ⁽¹⁾

⁽¹⁾In accordance with Legislation passed March 2012, the State appropriated \$17,363,000 during FY 2013 to reach a funded status of 80.0 percent based on the actuarial valuations as of June 30, 2012.

Further information about PARF including CAFRs for the most recent fiscal years, as well as the most recent actuarial valuation report, current investment policy statement and other materials, go to www.in.gov/inprs and click “Publications”.

Legislators' Retirement System

The Legislators' Retirement System ("LRS") has been in existence since 1989 to provide retirement, disability and survivor benefits for members of the General Assembly. Prior to July 1, 2011, the LRS was administered by a six-member Board of Trustees, and after that date, by INPRS. The LRS includes two plans: The Legislators' Defined Benefit Plan ("LEDB") and the Legislators' Defined Contribution Plan ("LEDC"). The LEDB includes only legislators of the state of Indiana who were serving on April 30, 1989, and elected participation. Legislators elected or appointed after April 30, 1989 participate in the LEDC.

On June 30, 2013, the LEDB had 101 members, survivors and beneficiaries. The LEDB benefit consists of a pension formula benefit based upon the lesser of \$40 per month times the years of service in the General Assembly prior to November 8, 1989 or the highest consecutive three-year average annual salary at termination, divided by twelve.

Contributions are made to the LEDB by the State determined by normal cost and amortizing the unfunded accrued liability of each unit during periods established pursuant to statute. Contribution amounts are set by INPRS (and prior to July 1, 2011, by the PERF Board of Trustees) based on annual actuarial valuations. The LEDB is funded by appropriations from the State general fund. The tables below highlight the funded status of the LEDB (Table 24) and contribution history (Table 25) for the LEDB for the last six (6) valuation dates.

Table 24
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Number of Active Participants (c)	UAAL per Covered Participant ((b-a)/c)
6/30/2008	5,120	5,039	(81)	101.6%	34	(2)
6/30/2009	4,730	5,087	357	93.0%	33	11
6/30/2010	4,075	4,909	834	83.0%	20	42
6/30/2011	3,634	4,621	987	78.6%	7	141
6/30/2012	3,377	4,503	1,126	75.0%	6	188
6/30/2013	3,428	4,295	867	79.8%	24	36

Table 25
Schedule of Employer Contributions
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Annual Employer Contributions	Percentage Contributed
6/30/2008	6/30/2007	66	100	151.5%
6/30/2009	6/30/2008	45	100	222.2%
6/30/2010	6/30/2009	63	-	0.0%
6/30/2011	6/30/2010	113	-	0.0%
6/30/2012	6/30/2011	113	112	99.1%
6/30/2013	6/30/2012	140	150	107.1%

On June 30, 2013 the LEDC had 225 members. The LEDC employee contribution rate is defined by law as 5%. Contributions are made to the LEDC by the state based on a rate determined by the INPRS board and confirmed by the budget agency not to exceed the total contribution rate paid that year by the state to INPRS for state employees.

Further information about the LEDB including CAFRs for the most recent fiscal years, as well as the most recent actuarial valuation report, current investment policy statement and other materials, go to www.in.gov/inprs and click “Publications.”

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers’ Retirement Plan

The State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers’ Retirement Plan (“EG&C”) has been in existence since 1972 to provide retirement, disability and survivor benefits for Excise Police, Gaming Agents, Gaming Control Officers and Conservation Enforcement Officers. Prior to July 1, 2011, EG&C was administered by a six-member Board of Trustees, and after that date, by INPRS.

All Excise Police, Gaming Agents, Gaming Control Officers and Conservation Enforcement Officers are required to join EG&C. On June 30, 2013, EG&C had 757 members, survivors and beneficiaries. The EG&C benefit consists of a pension formula benefit based upon years of service and the member’s annual compensation as defined by statute. The employee contribution rate is defined by law as 4% of each employee’s salary. The employer may pick up the employee’s contributions to EG&C.

Contributions are made to EG&C by the State determined by normal cost and amortizing the unfunded accrued liability during periods established pursuant to statute. Contribution rates are set by INPRS (and prior to July 1, 2011, by the PERF Board of Trustees) based on annual actuarial valuations. Funding for the State’s obligation to EG&C is included as part of the expenditures for fringe benefits by each State agency. The tables below highlight the funded status (Table 26) and contribution history (Table 27) for EG&C for the last six (6) valuation dates.

Table 26
Schedule of Funding Progress
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	65,375	77,177	11,802	84.7%	21,333	55.3%
6/30/2009	68,170	89,296	21,126	76.3%	25,238	83.7%
6/30/2010	70,327	97,862	27,535	71.9%	26,709	103.1%
6/30/2011	72,599	101,534	28,935	71.5%	24,028	120.4%
6/30/2012	76,007	113,283	37,276	67.1%	25,752	144.8%
6/30/2013	98,608	118,097	19,489	83.5%	26,201	74.4%

Table 27
Schedule of Employer Contributions
(dollars in thousands)

Fiscal Year Ended	Valuation Date	Annual Required Contributions	Annual Employer Contributions	Percentage Contributed
6/30/2008	6/30/2007	3,676	4,854	132.0%
6/30/2009	6/30/2008	4,427	5,294	119.6%
6/30/2010	6/30/2009	5,237	5,256	100.4%
6/30/2011	6/30/2010	5,179	5,197	100.3%
6/30/2012	6/30/2011	5,532	5,054	91.4%
6/30/2013	6/30/2012	5,003	19,740	394.6% ⁽¹⁾

⁽¹⁾In accordance with Legislation passed during March 2012, the State appropriated \$14,619,000 during FY 2013 to reach a funded status of 80.0 percent based on the actuarial valuations as of June 20, 2012.

Further information about EG&C including CAFRs for the most recent fiscal years, as well as the most recent actuarial valuation report, current investment policy statement and other materials, go to www.in.gov/inprs and click “Publications”.

Indiana State Police Pension Trust

The Indiana State Police Pension Trust was established in 1937. The Trust consists of a two-part State Police Benefit System, the Pre-1987 Plan and the 1987 Plan, that provide retirement benefits to the employee beneficiaries. The Trust is administered by the Pension Advisory Board, which consists of the Superintendent of the Department of State Police; a representative of the pension consultants and the Trustee (Treasurer of State of Indiana), who both serve on a nonvoting basis; three active employees of the Department of State Police; and an Executive Secretary who is appointed by the Superintendent.

The State Police Pension Fund shall consist of voluntary contributions from the Department, contributions deducted from the wages of employees of the Department, any other payments or contributions made by the State of Indiana in the form of appropriations from the State’s General Fund and the Motor Vehicle Highway Fund, and the income and proceeds derived from the investment of the Fund.

Employees who are participating in the Pre-1987 Plan shall make contributions equal to 5% of their salary, provided that the maximum contribution shall be equal to 5% of the Six Year Trooper Salary. Employees who are participating in the 1987 Plan shall make contributions equal to 6% of their salary. The method used in determining the annual required contributions and the calculation of the unfunded actuarial accrued liability is the Entry Age Actuarial Cost Method. A smoothed basis method is used for the asset valuation.

See the following tables for the funding status and a contribution history.

Table 28
Schedule of Funding Progress

Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)*	(c) Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	(d) Annual Covered Payroll	UAAL as % of Payroll (c)/(d)
7/1/2007	\$371,918,092	\$413,968,601	\$ 42,050,509	89.8%	\$59,862,892	70.2%
7/1/2008	\$386,872,985	\$438,460,280	\$ 51,587,295	88.2%	\$65,421,105	78.9%
7/1/2009	\$356,056,202	\$453,687,692	\$ 97,631,490	78.5%	\$68,283,255	143.0%
7/1/2010	\$363,487,316	\$447,063,504	\$ 83,576,188	81.3%	\$66,603,419	125.5%
7/1/2011	\$361,457,004	\$470,852,078	\$109,395,074	76.8%	\$64,947,968	168.4%
7/1/2012	\$403,851,491	\$504,814,363	\$100,962,872	80.0%	\$66,083,075	152.8%
7/1/2013	\$434,286,555	\$523,215,958	\$ 88,929,403	83.0%	\$64,346,657	138.2%

*Determined under the Entry Age Actuarial Cost Method, as defined in Statement #27 of the Governmental Account Standards Board. Under this method, the Actuarial Present Value of the Projected Benefits of each individual is allocated on a level basis over the earnings of the individual between age at hire and assumed retirement age. Prior to July 1, 2010, the amortization of the Unfunded Actuarial Accrued Liability was based on a 40-year closed period from July 1, 1997. Effective July 1, 2010, this amortization is based on a 30-year closed period from July 1, 2010, and remains determined as a level dollar amount.

Table 29
Schedule of Employer Contributions

Plan Year Ended June 30	Annual Required Contribution (ARC)*	Actual Employer Contribution	Percentage of ARC Contributed	Net Pension Obligation (NPO)
2007	\$9,472,493	\$12,113,595	127.9%	\$8,606,962
2008	\$9,173,931	\$9,412,228	102.6%	\$8,277,546
2009	\$10,361,583	\$9,472,493	91.4%	\$9,071,870
2010	\$14,229,907	\$9,471,135	66.6%	\$13,718,223
2011	\$12,266,567	\$9,449,670	77.0%	\$16,389,890
2012	\$14,517,041	\$44,039,964	303.4%	(\$13,320,673)
2013	\$14,509,454	\$12,367,074	85.2%	(\$11,006,283)
2014	\$13,869,455			

*The Annual Required Contribution (ARC) is not equal to the minimum annual contribution in accordance with Indiana Code 10-12-2-2(i) but instead determined under the Entry Age Actuarial Cost Method as defined in Statement #27 of the Governmental Account Standards Board GASB#27).

State Pension Funding Obligations

The State is obligated to fund various components of the plans described above as follows:

1. PERF as to State Employees

Table 30 below represents the historical presentation showing only the active, State-related portion.

Table 30
Public Employees' Retirement Fund
(State-Related Portion, Including the PERF ASA)⁽¹⁾
(dollars in thousands)

	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
<u>Funded Status</u>						
Actuarial Value of Assets	4,776,664	4,548,409	4,374,385	4,158,786	4,141,524	4,415,371
Actuarial Accrued Liability (AAL)	4,821,024	4,869,898	5,248,752	5,264,131	5,542,414	5,690,281
Unfunded/(Overfunded) AAL	44,360	321,489	874,367	1,105,345	1,400,890	1,274,910
Funded Ratio	99.1%	93.4%	83.3%	79.0%	74.7%	77.6%
Contribution Rate ⁽²⁾	6.5%	7.0%	8.6%	9.7%	11.2%	11.2%
<u>Contribution History</u>						
Annual Required Contributions	99,135	107,981	118,200	176,290	183,389	160,150
Actual Employer Contributions	106,867	111,214	111,555	115,232	138,328	157,581
Percentage Contributed	107.8%	103.0%	94.4%	65.4%	75.4%	98.4%

⁽¹⁾ State-related portion does not include any information from schools.

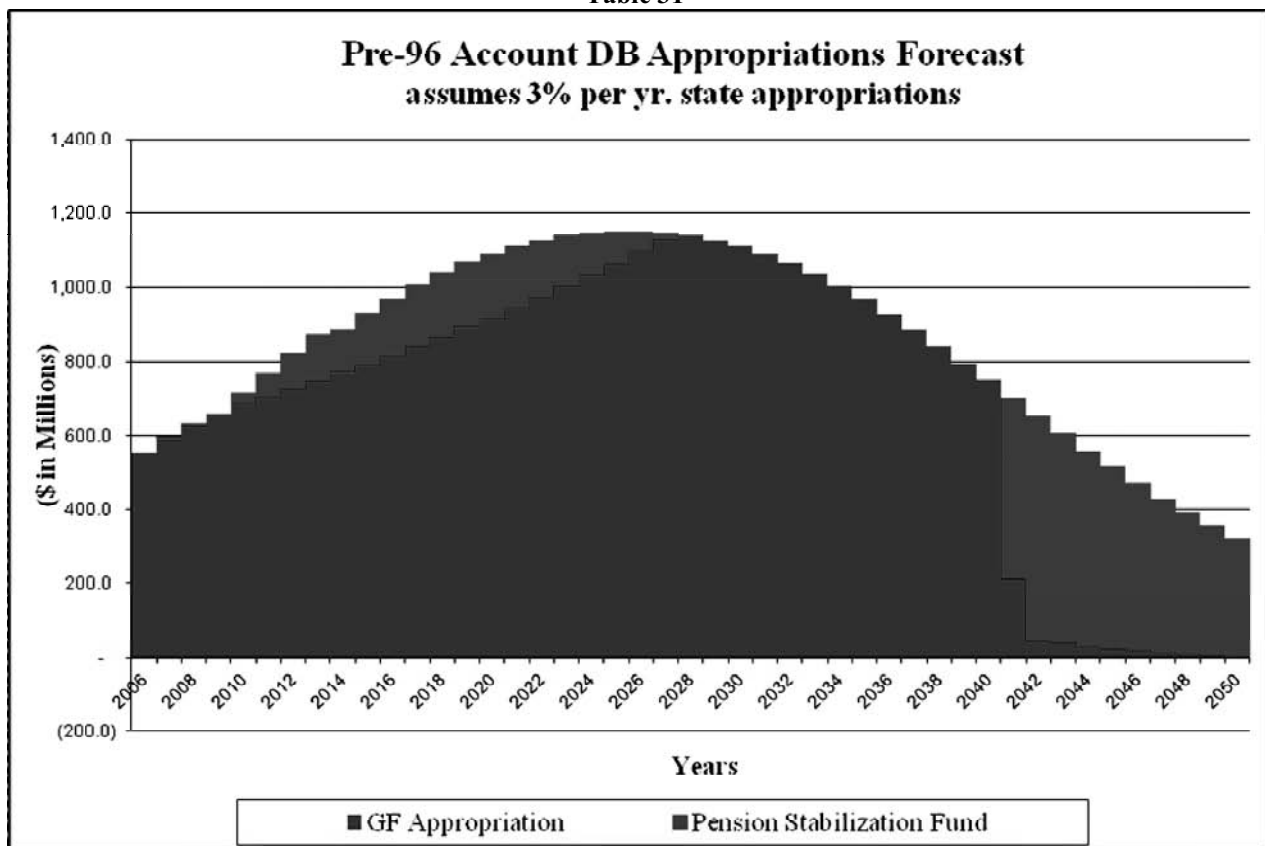
⁽²⁾ Contribution rate is the State rate for all State employers participating in the PERF plan, and is set using the most recently completed actuarial valuation that goes into effect July 1 of the next calendar year.

Source: Actuarial Valuation Report, Public Employees' Retirement Fund of Indiana, June 30, 2013.

2. TRF Pre-1996 Account

The Pension Stabilization Fund has been a source of State contributions to the TRF Pre-1996 Account in the last six years, and projections indicate that the Pension Stabilization Fund will be expended over the next approximately 13 years for this purpose at which time the State's Obligations under the Pre-1996 Account are expected to be lower each succeeding year. If the annual amount of benefit liabilities for the Pre-1996 Account retirees exceeds the annual state appropriation allotted to the Pre-1996 Account, the Pension Stabilization Fund supplements the shortfall. The Pension Stabilization Fund amount is impacted each year by investment earnings and monies allotted from the Lottery. Projections of future annual benefit payments from the Pre-1996 Account will continue to grow from the current level of \$0.9 billion annually and will peak at almost \$1.2 billion annually. This funding will be provided by the annual state appropriations which are projected to grow by 3% per year with any remaining required amounts coming from the Pension Stabilization Fund. Table 31 below shows the projected value of the Pension Stabilization Fund over time and Table 32 shows the Pension Stabilization Fund Balances under the TRF Pre-1996 Account in recent years.

Table 31



Projections assume, inter alia, (1) a 5% annual investment return on the Pension Stabilization Fund, (ii) continued annual funding of Pension Stabilization Fund from lottery revenues of \$30 million, and (iii) 103% year over year appropriations from General Fund for Pre-1996 Plan benefits. Projections are subject to change.

Source: Actuarial Valuation Report, Teachers' Retirement Fund, June 30, 2013.

Table 32
TRF Pre-1996 Pension Stabilization Fund Balances

(Dollars in Millions)

<u>Fiscal</u> <u>Year</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
PSF Balance	2,084.5	1,614.4	1,943.0	2,263.5	2,250.5	2,595.5

3. Other Plan Obligations

The State’s funding obligations for each of the other components of the State pension system are small relative to PERF and TRF and can be seen in prior tables under “Annual Employer Contributions”.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Summary

Indiana is expanding the diversity of its economy while maintaining its strong tradition in the manufacturing sector. Manufacturing capacity has contributed to Indiana’s estimated 2012 State Gross Domestic Product (GDP) of approximately \$298 billion (current dollars), ranking sixteenth largest in the country in terms of the value of goods and services produced. The Manufacturing sector now represents 17% of total employment in Indiana, a decrease from 20% in 2003. From 2003 to 2013, Indiana witnessed significant shifts in the distribution of employment between sectors. Employment in the Education and Health Services sector increased by 22.1%; followed by a 20.8% gain in Professional & Business Services. Trade, Transportation & Utilities is the largest employment super sector in Indiana.

Indiana is rich in assets with a low cost of living, a business-friendly regulatory environment and an efficient transportation system. Well-located for goods production and distribution, Indiana is within a day’s drive of nearly two-thirds of the United States’ population. The 2006 Major Moves transportation initiative, calling for \$10.6 billion invested over 10 years, will fund both maintenance and new construction for Indiana’s roadways. Coupled with the elimination of the state’s inventory tax, and the adoption of Daylight Savings Time, Indiana becomes even more attractive as a site for production, warehousing and distribution and transportation activities.

In 2013 Indiana enacted into law a reduction in corporate income taxes for all businesses. According to a recent report released by the Indiana Chamber of Commerce, Indiana is at the very top for their regulatory freedom index and in the top five of the small business survival index. Separately, Indiana’s business climate was recently ranked fifth best nationally and best in the Midwest by Chief Executive Magazine.

The cost of living index for Indiana’s major cities has been consistently below the national average. Indiana ranks favorably among the states in housing affordability and percent of home ownership. Electricity costs are comparatively low in Indiana due to the ready availability of ample natural resources. According to the U.S. Energy Information Administration, year-to-date average retail electric utility rates through April 2013 were 10% lower than the national average for all consumers; while residential retail electric bills were 5% below the national average.

The Indiana Economic Development Corporation (IEDC) is Indiana’s lead economic development agency. Officially established in February 2005 to replace the state’s former Department of Commerce, the IEDC is a public private partnership governed by a 12-member board of directors chaired by the Governor. Since its inception, the IEDC has worked with more than 1,800 companies from across Indiana and around the globe who have collectively committed to create more than 201,000 new jobs and invest more than \$39 billion of private capital in their Indiana operations. So far in 2014, the IEDC has worked with 100 companies who committed to create 11,371 new jobs and invest \$2.4 billion in new or expanded Indiana operations in industries ranging from advanced manufacturing, life sciences, defense and information technology.

Population

Indiana is the 16th most populous state in the United States. The capital and largest city is Indianapolis. From 2002 to 2012, the Indianapolis-Carmel Metropolitan Statistical Area (“MSA”) grew by 13.9%. While Indiana’s educational attainment rate for bachelors’ degrees has lagged the nation and several neighboring states, estimates from the American Community Survey indicates that between 2002 and 2012, the number of individuals with “some college”, associates’ degrees and bachelors’ degrees were increasing at a substantially higher rate than the population 25 years and older.

Table 33
Educational Attainment, Indiana Population 25 Years & Over

<u>Year</u>	<u>Some college, no degree</u>	<u>Assoc Degree</u>	<u>BA/BS or Above</u>	<u>Population 25 Yrs & Over</u>
2002	725,926	219,712	794,098	3,845,706
2003	747,449	253,224	811,771	3,863,200
2004	768,437	250,762	838,435	3,889,833
2005	789,952	276,886	840,876	3,956,723
2006	793,292	296,052	891,489	4,110,754
2007	803,293	293,297	914,471	4,143,159
2008	866,304	313,410	956,371	4,177,420
2009	884,767	314,491	943,472	4,193,210
2010	884,028	317,235	960,164	4,229,798
2011	889,391	336,181	978,796	4,255,459
2012	885,742	346,595	1,001,273	4,278,945
2002-2012 Growth	22.0%	57.7%	26.1%	11.3%

Sources: American Community Survey 2002-2012, September 2013

Indiana’s excellent state colleges and universities had an undergraduate enrollment of 386,748 and 54,546 graduate students in fall 2010, according to the National Center for Education Studies.⁽¹⁾ These schools also serve as the focus of research and development efforts; assist in the formation of small business “incubators,” and award advanced degrees in fields as varied as engineering, economics and pharmacy. In 2009, based on a National Science Foundation (NSF) survey, among the nation’s public universities, Indiana ranked 18th in the nation in Academic Research & Development from Institutional funding (including grants and endowments) and 10th in terms of Industry (for-profit entities) funding and 17th in funding from “All Other” sources⁽²⁾. In the National Science Foundation 2012 Science and Engineering State Profiles report, Indiana ranks in the top 20 for numbers of Doctoral Scientists, Science and Engineering (S&E) doctorates awarded, S&E and health post doctorates and graduate students in doctorate granting institutions.⁽³⁾ Indiana University, Purdue University and the University of Notre Dame have all been included in the Financial Times rankings of the world’s top business schools.⁽⁴⁾ According to U.S. news & World Report, Purdue University ranked 24th and Indiana University ranked 31st among 173 public universities in the U.S.⁽⁵⁾

Section Footnotes:

⁽¹⁾http://nces.ed.gov/programs/state_profiles

⁽²⁾http://www.nsf.gov/statistics/nsf09303/content.cfm?pub_id=3871&id=2

⁽³⁾<http://www.nsf.gov/statistics/states/show.cfm?stateID=53,15&year=0>

Error! Hyperlink reference not valid. ⁽⁴⁾ <http://rankings.ft.com/businessschoolrankings/global-mba-rankings-2012>

⁽⁵⁾ <http://colleges.usnews.rankingsandreviews.com/best-colleges/rankings/national-universities/top-public>

Table 34
Population, including Selected Indiana MSAs

	<u>2002*</u>	<u>2012</u>	<u>Percentage Change</u> <u>2002-2012</u>
Indiana	6,146,974	6,537,334	6.4%
Indianapolis-Carmel MSA	1,578,131	1,798,634	13.9%
Fort Wayne MSA	395,950	421,406	6.4%
Evansville-Henderson MSA (IN part)	284,848	300,378	5.5%
Gary PMSA	678,595	706,800	4.2%
South Bend-Niles MSA (IN part)	265,096	266,344	0.1%
United States	287,726,647	313,914,040	9.1%

* These Indiana Metropolitan Statistical Areas were reconfigured in 2005. The above population estimates are based on the areas as defined by the Office of Management and Budget as of December 2005. Consistent aggregate historical data are not yet readily available. Source: U.S. Census Bureau, June 2013.

Employment

During this past decade, employment in Indiana has shifted significantly between sectors, reflecting the fundamental changes taking place in the state's economy and following larger trends at the national level. Within the Manufacturing sector, some well-paying industry components continued to experience employment declines in 2012, generally mirroring the nation. Medical Equipment & Supplies Manufacturing, however, has continued to see high growth through 2012. While Transportation Equipment Manufacturing employment has taken heavy losses as part of the turmoil and restructuring of that industry, Indiana's attraction of foreign auto manufacturers has served to help buffer that somewhat in this high wage sector. In particular, Indiana's employment in the Motor Vehicle Manufacturing sub-sector has actually grown by about 21% between 2002 and 2012. Listed on the table below are some examples of high wage subsectors in Indiana.

Table 35
Indiana High Wage Subsectors

<u>NAICS</u> <u>Subsector</u>	<u>Sector Description</u>	<u>2007-2012</u> <u>Employment Change</u>	<u>Indiana % Change</u>	<u>Indiana 2012</u> <u>Annual Average Wage</u>
3362	Motor Vehicle Body & Trailer Manufacturing	-13,100	-7%	\$49,610
3361	Motor Vehicle Manufacturing	2,200	21%	\$76,540
6113	Colleges, Universities & Professional Schools	5,200	25%	\$41,700
6221	General Medical & Surgical Hospitals	16,500	18%	\$47,700
3391	Medical Equipment & Supplies Manufacturing	5,200	35%	\$66,400

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment & Wages, June 2013.

The fastest growing super sectors overall during the last decade were Education and Health Services, which grew by 22.1% from 2003 to 2013, followed by Professional & Business Services (20.8% growth). Although Manufacturing is still the second largest super sector at 17% of total employment, it was the second slowest growing sector from 2003 to 2013 and has undergone significant diversification and acquired an international presence in recent years.

Table 36
Indiana Non-Farm Employment by Super Sector; December 2003 to December 2013
 (Not Seasonally Adjusted)

<u>NAICS Super Sectors</u>	<u>2003</u>	<u>Percentage of Total</u>	<u>2013</u>	<u>Percentage of Total</u>	<u>Growth 2003-2013</u>
Total Non Farm	2,902,200	100%	2,933,300	100%	0.1%
Education & Health Svc.	359,600	12%	439,100	15%	22.1%
Prof & Business Svc.	254,100	9%	306,900	10%	20.8%
Leisure and Hospitality	270,900	9%	290,700	10%	7.3%
Other Services	111,600	4%	119,300	4%	6.9%
Government	422,600	15%	422,100	14%	-1.1%
Trade, Transport. & Util.	574,100	20%	567,900	20%	-1.1%
Financial Activities	141,300	5%	129,100	4%	-8.6%
Information	41,300	1%	35,700	1%	-13.6%
Manufacturing	575,100	20%	492,000	17%	-14.4%
Construction	144,800	5%	123,500	4%	-14.7%
Services Providing	2,175,400	75%	2,310,900	79%	6.2%
Goods Producing	726,800	25%	622,500	21%	-14.3%

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, March 2014

Table 37
Unemployment Rate
 (Annual Averages Data)

<u>Year</u>	<u>Indiana</u>	<u>U.S.</u>	<u>Indiana as Percentage of U.S.</u>
2003	5.3%	6.0%	88.3%
2004	5.3%	5.5%	96.4%
2005	5.4%	5.1%	105.9%
2006	5.0%	4.6%	108.7%
2007	4.6%	4.6%	100.0%
2008	5.8%	5.8%	100.0%
2009	10.3%	9.3%	107.5%
2010	10.0%	9.6%	104.2%
2011	8.8%	8.9%	98.9%
2012	8.1%	8.1%	100.0%
2013	7.5%	7.4%	101.4%

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, April 2014

Income

In 2013, Indiana's per capita personal income increased to \$38,812 or 2.3% from 2011. Indiana's personal income growth ranked twenty-eighth among states in the nation last year. During the past eleven years, Indiana's personal income grew at an average annual rate of 2.7%.

Table 38
Growth in Per Capita Personal Income
(Current Dollars)

<u>Year</u>	<u>Indiana</u>	<u>U.S.</u>	<u>Indiana</u>	<u>U.S.</u>
2003	29,542	32,676	2.1%	2.8%
2004	30,833	34,300	4.4%	5.0%
2005	31,481	35,888	2.1%	4.6%
2006	33,087	38,127	5.1%	6.2%
2007	34,016	39,804	2.8%	4.4%
2008	34,966	40,873	2.8%	2.7%
2009	33,679	39,357	-3.7%	-3.7%
2010	34,386	40,163	2.1%	2.1%
2011	36,342	42,298	5.7%	5.3%
2012	38,119	43,735	4.9%	3.4%
2013	38,812	44,543	1.8%	1.9%
Average Annual Growth Rate (2003-2013):			2.7%	3.2%
Total Growth Rate (2003-2013):			30.1%	34.7%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, March 2014.

Gross Domestic Product

With an estimated 2012 Gross Domestic Product of approximately \$298.6 billion, Indiana's state economy ranks sixteenth largest in the country in terms of the value of goods and services produced. Since 2002, Indiana's Gross Domestic Product by State has grown at an average annual rate of 3.9% (current dollars).

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Table 39
Indiana Gross Domestic Product by Sector: 2002-2012
(Millions of Current Dollars)

<u>NAICS Industry Sectors</u>	<u>2002</u>	<u>Percentage of Total</u>	<u>2012</u>	<u>Percentage of Total</u>	<u>Percentage Growth 2002-2012</u>
Arts, entertainment, and recreation	\$ 2,612	1.3%	\$ 3,242	1.1%	24.1%
Educational services	1,565	0.7%	2,892	1.0%	84.7%
Administrative and waste services	5,080	2.4%	7,987	2.7%	57.2%
Health care and social assistance	14,172	6.8%	23,401	7.8%	65.1%
Professional and technical services	7,331	3.5%	12,158	4.1%	65.8%
Transportation and warehousing	6,831	3.3%	10,344	3.4%	51.4%
Finance and insurance	12,343	5.9%	18,418	6.2%	49.2%
Other services, except government	5,540	2.6%	7,072	2.5%	27.7%
Government	20,377	9.8%	28,759	9.6%	21.1%
Accommodation and food services	5,048	2.4%	7,464	2.5%	47.9%
Real estate, rental, and leasing	21,506	10.3%	27,674	9.3%	28.6%
Mining	824	0.4%	927	0.3%	12.5%
Manufacturing	58,536	28.0%	84,150	28.2%	43.8%
Wholesale trade	10,996	5.1%	15,012	5.0%	34.4%
Information	4,597	2.2%	6,180	2.1%	35.1%
Construction	9,310	4.5%	11,324	3.8%	21.6%
Retail trade	14,121	6.8%	17,519	5.9%	24.1%
Utilities	3,930	1.9%	6,725	2.2%	71.1%
Management of companies and enterprises	2,490	1.2%	3,417	1.1%	37.2%
Agriculture, forestry, fishing, and hunting	1,467	0.7%	3,965	1.3%	170.2%
Total Gross Domestic Product by State	\$208,674	100.0%	\$298,625	100.0%	43.1%

Note: Individual sectors may not sum to totals due to rounding. NAICS Industry detail is based on the 2002 North American Industry Classification System (NAICS).

Source: U.S. Department of Commerce, Bureau of Economic Analysis, June 2013.

Exports

Since 2003, Indiana businesses have significantly increased exported output. The value of exports in calendar year 2004 jumped to \$19,212 million, a 16.7% increase over 2003, in 2005 the total value increased to \$21,594 million, a 12.4% growth rate, in 2006 the total value increased to \$22,666 million, a 5.0% increase, in 2007 increased to \$25,956 million, a 14.5% increase and in 2008 improved to \$26,502 million, a 2.1% increase. After decreasing in 2009, Indiana's exports increased by 25.6% in 2010. Since 2000, Indiana's exports have grown at an average annual rate of 8.7% as compared to 7.6% for the United States as a whole.

Table 40
Exports – Annual Percentage Change
(Millions)

<u>Year</u>	<u>Exports</u>		<u>Annual Percentage Change</u>		<u>Indiana as a</u>
	<u>Indiana</u>	<u>U.S.</u>	<u>Indiana</u>	<u>U.S.</u>	<u>Percentage of</u> <u>U.S. Exports</u>
2002	14,956	693,103	4.1%	-4.9%	2.2%
2003	16,468	724,771	10.1%	4.6%	2.3%
2004	19,212	818,775	16.7%	13.0%	2.4%
2005	21,594	901,082	12.4%	10.1%	2.4%
2006	22,666	1,025,967	5.0%	13.9%	2.2%
2007	25,956	1,148,198	14.5%	11.9%	2.3%
2008	26,502	1,287,442	2.1%	12.1%	2.1%
2009	22,907	1,056,042	-13.6%	-18.0%	2.2%
2010	28,774	1,278,263	25.6%	21.0%	2.3%
2011	32,200	1,480,552	11.9%	15.8%	2.2%
2012	34,431	1,545,709	6.9%	4.4%	2.2%
Average Annual Growth Rate (2002-2012):			8.7%	7.6%	
Total Growth (2002-2012):			95.7%	683.9%	

Source: Office of Trade and Industry Information (OTII), Manufacturing and Services, International Trade Administration, U.S. Department of Commerce, June 2013

Table 41
Indiana's Leading Export Industries and Destinations
(Millions)

<u>Top Export Industries</u>		<u>Export Destinations</u>	
<u>Industry</u>	<u>2012 Exports</u>	<u>Country</u>	<u>2012 Exports</u>
Transportation Equipment Mfg	\$10,188.8	Canada	\$11,900
Chemical Manufacturing	8,478.1	Mexico	3,907
Machinery Manufacturing	4,095.5	Germany	2,156
Primary Metal Manufacturing	2,072.7	France	1,767
Misc. Manufacturing	1,931.1	Japan	1,752
Computers and Electronics	1,760.2	China	1,309
Elect Equip, Appl. & Component	1,061.9	United Kingdom	1,199
Food Manufacturing Products	870.3	Spain	826
Fabricated Metal Products	845.7	Brazil	817
Rubber & Plastics Products	750.4	South Korea	768
Other	<u>2,106.5</u>	Other	<u>8,030</u>
Total	\$34,431.2		\$34,431

Sources: Office of Trade and Industry Information (OTII), Manufacturing and Services, International Trade Administration, U.S. Department of Commerce, June 2013.

LITIGATION

The following litigation liability survey is a summary of certain significant litigation and claims currently pending against the State involving amounts exceeding \$10.0 million individually or in the aggregate. This summary is not exhaustive either as to the description of the specific litigation or claims described or as to all of the litigation or claims currently pending or threatened against the State.

The State does not establish reserves for judgments or other legal or equitable claims against the State. Judgments and other such claims must be paid from the State's unappropriated balances and reserves, if any.

Civil Rights Litigation

In 1968, in *United States of America, et al. v. Board of School Commissioners, et al.*, a lawsuit seeking to desegregate the Indianapolis Public Schools was filed in the United States District Court for the Southern District of Indiana. Since about 1978, the State has paid several million dollars per year for inter-district busing that is expected to continue through 2016. The District Court entered its final judgment in 1981 holding the State responsible for most of the costs of its desegregation plan, and those costs have been part of the State's budget since then. In June 1998, the parties negotiated an 18-year phase out of the desegregation plan that was approved by the Court for some school corporations and a 13-year phase out of the desegregation plan for the school corporations that had already begun the desegregation plan. State expenditures will be gradually reduced as the plan is phased out.

Civil Litigation

In October 2012, in *Estate of Williams v. Indiana State Police, et al.*, representatives and children of a man who was shot by law enforcement officers brought claims for excessive force, wrongful death, and negligence against several law enforcement officers (including two employed Department of Natural Resources and one employed by Indiana State Police) resulting from a fatal shooting. Discovery is closed and a Motion for Summary Judgment was filed on January 31, 2014. Plaintiffs' liability expert alleges over \$10.0 million in damages to the plaintiffs. On June 11, 2014, the Court granted Defendants' Motion for Summary Judgment. Defendants are entitled to summary judgment on all of plaintiffs' claims. The judgment in favor of defendants was amended on June 13, 2014. Defendants' Bill of Costs was filed on June 27, 2014.

In March 2013, an individual brought a putative class action in *Raab v. Waddell and Indiana Bureau of Motor Vehicles* in Marion County. This litigation alleges, on behalf of persons under the age of 75 who have paid a fee to obtain or renew their drivers' licenses since March 7, 2007, that amounts were charged that were not authorized by Indiana law. A settlement has been reached that provides for credits, in a total amount of about \$30 million, to be paid to class members and their attorneys. In November 2013, the court's order and judgment approving settlement was entered for a period of 3 years after the court's final approval of the settlement. Any refunds that have not been paid as advance payments will be available to class members as outlined.

In October 2013, an individual brought a putative class action in *Raab v. Waddell and Indiana Bureau of Motor Vehicles* in Marion County alleging overcharges and the alleged overcharges sought could exceed \$10 million. This case is being handled by outside counsel. The State has filed a motion for partial summary judgment. The hearing on the motion for partial summary judgment was held on June 30, 2014. The matter is under advisement.

Other Contingencies

In May 2010, the State of Indiana on behalf of the Indiana Family and Social Services Administration, by outside counsel, and IBM ("IBM") sued each other regarding the company's contract to fix the state's welfare system. The state filed suit against IBM for breach of contract and unjust enrichment seeking to recover more than \$43.4 million in payments, indemnification, damages, costs, fees, interest, treble damages, declaratory judgment and other relief. IBM filed suit seeking deferred costs and fees alleged in the amount of \$43.4 million, and costs of IBM equipment allegedly retained by the state after termination of the contract for any reason in the amount of \$9.3 million. Both lawsuits were filed in Marion County Superior Court and were consolidated on June 1, 2010. Trial commenced February 2012. A decision was handed down on July 18, 2012. The State has been ordered to pay IBM

an additional \$12 million, for a total of \$52,081,416 plus prejudgment interest and costs. The State received nothing from its complaint. The State, represented by outside counsel, filed an appeal for each case on September 12, 2012. Causes were consolidated; briefing commenced April 11, 2013. The Court of Appeals issued a decision on February 13, 2014 reversing in part and affirming in part. Both parties filed petitions for transfer on March 17, 2014 and those petitions are pending before the Indiana Supreme Court.

APPENDIX B

DEFINITIONS OF TERMS

Unless otherwise specified, capitalized terms used in this Official Statement have the meanings set for the below:

“*AASHTO*” means the American Association of State Highway and Transportation Officials.

“*Abandonment*” means, (a) that the Company or (in the context of the Design-Build Contract) the Design-Build Contractor, as applicable, abandons all or a material part of the Project, which abandonment shall have occurred if (a) the Company or the Design-Build Contractor, as applicable, demonstrates through statements, acts or omissions an intent not to continue, for any reason other than a Relief Event, or (in the context of the Design-Build Contract) a DB Relief Event, that materially interferes with ability to continue, to design, construct, operate or maintain all or a material part of the Project or (b) no significant Work, or (in the context of the Design-Build Contract) D&C Work, taking into account the Project Schedule, if applicable, and any Relief Event or (in the context of the Design-Build Contract) any DB Relief Event, on the Project or a material part thereof is performed for a continuous period of more than 45 days.

“*Acceptable Bank*” means a bank or other financial institution with a rating of at least “A-/A3” or the equivalent by a Nationally Recognized Rating Agency as of the date of issuance of the applicable letter of credit.

“*Acceptable Equity LC Bank*” means a financial institution with a credit rating of at least “BBB+” or “Baa1” from a Nationally Recognized Rating Agency.

“*Acceptable Equity Letter of Credit*” means one or more irrevocable letters of credit from an Acceptable Equity LC Bank with an aggregate face amount of not less than the amount required of the Required Equity Letter of Credit, as such amount is described in “FINANCING FOR THE PROJECT—Equity Contributions—Equity Letters of Credit”, naming the Collateral Agent as beneficiary.

“*Acceptable Letter of Credit*” means any letter of credit (a) issued by an Acceptable Bank, (b) the reimbursement obligations with respect to which shall not be recourse to the Company or the Pledgor, (c) the term of which is at least one year from the date of issue (except that for letters of credit issued as a replacement letter of credit with less than one year remaining until the stated expiration date of the original letter of credit, the term shall be for such shorter period), and (d) which allows drawing (i) during the ten day period prior to expiry (unless otherwise replaced), (ii) the issuing bank of such letter of credit ceases to be an Acceptable Bank for sixty consecutive days (but such issuing bank has not suffered an Issuing Bank Ratings Event) and the Company has not arranged for the replacement thereof with an Acceptable Letter of Credit on or before the date which is sixty days following the date on which the issuing bank ceases to be an Acceptable Bank; (iii) the issuing bank of such letter of credit suffers an Issuing Bank Ratings Event; and (iv) if such letter of credit is used to fund any reserve account established hereunder, when funds would otherwise be drawn from such reserve account.

“*Account Collateral*” means, subject to the Collateral Agency Agreement, (a) all Project Accounts and funds deposited therein and moneys, funds, instruments, securities and all other property from time to time credited to such Project Accounts, (b) all Indenture Account Collateral and funds deposited therein and moneys, funds, instruments, securities and all other property from time to time credited to such Indenture Account Collateral, (c) all “securities accounts” (within the meaning of Section 8-501 of the UCC), all deposit accounts and any and all other bank accounts, and (d) all “proceeds” (as defined under the UCC) of any or all of the foregoing, that is subject to a security interest granted by the Company pursuant to the Security Agreement.

“*Account Control Agreement*” means the Account Control Agreement to be entered into on or before the Closing Date, among the Company, the Collateral Agent and the Deposit Account Bank in respect of the Operating Account.

“*Accounts*” means any account or sub-account created in any Fund under the Indenture or any account or

sub-account under the Collateral Agency Agreement.

“*Additional Parity Bond Loan*” means the loan to the Company by the Issuer pursuant to the Additional Parity Bonds Loan Agreement of the entire amount of the proceeds from any Additional Parity Bonds issued pursuant to the Indenture.

“*Additional Parity Bonds*” means any Additional Parity Bonds issued pursuant to the Indenture.

“*Additional Parity Bonds Loan Agreement*” means, for each series of Additional Parity Bonds, the loan agreement to be executed by the Issuer and the Company in connection with the issuance of such Additional Parity Bonds pursuant to the Indenture, with such changes as are acceptable to the Company and the Issuer.

“*Additional Property*” means properties that are both (a) outside the boundaries for the Project Right of Way as set forth in the ROW Work Maps and (b) either (i) added to the Project Right of Way for permanent use for Project-related purposes or (ii) added for temporary use as Project Specific Locations.

“*Adjustment Standards*” means the standard specifications, standards of practice, and construction methods that a Utility Owner customarily applies to facilities (comparable to those being adjusted on account of the Project) constructed by the Utility Owner (or for the Utility Owner by its contractors), at its own expense. Unless the context requires otherwise, references in this Official Statement to a Utility Owner’s “applicable Adjustment Standards” refer to those that are applicable pursuant to Section 5.5.3 of the Public-Private Agreement.

“*Administrative Fees Sub-Account*” means the sub-account of the Debt Payment Account so-designated in Section 5.05(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Payment Account” herein.

“*Advance Payment*” has the meaning given such term in “DESIGN-BUILD CONTRACT—Compensation and Payments”.

“*Advance Payment Security*” has the meaning given such term in “DESIGN-BUILD CONTRACT—Compensation and Payments”.

“*Affiliate*” means:

- (a) with respect to the Public-Private Agreement, (i) any person in which an Equity Member holds, directly or indirectly, a “Controlling Interest” (for purposes of this paragraph, as defined in the Public-Private Agreement); (ii) any person that, directly or indirectly, holds a “Controlling Interest” in an Equity Member; or (iii) any person in which the person referenced under clause (ii) of this definition holds, directly, or indirectly, a “Controlling Interest”; or
- (b) with respect to the Financing Documents, any entity which directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with the person of whom the entity is an Affiliate.

“*Aggregate Committed Contribution Amount*” means \$40,452,621 *minus* the aggregate amount of equity contributions made prior to the Closing Date.

“*Airspace*” means any and all real property, including the surface of the ground and submerged lands, within the vertical column extending above and below the surface boundaries or water surface, as applicable, of the Project Right of Way and not necessary or required for the Project or for developing, permitting, designing, financing, constructing, installing, equipping, operating, maintaining, repairing, reconstructing, restoring, rehabilitating, renewing or replacing the Project or the Company’s timely fulfillment of its obligations under the PPA Documents.

“*Annual Non-Discriminatory O&M Change Deductible*” means an aggregate annual deductible of

\$250,000, as adjusted in accordance with Section 15.7.1.3 of the Public-Private Agreement.

“*Applicable Tax Distribution Amount*” means, for each Company Fiscal Quarter, the amount by which (a) the sum of (i) the estimated income tax liability incurred by the Company in such Company Fiscal Quarter (calculated as described below on an estimated basis for such Company Fiscal Quarter as certified by the Company pursuant to the relevant Funds Transfer Certificate) and (ii) the income tax liability incurred by the Company in all prior Company Fiscal Quarters (calculated as described below on an actual basis to the extent available at the time of such calculation for each such prior Company Fiscal Quarter as certified by the Company pursuant to the relevant Funds Transfer Certificate) exceeds (b) the sum of the amounts previously withdrawn and transferred from the Revenue Account pursuant to priority *ninth* of Section 5.02(b) of the Collateral Agency Agreement. For purposes of the previous sentence, the income tax liability incurred by the Company for a Company Fiscal Quarter shall be (1) the product of (A) the Effective Tax Rate for the applicable Company Fiscal Quarter *multiplied by* (B) the excess of (I) the taxable income of the Company for such Company Fiscal Quarter *over* (II) the tax loss and deduction carryforwards of the Company for such Company Fiscal Quarter, *minus* (2) the refunds, savings, tax credits or offsets received by the Company in such Company Fiscal Quarter in respect of any prior Company Fiscal Quarter, to the extent such refunds, savings, tax credits or refunds did not reduce the Applicable Tax Distribution Amount in any prior Company Fiscal Quarter, in each case of clause (1) and (2) above, determined as if the Company was a corporate entity separate from the Sponsors and giving due regard to any limitations on the carryforward of capital losses, net operating losses and other tax attributes that would apply to the Company if it were a corporation. If the estimated income tax liability incurred by the Company in the applicable Company Fiscal Quarter shall be less than or equal to zero, then (x) the Applicable Tax Distribution Amount for such Company Fiscal Quarter shall be zero and (y) if such estimated income tax liability is a negative amount, then the Applicable Tax Distribution Amount for succeeding Company Fiscal Quarters shall be reduced (without duplication of other reductions made pursuant to this clause (y) or pursuant to clause (2) above) to take into account such negative amount until such negative amount is reduced to zero.

“*Assigned Agreements*” means all agreements and contracts (other than all contracts and other agreements of the Company relating to the sale or other disposition of all or any part of the Inventory, Equipment or Documents and all rights, warranties, claims and benefits of the Company against any person arising out of, relating to or in connection with all or any part of the Inventory, Equipment or Documents of the Company, including any such rights, warranties, claims or benefits against any person storing or transporting any such Inventory or Equipment or issuing any such Documents), in each case, to which the Company is a party (as amended, supplemented, amended and restated or otherwise modified and in effect from time to time), including (a) all contracts and agreements related to the Project to which the Company is a party and (b) each and every bond, indemnity, warranty guaranty and other similar document relating to the performance by any party (other than the Company).

“*Authority Account*” means the Handback Requirements Reserve Account.

“*Authority Account Control Agreement*” means an account control agreement, among the Company, the Contracting Authority and the depository institution in which the Handback Requirement Reserve Account is held, to be entered into and meeting the requirements of the Public-Private Agreement.

“*Authority Costs*” mean fees, costs and expenses of all kinds incurred by the Contracting Authority relating to the Project and the Public-Private Agreement, including but not limited to (a) the fees and costs of the trustee under any related trust agreement, (b) insurance for the Project, salaries, wages and benefits of employees, rent, office costs, advisor and consultant costs, and attorneys’ fees; (c) costs to acquire property, easements, rights of entry, rights of access and other interests necessary for construction, operation or maintenance of the Project; and (d) all other organizational, administrative, operating and overhead fees, costs and expenses.

“*Authorized Denominations*” means denominations of \$5,000 principal amount and integral multiples thereof.

“*Availability Payment*” means the amount earned in each given State Fiscal Year commencing at the Operating Period by the Company as determined in accordance with Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Bankruptcy Code*” has the meaning given such term in “RISK FACTORS—Risks Relating to the Series 2014 Bonds—Bankruptcy and Insolvency Risks—General”.

“*Bankruptcy Event*” means with respect to any person:

- (a) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of such person or of a substantial part of the assets of such person under any insolvency law or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such person or a substantial part of such person’s assets and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty days or an order or decree approving or ordering any of the foregoing shall be entered; or
- (b) Such person shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such person or for a substantial part of such person’s assets, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any insolvency law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), and, in any case referred to in the foregoing subclauses (i) through (v), such action has not been cured within twenty days thereafter.

“*Base Case Financial Model*” means the base case financial model forecasting the revenues and expenditures of the Project, dated as of the Closing Date.

“*Base MAP*” means \$21,780,000, as may be adjusted on the Closing Date upon finalization of the financial model.

“*Baseline Substantial Completion Date*” means October 31, 2016, subject to adjustment pursuant to the terms of the Public-Private Agreement.

“*Best Management Practices*” has the meaning set forth in *Storm Water Management For Construction Activities: Developing Pollution Prevention Plans and Best Management Practices* (EPA Document 832 R 92-005).

“*Biennium*” means the biennium used for State budgetary and appropriation purposes.

“*Bond Counsel*” means Barnes & Thornburg, LLP, or other attorneys selected by the Company, with the consent of the Contracting Authority, which consent shall not be unreasonably withheld, who have nationally recognized expertise in the issuance of municipal securities, the interest on which is excluded from gross income for federal income tax purposes or exempt from income taxation in the State.

“*Bond Mandatory Prepayment Sub-Account*” the sub-account of the Mandatory Prepayment Account so-designated in Section 5.09(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Mandatory Prepayment Account”, APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—The Project Accounts—Mandatory Prepayment Account” and APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—Collateral and Remedies—Application of Proceeds” herein.

“*Bond Premium*” has the meaning given such term in “TAX MATTERS—Federal Income Tax Accounting Treatment of Amortizable Bond Premium”.

“*Bond Resolution*” means the resolution of the Issuer adopted on May 15, 2014, authorizing the issuance of the Series 2014 Bonds.

“*Bondholder Long Stop Date*” means:

- (a) with respect to the Design-Build Contract, the date that is two months prior to the Long Stop Date; or
- (b) with respect to all other agreements, the date that is two months prior to the Long Stop Date as such deadline may be extended in accordance with the Public-Private Agreement.

“*Bonds*” has the meaning given such term in “THE SERIES 2014 BONDS—Grant of Trust Estate”.

“*Borrower Continuing Disclosure Agreement*” has the meaning given such term in “CONTINUING DISCLOSURE OF INFORMATION”.

“*Breakage Costs*” means any prepayment premiums or penalties, make-whole payments or other prepayment amounts, including costs of early termination of interest rate and inflation rate hedging, swap, collar or cap arrangements, that the Company must pay, or that may be payable or credited to the Company, under any Funding Agreement or “Security Document” (as defined in the Public-Private Agreement) or otherwise as a result of the payment, redemption or acceleration of all or any portion of the principal amount of Project Debt prior to its scheduled payment date that are determined to be reasonable by the Contracting Authority at the time the Contracting Authority reviews and approves the Funding Agreements, excluding, however, any such amounts included in the principal amount of any Refinancing.

“*Business Day*” means:

- (a) with respect to the Public-Private Agreement or the Design-Build Contract, any weekday (i.e., Monday through Friday) except for those weekdays on which banks are not required or authorized by applicable law to be open in the State;
- (b) with respect to the Financing Documents (other than the Equity Contribution Agreement), any day other than a Saturday, a Sunday or a day on which offices of the United States government or the State are authorized to be closed or on which commercial banks in New York, New York, Washington, D.C., or the city and state in which the Creditor Representative, the Collateral Agent or the Deposit Account Bank, as applicable, is located, are authorized or required by law, regulation or executive order to be closed (unless otherwise provided in a Supplemental Indenture); or
- (c) with respect to the Equity Contribution Agreement, the same as in clause (b) of this definition; provided, that for purposes of making a Capital Contribution pursuant to the Equity Contribution Agreement, the term “Business Day” shall additionally exclude days on which commercial banks in Madrid, Kingdom of Spain, Amsterdam, Kingdom of the Netherlands, Montreal, Canada, or any other city in which an additional sponsor that may become a party to the Equity Contribution Agreement on or after the date thereof and pursuant to the terms thereof is located are authorized or required by law, regulation or executive order to be closed.

“*Business Opportunity*” has the meaning set forth in Sections 8.2.2 and 8.2.3 of the Public-Private Agreement.

“*Calculation Agent*” means any independent accounting firm, investment banking firm or financial advisor retained by the Company at the Company’s expense to calculate the Make-Whole Redemption Price.

“*Calculation Date*” means each March 1 and September 1.

“*Calculation Period*” means the 12-month period ending on the day immediately preceding a Calculation Date or other relevant date or the 12-month period beginning on such Calculation Date or other relevant date and ending 12-months thereafter.

“*Capital Contribution*” means a contribution of capital from a Sponsor (i) directly or indirectly to the Pledgor or Company and, if applicable, from the Pledgor to the Company pursuant to the Equity Contribution Agreement or (ii) directly or indirectly to the Company pursuant to the Equity Contribution Agreement.

“*CERCLA*” has the meaning given such term in “RISK FACTORS—Risks Relating to the Project—Environmental and Permitting Risks”.

“*Change in Adjustment Standards*” means any change in Adjustment Standards after the Setting Date that directly affects the design or construction of Utility Adjustments and is (a) necessary to conform to applicable law or Change in Law or (b) adopted by the applicable Utility Owner after the Setting Date, excluding any such changes in Adjustment Standards known to the Company as of the Setting Date. A Change in Law that changes, adds to or replaces Adjustment Standards, as well as revisions to the Technical Provisions to conform to such Change in Law, shall be treated as a Change in Adjustment Standards rather than an IFA Change to the Technical Provisions.

“*Change in Law*” means:

- (a) the adoption of any law of the State or any local government, or political subdivision of either the State or such local government, after the Setting Date, provided such new law is materially inconsistent with the laws of the State or such local government or political subdivision in effect on the Setting Date,
- (b) any change in any law of the State or any local government, or political subdivision of either the State or such local government, or in the interpretation or application thereof by any Governmental Entity after the Setting Date, provided such change is materially inconsistent with laws of the State or such local government or political subdivision in effect on the Setting Date;

excluding, however,

- (i) any such change in or new law of the State that also constitutes or causes a Change in Adjustment Standards,
- (ii) any change in or new law of the State pending, passed or adopted but not yet effective as of the Setting Date,
- (iii) any change in State labor laws, and
- (iv) any change in State tax laws of general application except the adoption after the Setting Date of any law not otherwise excluded that results in the levy of State *ad valorem* property taxes on the Company’s Interest (it being understood that any change in State tax laws shall not be deemed of general application if it is solely directed at and the effect of which is solely borne by the Company or private operators of transportation assets or transportation asset developers, in each case, in the State).

New or revised statutes or regulations of the United States or a federal agency, the State or a local government or political subdivision of either, enacted, promulgated or adopted after the Setting Date that change, add to or replace applicable standards, criteria, requirements, conditions, procedures, specifications and other provisions, including Safety Standards and Project Standards, but excluding Adjustment Standards, relating to the D&C Work or O&M Work, as well as revisions to the Technical Provisions to conform to such new or revised statutes, shall be treated as a Change in Law (subject to the foregoing exclusions) rather than an IFA Change to the Technical Provisions.

“Change of Control” means:

- (a) with respect to the Public-Private Agreement, any Equity Transfer, transfer of an interest, direct or indirect, in an Equity Member, or other assignment, sale, financing, grant of security interest, hypothecation, conveyance, transfer of interest or transaction of any type or description, including by or through voting securities, asset transfer, contract, merger, acquisition, succession, dissolution, liquidation, bankruptcy or otherwise, that results, directly or indirectly, in a change in possession of the power to direct or control or cause the direction or control of the management of the Company or a material aspect of its business. A change in possession of the power to direct or control or cause the direction or control of the management of an Equity Member may constitute a Change of Control of the Company if such Equity Member possesses, immediately prior to such Change of Control, the power to direct or control or cause the direction or control of the management of the Company. Notwithstanding the foregoing, the following shall not constitute a Change of Control:
 - (i) A change in possession of the power to direct or control the management of the Company or a material aspect of its business due solely to a bona fide transaction involving beneficial interests in the ultimate parent organization of an Equity Member, (but not if the Equity Member is the ultimate parent organization), provided, however, that this exception shall not apply if the transferee in such transaction is, at the time of the transaction, suspended or debarred, subject to an agreement for voluntary exclusion, or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or State department or agency;
 - (ii) An upstream reorganization or transfer of direct or indirect interests in the Company so long as there occurs no change in the entity with ultimate power to direct or control or cause the direction or control of the management of the Company;
 - (iii) A transfer of interests between managed funds that are under common ownership or control, except a change in the management or control of a fund that manages or controls the Company;
 - (iv) An Equity Transfer, where the transferring Equity Member and the transferee are under the same ultimate parent organization ownership, management and control before and after the transfer;
 - (v) A change in possession of the power to direct or control the management of the Company or a material aspect of its business due solely to bona fide open market transactions in securities effected on a recognized public stock exchange, including such transactions involving an initial public offering;
 - (vi) The exercise of minority veto or voting rights (whether provided by applicable law, by the Company’s organizational documents or by related member or shareholder agreements or similar agreements) over major business decisions of the Company, provided that if such minority veto or voting rights are provided by shareholder or similar agreements, the Contracting Authority has received copies of such agreements; or
 - (vii) The grant of “Security Documents” (as defined in the Public-Private Agreement), in strict compliance with Section 13.3 of the Public-Private Agreement, or the exercise of Lender remedies thereunder, including foreclosure; or
- (b) with respect to the Financing Documents, a prohibited “Equity Transfer” or “Change of Control” (each as defined in the Public-Private Agreement) under Section 22.2 of the Public-Private Agreement, with respect to which the Contracting Authority has not consented or waived compliance with the requirements therein.

“*Change Order*” means a written order issued by the Contracting Authority to the Company delineating changes in Work within the general scope of the PPA Documents or in terms and conditions of the Technical Provisions (including changes in the standards applicable to the Work in accordance with Section 16.1.1 of the Public-Private Agreement) and establishing, if appropriate, an adjustment to the Company’s compensation or Project Schedule.

“*Change Request*” means a written request from the Company seeking to change the character, quantity, quality, description, scope or location of any part of the Work, or to modify or deviate from the PPA Documents.

“*Closing Date*” has the meaning assigned such term on the cover page hereof.

“*Closure*” means that all or part of any traffic lanes, ramps, direct connectors or cross roads, shoulders or footways are closed or blocked, or that the use thereof is otherwise restricted, during the Operating Period.

“*Code*” has the meaning given such term in “TAX MATTERS—Opinion”.

“*Collateral*” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Collateral Generally”.

“*Collateral Agency Agreement*” means that certain Collateral Agency Agreement, expected to be dated as of July 1, 2014, among the Company, the Trustee, in its capacity as Trustee on behalf of the Owners of the Bonds and who in such capacity will be the initial Creditor Representative thereunder, the Securities Intermediary, on behalf of itself and the other Secured Parties, and the Collateral Agent, in its capacity as Collateral Agent on behalf of itself and the other Secured Parties.

“*Collateral Agent*” means U.S. Bank National Association and its successors and assigns pursuant to the Collateral Agency Agreement.

“*Commercially Reasonable Insurance Rates*” means insurance premiums, except Excluded Premium Increases, up to but not exceeding 200% of the applicable “Insurance Premium Benchmark Amount” (for purposes of this paragraph, as defined in the Public-Private Agreement) for all required Insurance Policies; provided that for the period before any “Insurance Premium Benchmark Amount” commences, commercially reasonable rates are the greater of (a) rates that a reasonable and prudent risk manager for a person seeking to insure comparable risks would conclude are justified by the risk protection afforded, and (b) the rates indicated for the period in question in the Financial Model and related “Financial Modeling Data” (as defined in the Public-Private Agreement).

“*Commercially-Unreasonable Insurance Availability*” means either:

- (a) Any Insurance Policy coverage required under Section 17.1 of the Public-Private Agreement and Exhibit 18 (Insurance Coverage Requirements) to the Public-Private Agreement is completely unavailable from insurers meeting the financial requirements set forth in Section 17.1.2.1 of the Public-Private Agreement; or
- (b) Provision of all such Insurance Policy coverages has become unavailable at Commercially Reasonable Insurance Rates from insurers meeting the financial requirements set forth in Section 17.1.2.1 of the Public-Private Agreement.

“*Committed Contribution Amount*” means, in respect of each Sponsor, the amount set forth on Schedule 1 to the Equity Contribution Agreement in respect of such Sponsor (as updated from time to time in accordance with Article 2 of the Equity Contribution Agreement).

“*Committed Investment*” means:

- (a) Any form of direct investment of good and immediately available funds by Equity Members, including the purchase of equity shares in and/or the provision of Subordinated Debt to the

Company; or

- (b) An irrevocable written commitment to make the direct investment referenced in clause (a) of this definition, in good and immediately available funds, by a date which is no later than the Baseline Substantial Completion Date.

“*Company*” has the meaning assigned such term on the cover page hereof.

“*Company Default*” means:

- (a) with respect to the Public-Private Agreement, a “Developer Default” as defined in Section 19.1.1 of the Public-Private Agreement; or
- (b) with respect to the Design-Build Contract, a “Developer Default” as defined in Section 19.3.1 of the Design-Build Contract.

“*Company Fiscal Quarter*” means the three month period commencing on the first day of the first, fourth, seventh and tenth month of each Company Fiscal Year and ending on the last day of the third, sixth, ninth and twelfth month, respectively, of such Company Fiscal Year.

“*Company Fiscal Year*” means the twelve months commencing on January 1 of any calendar year and ending on December 31 of such calendar year, or any other 12-month period which the Company designates as its fiscal year.

“*Company Initiated Change*” means a Change Request submitted by the Company to the Contracting Authority in accordance with Section 16.2 of the Public-Private Agreement.

“*Company Releases of Hazardous Material*” means (a) Releases of Hazardous Material attributable to the actions, omissions, negligence, willful misconduct, or breach of applicable law or contract by any Company-Related Entity, provided that the removal of Hazardous Materials by the Company or a Company-Related Entity in accordance with the requirements of the Public-Private Agreement shall not be a “Company Release of Hazardous Material”; (b) Releases of Hazardous Materials arranged to be brought onto the Site or elsewhere by any Company-Related Entity; regardless of cause, or (c) use, containment, storage, management, handling, transport and disposal of any Hazardous Materials by any Company-Related Entity in violation of the requirements of the PPA Documents or any applicable law or Governmental Approval.

“*Company-Related Entities*” means (a) the Company, (b) the Company’s Equity Members, (c) Contractors (including suppliers), (d) any other persons (except the Contracting Authority and the Department) performing any of the Work, (e) any other persons except the Contracting Authority and the Department) for whom the Company may be legally or contractually responsible, and (f) the employees, agents, officers, directors, representatives, consultants, successors and assigns of any of the foregoing.

“*Company Representative*” means (a) the Chairman of the Board of Directors of the Company; or (b) any of the directors or officers (as designated in the Operating Agreement) of the Company; (c) any other individual (or individuals) so designated by the Company to act as Company Representative by written certificate furnished to the Creditor Representative containing the specimen signature of such person and signed on behalf of the Company by the Chairman of the Board of Directors of the Company or any of the directors or officers of the Company. Such certificate may designate an alternate or alternates.

“*Company’s Interest*” means all right, title and interest of the Company in, to, under or derived from the Public-Private Agreement and the other PPA Documents, including the Company’s right, title and interest in and to the “Project Right of Entry”, “Principal Project Documents” (as each of the immediately preceding two terms is defined in the Public-Private Agreement), Project Management Plan, Contracts, Submittals, “Claims” and “Intellectual Property” (as each of the immediately preceding two terms is defined in the Public-Private Agreement).

“*Compensation Amounts*” means the amount, if any, owing to the Company under Article 15 of the Public-Private Agreement on account of occurrence of a Relief Event.

“*Construction Account*” has the meaning given in Section 5.01(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Construction Account” herein.

“*Construction Account Withdrawal Certificate*” means the certificate substantially in the form attached as Exhibit F to the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Construction Account” herein.

“*Construction Closure*” means that all or part of any traffic lanes of the SR 37, its ramps, direct connectors, frontage roads or cross roads are closed or blocked, or that the use thereof is otherwise restricted for any reason during the Construction Period.

“*Construction Noncompliance Event*” means the failure to meet one of the minimum performance requirements before Substantial Completion as set forth in Table 12.2 of Exhibit 12 (Noncompliance Points System and Persistent Developer Default) to the Public-Private Agreement within the applicable cure period (if any).

“*Construction Period*” means:

- (a) with respect to the Public-Private Agreement, the period starting upon issuance of NTP2 and ending at 11:59 p.m. on date prior to the Substantial Completion Date; or
- (b) with respect to the Financing Documents, the period starting on the Closing Date and ending on the Substantial Completion Date.

“*Construction Period O&M Limits*” means the areas in which the O&M During Construction is to be performed, as identified in Section 18.1.4 of the Technical Provisions.

“*Construction Revenues Sub-Account*” means the sub-account of the Construction Account so-designated in Section 5.04(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Construction Account” herein.

“*Construction Work*” means all work to build or construct, reconstruct, rehabilitate, make, form, manufacture, furnish, install, integrate, supply, deliver and equip the Project and the Utility Adjustments, including aesthetic and landscaping work and standard landscaping and aesthetics treatment work.

“*Consumer Price Index*” or “*CPI*” means the Consumer Price Index All Items (BES Series ID: CUUR0000SA0), as published by the United States Department of Labor, Bureau of Labor Statistics, for which the base year is 1982-84 = 100, or if such publication ceases to be in existence, a comparable index selected by the Contracting Authority and approved by the Company, acting reasonably. If such index is revised so that the base year differs from that set forth above, the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Bureau of Labor Statistics otherwise alters its method of calculating such index, the Contracting Authority and the Company shall mutually determine appropriate adjustments in the affected index.

“*Contract*” means:

- (a) with respect to the Public-Private Agreement, any agreement, and any supplement or amendment thereto, by the Company with any other person, Contractor or supplier to perform any part of the Work or provide any materials, equipment or supplies for any part of the Work, or any such agreement, supplement or amendment at a lower tier, between a Contractor and its lower tier Contractor or a supplier and its lower tier supplier, at all tiers; or

- (b) with respect to the Design-Build Contract, any agreement, and any supplement or amendment thereto, by Design-Build Contractor with any other person, Contractor or supplier to perform any part of the D&C Work or provide any materials, equipment or supplies for any part of the D&C Work, or any such agreement, supplement or amendment at a lower tier, between a Contractor and its lower tier Contractor or a supplier and its lower tier supplier, at all tiers.

In both contexts, the term “Contract” excludes “Utility Agreements” (as defined in the Public-Private Agreement).

“*Contract Sum*” has the meaning given such term in “DESIGN-BUILD CONTRACT—Compensation and Payment”.

“*Contracting Authority*” has the meaning assigned such term on the cover page hereof.

“*Contracting Authority-Caused Delays*” means any of the following events, to the extent they result in a delay or interruption in performance of any material Company obligation under the Public-Private Agreement, and provided such events are beyond the Company’s control and are not due to any act, omission, negligence, recklessness, willful misconduct, breach of contract, the requirements of the PPA Documents (including the Company’s obligations set forth in Section 4.3.10 of the Public-Private Agreement) or law of any of the Company-Related Entities, and further provided that such events (or the effects of such events) could not have been avoided by the exercise of caution, due diligence, or reasonable efforts by the Company:

- (a) Failure of the Contracting Authority:
 - (i) To issue NTP1 within 30 days after satisfaction of all of the conditions precedent to issuance of NTP1 as set forth in Section 5.3.1 of the Public-Private Agreement, or
 - (ii) To issue NTP2 within 30 days after satisfaction of all of the conditions precedent to issuance of NTP2 as set forth in Section 5.6.1 of the Public-Private Agreement; or
 - (iii) To issue the certificate of Substantial Completion within 5 days after DB Substantial Completion and satisfaction of all O&M Conditions Precedent as provided in Section 5.8.1 of the Public-Private Agreement;
- (b) IFA Changes;
- (c) Failure or inability of the Contracting Authority to make available to the Company for construction:
 - (i) A Project Right of Way parcel other than Additional Properties by the applicable “Anticipated Date Available” set forth in Attachment 17-2 of the Technical Provisions; or
 - (ii) Any Additional Property that the Contracting Authority is to acquire, within 365 days after the Contracting Authority’s receipt and approval of the Company’s (x) written request, (y) information required under Section 17.1 of the Technical Provisions, and (z) drawing in accordance with Section 5.4.3 of the Public-Private Agreement, subject, however, to (A) the exceptions and limitations set forth in Section 15.7.2 of the Public-Private Agreement and (B) the Contracting Authority’s right to extension of such time period as necessary due to the Contracting Authority’s curtailment, suspension or cessation of acquisition activities as set forth in Section 5.4.6 of the Public-Private Agreement;

provided that “make available” means that the Company shall have the right to enter the parcel for the purpose of commencing and completing construction in accordance with the PPA Documents as the result of the Contracting Authority’s having secured a temporary or final right of entry, permit or other agreement, or an order of

possession, through settlement, negotiation, the eminent domain process or otherwise;

- (d) Failure or inability of the Contracting Authority to make available to the Company for operations any of the property described in clauses (c)(i) and (ii) above by the Substantial Completion Date, subject, however, in the case of clause (c)(ii) above to the exception and right of extension described in such clause, and provided that “make available” means that the Company shall have the right to enter the parcel for the purposes and activities of the Company contemplated under the PPA Documents after the Substantial Completion Date, as the result of the Contracting Authority’s having secured a temporary or final right of entry, permit or other agreement, or an order of possession, through settlement, negotiation, the eminent domain process or otherwise;
- (e) Failure of the Contracting Authority to provide responses to proposed schedules, plans, “Design Documents” (as defined in the Public-Private Agreement), condemnation and acquisition packages, and other Submittals and matters submitted to the Contracting Authority after the PPA Effective Date for which response is required under the PPA Documents as an express prerequisite to the Company’s right to proceed or act, within the time periods (if any) indicated in the PPA Documents, or if no time period is indicated, within a reasonable time, taking into consideration (i) the nature, importance and complexity of the Submittal or matter, (ii) the number of Submittals or such other items which are then pending for the Contracting Authority’s response, (iii) the completeness and accuracy of the Submittal or such other item, and (iv) the Company’s performance and history of Nonconforming Work under the PPA Documents, following delivery of Notice from the Company requesting such action in accordance with the terms and requirements of the PPA Documents;
- (f) Suspension of Work orders issued by the Contracting Authority pursuant to Section 19.2.8.3 of the Public-Private Agreement, provided that:
 - (i) Any suspension of Work arising from Force Majeure Events, litigation, or security threat rule, order or directive shall not be considered a Contracting Authority-Caused Delay (although it may qualify as a Relief Event under clause (j), (s) or (t), respectively of the definition of “Relief Event” in the Public-Private Agreement), despite the fact that the Contracting Authority may specifically direct the Company to suspend the Work; and
 - (ii) Any suspension of Work arising from presence or Release of Hazardous Materials, the Contracting Authority’s performance of data recovery respecting archeological, paleontological, historical or cultural resources, or the Contracting Authority’s actions related to endangered or threatened species shall not be considered a Contracting Authority-Caused Delay (although it may qualify as a Relief Event under clause (m), (n), (o) or (q), respectively, of the definition of “Relief Event” in the Public-Private Agreement), despite the fact that the Contracting Authority may specifically direct the Company to suspend the Work. Any proper suspension of Work pursuant to Section 19.2.8.1 of the Public-Private Agreement shall not be considered a Contracting Authority-Caused Delay;
- (g) Uncovering of the Construction Work, so long as (i) the Company shall have given the Contracting Authority prior notification (in accordance with the terms of the PPA Documents, but in no case less than five (5) Business Days’ prior notification prior to covering the relevant portion of the Construction Work) of the Company’s intent to cover such portion of the Construction Work, (ii) such portion has, in fact, been covered, (iii) the covering itself is not defective and otherwise in accordance with the PPA Documents and (iv) upon uncovering, that portion of the Construction Work that had been covered is determined not to be defective and is otherwise in accordance with the PPA Documents. For purposes of clarity:
 - (i) all costs and delays arising out of or relating to uncovering of the Construction Work is not, nor shall be deemed to be, a Contracting Authority-Caused Delay if such Construction Work was (1) covered without proper prior notification to the Contracting

Authority, (2) defective or (3) contrary to the requirements in the PPA Documents;

- (ii) Construction Work that becomes defective by virtue of the uncovering, where such uncovering would otherwise be a Contracting Authority-Caused Delay shall itself be a Contracting Authority-Caused Delay, so long as the Company conducts the uncovering in accordance with Project Standards; and
 - (iii) the Company bears the burden of proof to establish that it had given, or caused to be given, and the Contracting Authority received, or was deemed to receive, proper prior notification of the covering; and
- (h) Failure or inability on the part of the Contracting Authority to obtain the IFA-Provided Approvals on the dates set forth in Attachment 7-1 of the Technical Provisions, except delay to the extent attributable to any of the differences described in Section 4.3.4 of the Public-Private Agreement unless such differences are due to an IFA Change.

“Contractor” means:

- (a) with respect to the Public-Private Agreement, any person with whom the Company has entered into any Contract to perform any part of the Work or provide any materials, equipment, hardware or supplies for any part of the Work, on behalf of the Company, and any other person with whom any Contractor has further subcontracted any part of the Work, at all tiers; or
- (b) with respect to the Design-Build Contract, any person with whom Design-Build Contractor has entered into any Contract to perform any part of the D&C Work or provide any materials, equipment, hardware or supplies for any part of the D&C Work, on behalf of Design-Build Contractor, and any other person with whom any Contractor has further subcontracted any part of the D&C Work, at all tiers.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ability to exercise voting power, by contract or otherwise, and *“Controlling”* and *“Controlled by”* have meanings correlative thereto.

“Corsán Spain” has the meaning assigned such term in the inside cover of this Official Statement.

“Corsán USA” has the meaning assigned such term in the inside cover of this Official Statement.

“Costs of Issuance” include the following:

- (a) Expenses necessary or incident to determining the feasibility or practicability of the issuance and sale of the Bonds or the incurrence of Other Permitted Senior Secured Indebtedness, the fees and expenses of management consultants for making studies, surveys and estimates of costs and revenues and other estimates necessary to the issuance of the Bonds or Other Permitted Senior Secured Indebtedness (as opposed to such studies, surveys or estimates related to completion of the Project, but not to the issuance of the Bonds or Other Permitted Senior Secured Indebtedness);
- (b) Expenses of administration, supervision and inspection properly chargeable to the issuance and sale of the Bonds or Other Permitted Senior Secured Indebtedness, legal expenses and fees of the Issuer or the Company in connection with the issuance and sale of the Bonds or Other Permitted Senior Secured Indebtedness, legal expenses and fees, fees and expenses of the Trustee or any agent, arranger or financing party related to Other Permitted Senior Secured Indebtedness, fees and expenses of the Underwriters, financial advisors or brokers in arranging for the sale or placement of the Bonds or Other Permitted Senior Secured Indebtedness, financing charges, remarketing fees, cost of audits, cost of preparing, issuing and selling the Bonds or Other Permitted Senior Secured Indebtedness, abstracts and reports on titles to real estate, title insurance

premiums, recording fees and taxes and all other items of expense, including those of the Issuer or the Company not elsewhere specified herein incident to the issuance and sale of the Bonds or Other Permitted Senior Secured Indebtedness;

- (c) Any other cost relating to the issuance and sale of the Bonds or Other Permitted Senior Secured Indebtedness; and
- (d) Reimbursement to the Company for any costs described above paid by it, whether before or after the execution of the Indenture or any Supplemental Indenture.

“*Creditor Representative*” means (a) prior to the execution of an Intercreditor Agreement in accordance with Section 6.26 of the Senior Loan Agreement, the Trustee and (b) at all times on and after the execution of an Intercreditor Agreement, the Intercreditor Agent.

“*D&C Work*”:

- (a) means, with respect to the Public-Private Agreement, the Design Work and Construction Work, including those obligations of the Company pertaining to design and construction set forth in the Technical Provisions; or
- (b) has, with respect to the Design-Build Contract, the meaning assigned such term in “DESIGN-BUILD CONTRACT—Scope of Work”.

“*DB Assignment and Amendment*” has the meaning given such term in “SUMMARY—THE INDIANA FINANCE AUTHORITY AND THE PROJECT—Construction”.

“*DB Construction Work*” has the meaning given such term in “DESIGN-BUILD CONTRACT—Scope of Work”.

“*DB Final Acceptance*” means (a) the occurrence of all the events and satisfaction of all the conditions set forth in Section 5.8.5 of the Design-Build Contract that are the responsibility of Design-Build Contractor and (b) the satisfaction of Design-Build Contractor’s obligations under Section 5.8.4 of the Design-Build Contract.

“*DB Final Acceptance Deadline*” means the date of the Final Acceptance Deadline.

“*DB Long Stop Date*” has the meaning given such term in “DESIGN-BUILD CONTRACT—Completion Deadlines and Recovery Plans”.

“*DB Relief Event*” means any of the following events, subject to the requirements, limitations, deductibles and the duty to prevent and to mitigate consequences that are set forth in the Design-Build Contract and the Public-Private Agreement for such events, and in each case (including all events or circumstances referred to in this definition), only to the extent such event or circumstance constitutes and is determined to be a “Relief Event” under the Public-Private Agreement:

- (a) Contracting Authority failure to perform or observe any of its material covenants or obligations under the PPA Documents, including unreasonable failure to issue a certificate of Substantial Completion, Substantial Completion or Final Acceptance after the Company fully satisfies all applicable conditions and requirements for obtaining such a certificate (except where such failure is within another defined DB Relief Event);
- (b) IFA Change (other than a Discriminatory O&M Change and Non-Discriminatory O&M Change) (and provided that, with respect to IFA Changes described in clause (c) of the definition thereof in the Public-Private Agreement, either (A) Design-Build Contractor neither knew nor, in the exercise of reasonable care, should have known that adopting changes to such provisions of the Technical Provisions was reasonable or necessary to render such Technical Provisions correct,

safe and consistent with the PPA Documents, “DBC Documents” (as defined in the Design-Build Contract), good industry practice and applicable law prior to commencing or continuing any D&C Work affected by the problematic provisions, or (B) Design-Build Contractor knew of and reported the problematic provisions to the Contracting Authority and the Company, pursuant to Design-Build Contractor’s obligation under Section 5.2.5 of the Design-Build Contract, prior to Design-Build Contractor commencing or continuing any D&C Work affected by the problematic provisions;

- (c) Discriminatory O&M Change;
- (d) Non-Discriminatory O&M Change;
- (e) Safety Compliance Orders;
- (f) Contracting Authority-Caused Delay;
- (g) (i) Performance of works by or (ii) failure to perform works required of, the Contracting Authority, the Department or another Governmental Entity or their contractors (other than the Company or any DBC-Related Entity) in the vicinity of the Project Right of Way, including the “Advance Construction Projects”, as defined in the Public-Private Agreement, in either case excluding any “Utility Adjustment Work” (as defined in the Design-Build Contract) by a Utility Owner, and in either case that materially disrupts Design-Build Contractor’s onsite D&C Work;
- (h) Development, use or operation of a Business Opportunity in the Airspace by the Contracting Authority, the Department or anyone (other than a Company-Related Entity or a DBC-Related Entity) legitimately claiming under or through the Contracting Authority, the Department, the State, or any entity created by the State arising out of, or related to, the Project, to the extent set forth in Section 8.2.4 of the Design-Build Contract;
- (i) (i) the Contracting Authority’s lack of good and sufficient title to or right to enter and occupy any parcel in the Project Right of Way, including Additional Properties required due to IFA Changes but excluding all other Additional Properties, after conclusion of the Contracting Authority’s purported acquisition of the parcel or right of entry and occupancy through negotiation, settlement or condemnation proceeding in accordance with the schedule for acquisition of the parcels in the Project Right of Way as described in Attachment 17-2 of the Technical Provisions, to the extent it interferes with physical performance of D&C Work, or (ii) the existence, at any time following issuance of NTP2, of any title reservation, condition, easement or encumbrance, of record or not of record, on any parcel in the Project Right of Way, including Additional Properties required due to IFA Changes but excluding all other Additional Properties, to the extent it interferes with physical performance of D&C Work, except in both cases any title reservations, covenants, conditions, restrictions, easements or encumbrances (A) concerning Utilities, (B) described in Section 2.1.6 of the Design-Build Contract and either contained in the Reference Information Documents as they exist on the Setting Date or as may be particularly described in the Technical Provisions, or (C) caused, permitted or suffered by a DBC-Related Entity, and also excepting in all cases rights of access for Governmental Entities and Utility Owners as provided by applicable law other than a Change in Law;
- (j) “Force Majeure Event” (as defined in the Design-Build Contract);
- (k) The revocation or suspension of an IFA-Provided Approval by the relevant Governmental Entity (excluding revocations or suspensions arising out of, or relating to any DBC-Related Entity’s failure to comply with its obligations under the “DBC Documents” (as defined in the Design-Build Contract) and/or their or the Contracting Authority’s delegated obligations under, or the terms and conditions of, the revoked or suspended IFA-Provided Approval), except delay to the extent attributable to any of the differences described in Section 4.3.4 of the Design-Build

Contract unless such differences are due to an IFA Change;

- (l) Unreasonable and unjustified delay by a Utility Owner (i) with whom Design-Build Contractor has been unable to enter into a “Developer Utility Agreement” (for purposes of this paragraph, as defined in the Public-Private Agreement) in connection with a Utility Adjustment or (ii) with whom Design-Build Contractor or the Contracting Authority, as the case may be, has entered into a “Developer Utility Agreement” or “IFA Utility Agreement” (for purposes of this paragraph, as defined in the Public-Private Agreement), as the case may be, in connection with a Utility Adjustment and such delay by a Utility Owner is contrary to or in violation of the terms and provisions of the “Developer Utility Agreement” or “IFA Utility Agreement”, as the case may be, provided that, in either case (A) all of the “conditions to assistance” described in Section 5.5.7.2 of the Design-Build Contract have been satisfied and (B) delay due to, among other things, the failure by any DBC-Related Entity to locate or design the Project or carry out the D&C Work in accordance with the “DBC Documents” (as defined in the Design-Build Contract), the “Adjustment Standards” (as defined in the Design-Build Contract), the applicable “IFA Utility Agreement” or “Developer Utility Agreement”, the NEPA Documents, other Governmental Approval or applicable law shall not be deemed to be an unreasonable and/or unjustified delay by a Utility Owner;
- (m) Discovery at, near or on the Project Right of Way, including Additional Properties required due to IFA Changes but excluding all other Additional Properties, of any Hazardous Materials (including “IFA Releases of Hazardous Material” as defined in the Public-Private Agreement), excluding Company Releases of Hazardous Materials, “Design-Build Contractor Releases of Hazardous Material” (as defined in the Design-Build Contract) and Known or Suspected Hazardous Materials;
- (n) Any Release of Hazardous Material by a third party who is not acting in the capacity of a Company-Related Entity or DBC-Related Entity which (i) occurs after the Setting Date, (ii) is required to be reported to a Governmental Entity, and (iii) renders use of the roadway or construction area unsafe or potentially unsafe absent assessment, containment and/or remediation (such DB Relief Event to exclude any Release of Hazardous Material arising out of the normal use of the roadway that would typically be removed and disposed of during Routine Maintenance (as part of the O&M Work));
- (o) Discovery on or under the Project Right of Way, including Additional Properties required due to IFA Changes but excluding all other Additional Properties, of any archeological, paleontological or cultural resources, excluding any such resources known to Design-Build Contractor prior to Setting Date or that would become known to Design-Build Contractor by undertaking Reasonable Investigation;
- (p) Discovery of (i) actual subsurface or latent physical conditions at or within two feet of the boring holes identified in the Geotechnical Data Report that differ materially from the conditions indicated at such boring holes, in the Geotechnical Data Report, (for avoidance of doubt, encountering conditions more than two feet away from the actual boring holes that differ from conditions indicated at such boring data is not a DB Relief Event); or (ii) actual subsurface physical conditions within the Project Right of Way, including Additional Properties required due to IFA Changes but excluding any other Additional Properties, of an unusual nature, differing materially from those ordinarily encountered in the area and generally recognized as inherent in the type of work provided for in the Design-Build Contract; in no event shall a discovery under either clause (i) or (ii) above be a DB Relief Event if (x) any such conditions were known to Design-Build Contractor prior to the Setting Date, or (y) could have been reasonably anticipated as potentially present by an experienced civil works contractor based on the information contained in the Reference Information Documents as of the Setting Date, or (z) that would have become known to Design-Build Contractor by undertaking Reasonable Investigation;
- (q) Discovery at, near or on the Project Right of Way, including Additional Properties required due to

IFA Changes but excluding any other Additional Properties, of any Threatened or Endangered Species (regardless of whether the species is listed as threatened or endangered as of the Setting Date), excluding any such presence of the American bald eagle, the Indiana bat or other species known to Design-Build Contractor prior to the Setting Date or that would become known to Design-Build Contractor by undertaking Reasonable Investigation;

- (r) Change in Law or “Change in Adjustment Standards” (for purposes of this paragraph, as defined in the Design-Build Contract), except a “Change in Adjustment Standards” that is consistent with the terms and limitations, if any, on changes in Adjustment Standards set forth in any agreement with a Utility Owner to which the Company is a party;
- (s) Issuance of a temporary restraining order, preliminary injunction or other form of interlocutory relief by a court of competent jurisdiction that prohibits prosecution of any portion of the Work, except if based on the wrongful act or omission of any DBC-Related Entity;
- (t) Issuance of a rule, order or directive from the U.S. Department of Homeland Security or comparable State agency regarding specific security threats to the Project or the region in which the Project is located or which the Project serves, to the extent such rule, order or directive requires specific changes in Design-Build Contractor’s normal design, construction, operation or maintenance procedures in order to comply;
- (u) Discovery of Unknown Utilities that directly affects the DB Construction Work, including DB Construction Work on Additional Properties required due to IFA Changes but excluding DB Construction Work on any other Additional Properties, except, in each case, where the identification of a Utility in the Utility Information was Reasonably Accurate, was known to Design-Build Contractor as of the Setting Date, or that would become known to Design-Build Contractor by undertaking Reasonable Investigation;
- (v) Discovery of any hidden or undetected structural defect in any Existing Structure that directly affects the DB Construction Work, excluding any such defects known to Design-Build Contractor as of the Setting Date, or that would become known to Design-Build Contractor by undertaking Reasonable Investigation (which, in the case of this DB Relief Event clause (v) includes specifically review of all related Reference Information Documents provided by the Contracting Authority prior to the Setting Date); or
- (w) Karst Feature Treatment Work.

“*DB Substantial Completion*” means satisfaction of all the conditions as set forth in Section 5.8.2 of the Public-Private Agreement, as and when confirmed by Contracting Authority’s issuance of a certificate in accordance with the procedures and within the time frame established in Section 5.8.2 of the Public-Private Agreement.

“*DB Substantial Completion Date*” means the date DB Substantial Completion occurs.

“*DBC-Related Entities*” means (a) Design-Build Contractor, (b) Contractors (including suppliers), (c) any other persons (except the Contracting Authority, the Department and Company) performing any of the D&C Work, (d) any other persons (except the Contracting Authority, the Department and the Company) for whom Design-Build Contractor may be legally or contractually responsible, and (e) the employees, agents, officers, directors, shareholders, representatives, consultants, successors and assigns of any of the foregoing.

“*DBC Key Contractor*” means a Contractor (other than Design-Build Contractor) under any Contract to which the Design-Build Contractor is a party that qualifies as a “Key Contract” under the Public-Private Agreement.

“*DBE Goal*” means the goal for percent of work to be performed by certified DBEs that is established by the Contracting Authority and specified in Section 7.10.2 of the Public-Private Agreement.

“*DBE Performance Plan*” means the Company’s plan for meeting the DBE Goal. The preliminary DBE Performance Plan is Exhibit 2-L (Developer’s Preliminary DBE Performance Plan) to the Public-Private Agreement.

“*Debt Payment Account*” means the Project Account so-designated in Section 5.01(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Payment Account” herein.

“*Debt Service Reserve Account*” means the Series 2014 Bond DSRA and any other Project Account established in accordance with Section 5.07(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Service Reserve Accounts” herein.

“*Deductible Relief Events*” means the Relief Events referenced in clauses (g) (but only as to performance or failure to perform work by a Governmental Entity), (j), (m) (but only as to releases by a third party), (n), (o), (q) and (u) of the definition of Relief Event.

“*Default*” means an “Event of Default” as defined in the Funding Agreement for any senior Project Debt or any event or circumstance specified in such Funding Agreement that would (with the expiration of a grace period, the giving of notice, the lapse of time, the making of any determination under the Funding Agreement or any combination of any of the foregoing) be such an “Event of Default”.

“*Default Termination Event*” has:

- (a) with respect to the Public-Private Agreement, the meaning assigned such term in “PUBLIC-PRIVATE AGREEMENT—Termination—Termination for Company Default”; or
- (b) with respect to the Design-Build Contract, the meaning assigned such term in “DESIGN-BUILD CONTRACT—Termination Rights—Termination for Design-Build Contractor Default”.

“*Defeasance Escrow Account*” means an account created pursuant to Section 11.2 of the Indenture and described in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Defeasance of Bonds” herein.

“*Defeasance Securities*” means, to the extent permitted by law: (a) cash; (b) non-callable direct obligations of the United States of America (for purposes of this definition, “Treasuries”); (c) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; (d) pre-refunded municipal obligations rated no lower than the then-current rating on direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America); (e) securities eligible for “AA+” defeasance under then-existing criteria of S&P; or (f) any combination thereof used to effect defeasance of the Bonds.

“*Deferral of Compensation*” means the election of the Contracting Authority to pay Extra Work Costs or Delay Costs through any one of the following or a combination thereof:

- (a) Extension of the Term;
- (b) Adjustment of the Availability Payment; or
- (c) Periodic payments over the Term.

“*Delay Costs*” means the Company’s additional costs that result to “Controlling Work Items” (for purposes of this paragraph, as defined in the Public-Private Agreement) from a Relief Event Delay, which are limited to (a) direct costs for the actual idle labor and equipment, (b) the indirect costs and expenses thereof excluding cost of

funds (whether debt or equity) and excluding Lender charges, damages and penalties, and (c) profit thereon, all as calculated pursuant to Exhibit 16 (Extra Work Costs and Delay Costs Specifications) to the Public-Private Agreement; provided that for delays to non-Controlling Work Items incident to a Relief Event Delay, the term Delay Costs does not include any indirect costs, expenses or profit thereon; provided, further, that, in the event of a Relief Event Delay resulting from concurrent Contracting Authority-Caused Delays and delays for which the Company is responsible under the PPA Documents, the Company shall not be entitled to Delay Costs to the extent the Company is responsible for the delay. Delay Costs do not include any costs that the Company can or could reasonably mitigate.

“*Department*” has the meaning given such term in “INTRODUCTION”.

“*Department Compensation Payments*” has the meaning given such term in “CONTRACTING AUTHORITY AGREEMENTS—Milestone Agreement”.

“*Department Milestone Payment*” means payments made by the Department to the Contracting Authority for the design, construction and related costs of the Project, pursuant to the Milestone Agreement.

“*Department Payments*” has the meaning given such term in APPENDIX L—“SUMMARY OF CERTAIN CONTRACTING AUTHORITY AGREEMENTS—Milestone Agreement—Appropriations to the Department”.

“*Deposit Account Bank*” means a bank to be appointed by the Company in connection with the Operating Account and any replacement thereof.

“*Design Work*” means all Work of design, engineering or architecture for the Project, Project Right of Way acquisition or Utility Adjustments.

“*Designated Payment Office of the Trustee*” means the Corporate Trust Office of U.S. Bank National Association, whose office is located at Saint Paul, Minnesota.

“*Design-Build Contract*” has the meaning assigned such term in “DESIGN-BUILD CONTRACT—General”.

“*Design-Build Contractor*” has the meaning assigned such term in the inside cover of this Official Statement.

“*Design-Build Contractor Default*” has the meaning set forth in Section 19.1.1 of the Design-Build Contract.

“*Design-Build Contractor Direct Agreement*” means the direct agreement entered into among the Collateral Agent, the Design-Build Contractor and the Company.

“*Design-Build Guaranty*” has the meaning assigned to such term in “DESIGN-BUILD CONTRACT—Design-Build Guaranty”.

“*Direct Participants*” has the meaning assigned such term in APPENDIX K—“BOOK-ENTRY ONLY SYSTEM”.

“*Direction Notice*” has the meaning assigned such term in APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—Collateral and Remedies—Enforcement of Remedies”.

“*Directive Letter*” means the letter described in Section 16.3 of the Public-Private Agreement.

“*Disadvantaged Business Enterprise*” or “*DBE*” has the meaning set forth in Exhibit 7 (IFA’s

Disadvantaged Business Enterprise (DBE) Special Provisions) to the Public-Private Agreement.

“*Discriminatory O&M Change*” means (a) materially more onerous application to the Company or the Project of alterations or changes (including additions) to the Technical Provisions and Safety Standards relating to the O&M Work than the application thereof to other comparable Department projects, or (b) selective application of alterations or changes (including additions) to the Technical Provisions and Safety Standards relating to the O&M Work to the Company or the Project and not to other comparable the Department projects. Notwithstanding the foregoing, such application in response to any negligence, willful misconduct, or breach of applicable law, Governmental Approval or contract by the Company or any Company-Related Entity shall not be Discriminatory O&M Changes. A Discriminatory O&M Change is an IFA Change.

“*Dispute*” means any “Claim” (as defined in the Public-Private Agreement), dispute, disagreement or controversy between the Contracting Authority and the Company concerning their respective rights and obligations under the PPA Documents, including concerning any alleged breach or failure to perform and remedies.

“*Dispute Resolution Procedures*” means the procedures for resolving Disputes set forth in Section 19.6 of the Public-Private Agreement, including the “Informal Resolution Procedures” set forth in Section 19.6.3 of the Public-Private Agreement.

“*Dissemination Agent*” has the meaning assigned such term in “CONTINUING DISCLOSURE OF INFORMATION”.

“*Distribution Account*” has the meaning assigned such term in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Distribution Account”.

“*Distribution Release Certificate*” means the certificate substantially in the form of Exhibit H to the Collateral Agency Agreement and described in in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Distribution Reserve Account” herein.

“*Distribution Reserve Account*” means the Project Account so-designated in Section 5.01(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Distribution Reserve Account” herein.

“*Dividend Lock-Up Conditions*” has the meaning assigned such term in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Distribution Reserve Account”.

“*Documents*” means all documents or other receipts of the Company covering, evidencing or representing Inventory or Equipment, as defined in the Security Agreement.

“*DSCR*” means for any Calculation Period, the ratio of A to B where:

A = the Free Cash Flow for such period; and

B = the aggregate of all scheduled principal, interest, and commitment and other similar fees due and payable in respect of the Senior Secured Obligations for the period.

“*DSRA Requirement*” means, together with the Series 2014 Bond DSRA Requirement, the required balance of the Debt Service Reserve Account with respect to any Other Permitted Senior Secured Indebtedness as set forth in the Other Senior Secured Documents.

“*DTC*” has the meaning assigned such term on the cover page hereof.

“*DTCC*” has the meaning assigned such term in APPENDIX K—“BOOK ENTRY ONLY SYSTEM”.

“*Early Termination Date*” means the effective date of termination of the Public-Private Agreement for any

reason prior to the stated expiration of the Term.

“*Effective Tax Rate*” means with respect to any Company Fiscal Quarter, the combined federal, state and local tax rate (taking into account the character of income and the deductibility of state and local taxes for federal and, if applicable, of local taxes for state tax purposes) applicable to the Company for such Company Fiscal Quarter, determined as if the Company were a corporation doing business in the State of Indiana.

“*Element*” means an individual component, system or subsystem of the Project or of a Utility Adjustment, and shall include at a minimum a breakdown into the items described in the “Performance and Measurement Criteria” (as defined in the Public-Private Agreement), further subdivided by “Performance Sections” (as defined in the Public-Private Agreement) where appropriate.

“*Eligible Investments*” means any one or more of the following instruments or securities:

- (a) Direct obligations of, and obligations fully and unconditionally guaranteed by, (i) the United States of America or (ii) any agency or instrumentality of the United States of America the obligations of which are backed by the full faith and credit of the United States of America
- (b) Demand or time deposits, federal funds or bankers’ acceptances issued by any depository institution or trust company, provided that (i) any demand or time deposit or certificate of deposit is fully insured by the Federal Deposit Insurance Corporation or (ii) any commercial paper or the short-term deposit rating or the long-term unsecured debt obligations or deposits of such depository institution or trust company at the time of such investment or contractual commitment providing for such investment have been rated “A” or higher by a “Rating Agency” (as defined in the Public-Private Agreement);
- (c) Commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) which has been rated “A” or higher by a “Rating Agency” (as defined in the Public-Private Agreement) at the time of such investment;
- (d) Any money market funds, the investments of which consist of cash and obligations fully and unconditionally guaranteed by (i) the United States of America or (ii) any agency or instrumentality of the United States of America the obligations of which are backed by the full faith and credit of the United States of America and which have been rated “A” or higher by a “Rating Agency” (as defined in the Public-Private Agreement); and
- (e) Other investments then customarily accepted by the State in similar circumstances;

provided, however, that no instrument or security shall be an Eligible Investment if such instrument or security evidences a right to receive only interest payments with respect to the obligations underlying such instrument or if such security provides for payment of both principal and interest with a yield to maturity in excess of 120% of the yield to maturity at par.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“*Enforcement Action*” means any action, whether by judicial proceedings or otherwise, to enforce any of the rights and remedies granted pursuant to the Security Documents against the Collateral or the Company upon the occurrence and during the continuance of a Senior Event of Default.

“*Engineer of Record*” has the meaning set forth in Section 3.2.5 of the Technical Provisions.

“*Environmental Approvals*” means all Governmental Approvals arising from or required by any Environmental Law in connection with development of the Project as applicable to the Project, including the NEPA

Documents.

“*Environmental Compliance and Mitigation Plan*” means the Company’s plan, to be prepared under the “CEPP” described in the Project Management Plan, for performing all environmental mitigation measures set forth in the Environmental Approvals, including the NEPA Documents and similar Governmental Approvals for the Project or the Work, or set forth in the PPA Documents, and for complying with all other conditions and requirements of the Environmental Approvals, and which is a deliverable described at Table 20-1 of the Technical Provisions.

“*Environmental Law*” has the meaning assigned such term in Exhibit 1 (Abbreviations and Definitions) to the Public-Private Agreement.

“*Environmental Litigation*” means any lawsuit that is filed in a court of competent jurisdiction and seeks to overturn, set aside, enjoin, or otherwise inhibit the implementation of a federal, state, or local agency’s approval of the Project based on the agency’s alleged non-compliance with applicable laws (including Environmental Laws), including but not limited to: the National Environmental Policy Act, 42 U.S.C. § 4231 *et seq.*; Section 4(f) of the Department of Transportation Act, 49 U.S.C. § 303(c); the National Historic Preservation Act, 16 U.S.C. § 470; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Clean Water Act, 33 U.S.C. § 1251 *et seq.*; and the Endangered Species Act, 16 U.S.C. § 1531 *et seq.*; and other federal, state, or local laws.

“*Equipment*” means all equipment of the Company (including any embedded software), all spare parts and related supplies, including any of the foregoing obtained by the Company in exchange for any such equipment, spare parts and related supplies, as defined in the Security Agreement.

“*Equity Contribution*” means, without duplication, with respect to the Sponsors and the Pledgor, all payments to the Company made by or on behalf of the Pledgor or the Sponsors pursuant to the Equity Contribution Agreement, whether in the form of drawings under any “Equity Letter of Credit” (as defined in the Equity Contribution Agreement) or Capital Contributions or in the form of payments by PSP Investments pursuant to the PSP Guaranty.

“*Equity Contribution Agreement*” means that certain Equity Contribution Agreement, dated as of the Closing Date, by and among the Sponsors, each additional sponsor from time to time a party thereto, the Pledgor, the Company and the Collateral Agent.

“*Equity Contribution Sub-Account*” means the sub-account of the Construction Account so-designated in Section 5.04(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Construction Account” herein.

“*Equity Event of Default*” has the meaning assigned such term in “FINANCING FOR THE PROJECT—Equity Contributions—Equity Contributions”.

“*Equity Letter of Credit*” means one or more letters of credit that, upon its issuance, meets the requirements of an Acceptable Equity Letter of Credit, in substantially the form attached to the Equity Contribution Agreement or in such other form reasonably satisfactory to the Collateral Agent

“*Equity Member*” means any person with a direct equity interest in the Company.

“*Equity Transfer*” means any assignment, mortgage, encumbrance, conveyance, sale, or other transfer of equity interest in the Company.

“*Event Day*” has the meaning set forth in Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Event of Default*” means each of the “Events of Default” described in APPENDIX G—“SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LOAN AGREEMENT—Events of Default Defined”.

“*Excluded Premium Increases*” has the meaning set forth in Section 17.1.9.1 of the Public-Private Agreement.

“*Excluded Work*” has the meaning assigned such term in “DESIGN-BUILD CONTRACT—Scope of Work”.

“*Exempt Refinancing*” means:

- (a) Any Refinancing that was fully and specifically identified and taken into account in the Financial Model and calculation of the Original Equity IRR;
- (b) Amendments, modifications, supplements or consents to Funding Agreements and “Security Documents” (as defined in the Public-Private Agreement), excluding extensions and renewals, and the exercise by a Lender of rights, waivers, consents and similar actions, in the ordinary course of day-to-day loan administration and supervision that do not, individually or in the aggregate, provide a financial benefit to the Company;
- (c) Any changes in taxation or the Company’s accounting treatment or policies; and
- (d) Any of the following acts by a Lender of senior lien priority Project Debt:
 - (i) The syndication of any of such Lender’s rights and interests in the senior Funding Agreements;
 - (ii) The grant by such Lender of any rights of participation, or the disposition by such Lender of any of its rights or interests, in respect of the senior Funding Agreements in favor of any other Lender of senior lien Project Debt or any other investor; or
 - (iii) The grant by such Lender of any other form of benefit or interest in either the senior Funding Agreements or the revenues or assets of the Company, whether by way of security or otherwise, in favor of any other Lender of senior lien Project Debt or any investor.

“*Existing Structures*” means any existing bridge structure within the Project Right of Way that the Technical Provisions identify to be rehabilitated or widened, where portions of the existing structure are to remain in place, including the bridge rehabilitation of the Walnut Street Bridge over existing SR 37.

“*Extra Work Costs*” means:

- (a) with respect to the Public-Private Agreement, the incremental increase in the following costs of the Company directly attributable to “Extra Work” (as defined in the Public-Private Agreement), which shall be calculated pursuant to Exhibit 16 (Extra Work Costs and Delay Costs Specifications) to the Public-Private Agreement:
 - (i) Labor and burden costs;
 - (ii) Material and supply costs;
 - (iii) Equipment costs;
 - (iv) Indirect costs and expenses excluding cost of funds (whether debt or equity) and excluding Lender charges, damages and penalties; and
 - (v) Profit; or

- (b) with respect to the Design-Build Contract, the incremental increase in the following costs of Design-Build Contractor directly attributable to “Extra Work” (as defined in the Design-Build Contract), which shall be calculated pursuant to Exhibit 16 (Extra Work Costs and Delay Costs Specifications) to the Design-Build Contract:
- (i) Labor and burden costs;
 - (ii) Material and supply costs;
 - (iii) Equipment costs;
 - (iv) Indirect costs and expenses excluding cost of funds (whether debt or equity) and excluding Lender charges, damages and penalties; and
 - (v) Profit.

“*Federal Book-Entry Regulations*” means (a) the United States Department of the Treasury’s regulations governing “Securities” (as defined in 31 C.F.R. § 357.2) issued by the United States Treasury and maintained in the form of entries in the federal reserve banks’ book-entry system known as the Treasury/Reserve Automated Debt Entry System (TRADES), as such regulations are set forth in 31 C.F.R. Part 357 and (b) regulations analogous and substantially similar to the regulations described in clause (a) above governing any other automated book-entry system operated by the United States federal reserve banks, in which securities issued by government sponsored enterprises are issued, recorded, transferred and maintained in book-entry form.

“*Federal Tax Certificate*” means with respect to any issuance of Bonds under the Indenture: (a) one or more certificates or agreements that sets forth the Issuer’s or the Company’s expectations regarding the investment and use of proceeds of any series of the Bonds and other matters relating to Bond Counsel’s opinion regarding the federal and State income tax treatment of interest on such Bonds, including any instructions delivered by Bond Counsel in connection with any such certificate or agreement; and (b) any amendment or modification of any such certificate or agreement that is accompanied by an opinion of Bond Counsel stating that the amendment or modification shall not adversely affect the excludability of the interest on such Bonds from gross income for federal income tax purposes or the exemption of the interest on such Bonds from income taxation in the State.

“*FHWA*” means the U.S. Federal Highway Administration.

“*Final Acceptance*” means all the events and satisfaction of all the conditions set forth in Section 5.8.5 of the Public-Private Agreement have occurred, as and when confirmed by the Contracting Authority’s issuance of a certificate in accordance with the procedures and within the time frame established in Section 5.8.5 of the Public-Private Agreement.

“*Final Acceptance Date*” means the date that Final Acceptance has been achieved.

“*Final Acceptance Deadline*” means February 28, 2017, which is the deadline for achieving Final Acceptance, as set forth in the Project Schedule, as such deadline may be extended for Relief Events from time to time pursuant to the Public-Private Agreement.

“*Final Environmental Impact Statement*” or “*FEIS*” means the certain “I-69 Evansville to Indianapolis, Indiana, Tier 2 Final Environmental Impact Statement/Record of Decision Section 5: Bloomington to Martinsville” signed by the Federal Highway Administration on August 7, 2013.

“*Financial Close*” means the satisfaction or waiver of all conditions precedent set forth in Section 13.7.5 of the Public-Private Agreement to the first utilization under the “Initial Funding Agreements” (as defined in the Public-Private Agreement) relating to the long-term financing of the “Initial Project Debt” (as defined in the Public-Private Agreement).

“*Financial Close Deadline*” means the deadline for achieving Financial Close, which shall be either: (a) the date scheduled for Financial Close as set forth in the Notice from the Company to the Contracting Authority as provided in Section 13.7.2 of the Public-Private Agreement, or (b) the date scheduled for Financial Close as set forth in the Notice from the Contracting Authority to the Company extending the date for Financial Close as provided in Section 13.7.2 of the Public-Private Agreement, or (c) 120 days after issuance of the “IPDC Commencement Notice” by the Contracting Authority as provided in Section 13.7.2 of the Public-Private Agreement.

“*Financial Escrow*” has the meaning set forth in Section 23.6.2 of the Public-Private Agreement.

“*Financing Documents*” means the Indenture, any Supplemental Indenture executed with respect to the Bonds, the Bonds, the Senior Loan Agreement, any Additional Parity Bonds Loan Agreement (if executed), the Collateral Agency Agreement, the Lenders’ Direct Agreement, the Design-Build Contractor Direct Agreement, the Security Agreement, the Pledge Agreement, the Equity Contribution Agreement, the PSP Guaranty, the Account Control Agreement, any Intercreditor Agreement, the Borrower Continuing Disclosure Agreement, the Indiana Finance Authority Continuing Disclosure Agreement, the Federal Tax Certificate, and any fee letter entered into by the Company with any of the Underwriters, the Trustee, the Collateral Agent or the Issuer.

“*First Call Date*” has the meaning assigned such term in “THE SERIES 2014 BONDS—Redemption of Series 2014 Bonds Prior to Maturity—Optional Redemption”.

“*Fitch*” means Fitch Ratings, Inc., and any successor to its rating agency business.

“*Force Majeure Event*” means the occurrence of any of the following events that is (i) beyond the reasonable control of the Company, (ii) not attributable to the negligence, willful misconduct, or breach of applicable law or contract by any Company-Related Entity, and (iii) actually, demonstrably, materially and adversely affects performance of the Company’s obligations (other than payment obligations) in accordance with the terms of the PPA Documents to a material extent, provided that such events (or the effects of such events) are not caused, and could not have been avoided by the exercise of caution, due diligence, or reasonable efforts, by the Company or any Company-Related Entity: (a) war (including civil war and revolution), invasion, armed conflict, violent act of foreign enemy, military or armed blockade, or military or armed takeover of the Project or the Site, in each case occurring within the State; (b) any act of terrorism, riot, insurrection, civil commotion or sabotage that causes direct physical damage to, or otherwise directly causes interruption to construction or direct losses during operation of, the Project or the Site; (c) strikes not specific to the Company, embargoes, acts or omissions of a port or transportation authority, unavailability or shortages of materials, wars, and currently-listed events that occur outside of the State that, in each case, directly causes interruption to construction or direct losses during operation of the Project; (d) nuclear explosion that causes direct physical damage to the Project or the Site, or radioactive contamination of the Project or the Site; (e) “Flood Event” (as defined in the Public-Private Agreement), fire, explosion, gradual inundation caused by natural events (other than an event that is the subject of Karst Feature Treatment Work), a tornado with an enhanced Fujita Score Rating of EF2, sinkhole caused by natural events, or landslide caused by natural events, in each case directly impacting the physical improvements of the Project or performance of Work at the Site; (f) any governor-declared emergency within the limits of the Project Right of Way, except one consisting of or arising out of traffic accidents and (g) a Seismic Event.

“*Forecast Committee*” has the meaning assigned such term in “REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW—Appropriation and State Budget Processes—Principal Participants in State Budget and Appropriation Process—Forecast Committee”.

“*Free Cash Flow*” means, with respect to any period, all Project Revenues (other than interest on amounts on deposit in the Project Accounts) received by the Company during such period, less all O&M Expenditures for such period (excluding, for the avoidance of doubt, to the extent funded from the Major Maintenance Reserve Account and the Handback Requirements Reserve Account).

“*Funding Agreement*” means:

- (a) Any loan agreement, funding agreement, account maintenance or control agreement, insurance or reimbursement agreement, intercreditor agreement, subordination agreement, trust indenture, agreement from any Equity Member in favor of any Lender, hedging agreement, interest rate swap agreement, guaranty, indemnity agreement, agreement between any Contractor and any Lender, or other agreement by, with or in favor of any Lender pertaining to Project Debt (including any Refinancing), other than “Security Documents” (as defined in the Public-Private Agreement);
- (b) Any note, bond or other negotiable or non-negotiable instrument evidencing the indebtedness of the Company for Project Debt (including any Refinancing); and
- (c) Any amendment, supplement, variation or waiver of any of the foregoing agreements or instruments.

“*Funding Ratio*” means, on any date, the ratio of (x) the aggregate amount of payments made out of the PABs Proceeds Sub-Account to (y) the aggregate amount of payments made out of the Equity Contribution Sub-Account plus the aggregate amount of equity contributions made prior to the Closing Date, in each case after giving pro forma effect to each payment specified to be made in accordance with the applicable Construction Account Withdrawal Certificate (or Funds Transfer Certificate) on such date.

“*Funds*” means the funds created by the Indenture.

“*Funds Transfer Certificate*” means a certificate delivered by the Company in accordance with the Collateral Agency Agreement in the form of Exhibit B thereto.

“*Geotechnical Data Report*” means the report dated November 15, 2013 included among the Reference Information Documents.

“*Governmental Approval*” means:

- (a) with respect to the Public-Private Agreement, any registration, permit, license, consent, concession, grant, franchise, authorization, waiver, variance or other approval, guidance, protocol, mitigation agreement, or memoranda of agreement/understanding, and any amendment or modification of any of them provided or issued by Governmental Entities including State, local, or federal regulatory agencies, agents, or employees, which authorize or pertain to the Project or the Work; or
- (b) with respect to the Financing Documents, any registration, permit, license, consent, concession, grant, franchise, authorization, waiver, variance or other approval, guidance, protocol, mitigation agreement, or memoranda of agreement/understanding, and any amendment or modification of any of them provided or issued by governmental authorities including State, local, or federal regulatory agencies, agents, or employees, which authorize or pertain to the Project or the Work.

“*Governmental Entity*” means any federal, State or local government and any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or entity other than the Contracting Authority.

“*Handback Requirements*” means the terms, conditions, requirements and procedures governing the condition in which the Company is to deliver the Project and the related Project Right of Way to the Contracting Authority upon expiration or earlier termination of the Public-Private Agreement, as set forth in Section 19 of the Technical Provisions.

“*Handback Requirements Reserve Account*” means the Handback Requirements Reserve Account, described in Section 6.13.1 of the Public-Private Agreement, to be created by and designated as such in the Authority Account Control Agreement.

“Handback Reserve Required Balance” means the amount from time to time required to be on deposit in the Handback Requirements Reserve Account pursuant to Exhibit 6 (Handback Requirements Reserve Elements and Reserve Funding Mechanism) to the Public-Private Agreement.

“Hazardous Environmental Conditions” means the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws.

“Hazardous Materials” means any element, chemical, compound, material or substance, whether solid, liquid or gaseous, which at any time is defined, listed, classified or otherwise regulated in any way under any Environmental Law, or any other such substances or conditions (including mold and other mycotoxins or fungi) which may create any unsafe or hazardous condition or pose any threat to human health and safety. For the avoidance of doubt, unexploded ordnance is not considered a Hazardous Material, although substances contained in or leaking from unexploded ordnance may be within this definition of Hazardous Material. “Hazardous Materials” includes the following:

- (a) Hazardous wastes, hazardous material, hazardous substances, hazardous constituents, and toxic substances or related materials, whether solid, liquid, or gas, including substances defined as or included in the definition of “hazardous substance”, “hazardous waste”, “hazardous material”, “extremely hazardous waste”, “acutely hazardous waste”, “radioactive waste”, “radioactive materials”, “bio-hazardous waste”, “pollutant”, “toxic pollutant”, “contaminant”, “restricted hazardous waste”, “infectious waste”, “toxic substance”, “toxic waste”, “toxic material”, or any other term or expression intended to define, list or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment (including harmful properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, “TCLP toxicity” or “EP toxicity” or words of similar import under any applicable Environmental Laws);
- (b) Any petroleum, including crude oil and any fraction thereof, and including any refined petroleum product or any additive thereto or fraction thereof or other petroleum derived substance; and any waste oil or waste petroleum byproduct or fraction thereof or additive thereto;
- (c) Any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources;
- (d) Any flammable substances or explosives;
- (e) Any radioactive materials;
- (f) Any asbestos or asbestos-containing materials;
- (g) Any lead and lead-based paint;
- (h) Any radon or radon gas;
- (i) Any methane gas or similar gaseous materials;
- (j) Any urea formaldehyde foam insulation;
- (k) Electrical equipment which contains any oil or dielectric fluid containing regulated levels of polychlorinated biphenyls;
- (l) Pesticides;

- (m) Any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Entity or which may or could pose a hazard to the health and safety of the owners, operators, users or any persons in the vicinity of the Project or to the indoor or outdoor environment; and
- (n) Soil, or surface water or ground water, contaminated with Hazardous Materials as defined above.

“*Hedging Contracts*” means any Senior Hedging Contracts or Subordinated Hedging Contracts.

“*IFA Act*” has the meaning assigned such term in “INTRODUCTION”.

“*IFA Change*” means any of the following events:

- (a) Any change in the scope of the Work that the Contracting Authority has directed the Company to perform through a Change Order as described in Section 16.1 of the Public-Private Agreement or a Directive Letter pursuant to Section 16.3 of the Public-Private Agreement;
- (b) Unless expressly provided otherwise in the PPA Documents, any change in the Technical Provisions or Safety Standards applicable to the Work pursuant to, and compliant with the conditions of, Section 5.2.5 of the Public-Private Agreement, that the Contracting Authority has directed the Company to perform through a Change Order pursuant to Section 16.1 of the Public-Private Agreement or a Directive Letter pursuant to Section 16.3 of the Public-Private Agreement;
- (c) Reasonable or necessary changes to the Technical Provisions (that are neither Non-Discriminatory O&M Changes nor Discriminatory O&M Changes) to (i) correct (an) erroneous provisions of the Technical Provisions, (ii) remove a potentially unsafe condition prescribed by the Technical Provisions, or (iii) resolve a present or certain future inconsistency between the Technical Provisions and any of the PPA Documents, good industry practice or applicable law where, in each case, either (A) the Company neither knew nor, in the exercise of reasonable care, should have known that adopting changes to such provisions of the Technical Provisions was reasonable or necessary to render such Technical Provisions correct, safe and consistent with the PPA Documents, good industry practice and applicable law prior to commencing or continuing any D&C Work affected by the problematic provisions, or (B) the Company knew of and reported the problematic provisions to the Contracting Authority, pursuant to the Company’s obligation under Section 5.2.5 of the Public-Private Agreement, prior to the Company commencing or continuing any D&C Work affected by the problematic provisions; and
- (d) Any other event that the PPA Documents expressly state shall be treated as an “IFA Change.”

“*IFA Default*” has the meaning set forth in Section 19.3.1 of the Public-Private Agreement.

“*IFA-Provided Approvals*” means the Governmental Approvals for the Project obtained or to be obtained by the Contracting Authority as specifically listed and identified as such in Attachment 7-1 to the Technical Provisions.

“*Indebtedness*” means with respect to any person: (a) indebtedness of such person for borrowed money; (b) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments; (c) all obligations of such person to pay the deferred purchase price of property or services, other than current trade payables incurred in the ordinary course of business; (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person; (e) any lease which in accordance with generally accepted accounting principles is required to be capitalized on the balance sheet of such person (and the amount of these obligations shall be the amount so capitalized); (f) all obligations, contingent or otherwise, of such person under acceptances issued or created for the account of such person; (g) all unconditional obligations of such person to purchase, redeem, retire, defease or otherwise acquire for value any capital stock or other equity interests of such person or any warrants, rights or options to acquire such capital stock or other equity interests; (h) all net

obligations of such person pursuant to hedges; (i) all guarantee obligations of such person in respect of obligations of the kind referred to in clauses (a) through (h) above; and (j) all Indebtedness of the type referred to in clauses (a) through (h) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Security Interest on property (including accounts and contracts rights) owned by such person, even though such person has not assumed or become liable for the payment of such Indebtedness.

“*Indemnified Parties*” means the Contracting Authority, the Department, the State, and each of their respective successors, assigns, officeholders, officers, directors, commissioners, agents, representatives, agents, consultants and employees, in each case, as an indemnified party and not as a named insured under the PPA Documents.

“*Indenture*” means the Indenture of Trust, expected to be dated as of July 1, 2014, between the Issuer and the Trustee, and any amendment or supplement thereto permitted thereby.

“*Indenture Account Collateral*” means, subject to the Indenture, (a) all “accounts” and “funds” established pursuant to the Indenture and funds deposited therein and moneys, funds, instruments, securities and all other property from time to time credited to such “accounts” or “funds”, (b) all “securities accounts” (within the meaning of Section 8-501 of the UCC), all deposit accounts and any and all other bank accounts, and (c) all “proceeds” (as defined under the UCC) of any or all of the foregoing, that is subject to a security interest granted by the Company pursuant to the Security Agreement.

“*Indenture Event of Default*” means, any of the following with respect to all of the Outstanding Bonds:

- (a) Failure to pay any portion of the principal or premium (if any) of any Outstanding Bond when due and payable; provided that where such failure to pay is as a result of a technical or an administrative error, there shall be a cure period of three Business Days after notice of non-payment is received by the Company from the Trustee to cure such failure to pay;
- (b) Failure to pay any portion of interest on any Outstanding Bond within five Business Days after such interest payment is due and payable;
- (c) Failure by the Issuer to cure any noncompliance by the Issuer with any other provision of the Indenture within 60 days after receiving written notice of such noncompliance from the Trustee or the Collateral Agent (with a copy to the Company and the Collateral Agent or Trustee, as applicable) with respect to the Bonds;
- (d) A Senior Loan Agreement Default shall have occurred and be continuing; or
- (e) The occurrence and continuance, with respect to the Issuer, of a Bankruptcy Event.

“*Indiana Finance Authority*” means the Indiana Finance Authority, a body corporate and politic, not a state agency but an instrumentality exercising essential public functions, of the State of Indiana.

“*Indiana Finance Authority Continuing Disclosure Agreement*” has the meaning given such term in “CONTINUING DISCLOSURE OF INFORMATION”.

“*Indirect Participants*” has the meaning assigned such term in APPENDIX K—“Book Entry Only System”.

“*Infra-PSP*” has the meaning assigned such term on the cover page hereof.

“*Insurance Policies*” means all of the insurance policies the Company is required to carry pursuant to Section 17.1 and Exhibit 18 (Insurance Coverage Requirements) to the Public-Private Agreement.

“Insurance Proceeds” means all proceeds of insurance (other than proceeds of delayed opening and business interruption insurance) payable to or received by the Company (whether by way of claims, return of premiums, *ex gratia* settlements or otherwise).

“Intellectual Property Escrow” has the meaning set forth in Section 23.5.2 of the Public-Private Agreement.

“Intercreditor Agent” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Intercreditor Terms Among the Secured Parties—General”.

“Intercreditor Agreement” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Intercreditor Terms Among the Secured Parties—General”.

“Interest Payment Date” means each March 1 and September 1, commencing on September 1, 2014, and continuing for so long as the Series 2014 Bonds are Outstanding.

“Inventory” means all inventory and all other goods of the Company (including any embedded software) that are held by the Company for sale, lease or furnishing under a contract of service (including to its subsidiaries or Affiliates), that are so leased or furnished or that constitute raw materials, work in process or material used or consumed in its business, all goods obtained by the Company in exchange for any such goods, all products made or processed from any such goods and all substances, if any, commingled with or added to any such goods.

“IRS” means the Internal Revenue Service.

“Isolux Infrastructure” has the meaning assigned such term on the cover page hereof.

“Issue Price” has the meaning assigned such term in “TAX MATTERS—Federal Income Tax Accounting Treatment of Original Issue Discount”.

“Issuer” has the meaning assigned such term on the cover page hereof.

“Issuer Representative” means the Chairman or Vice Chairman of the Issuer, the Public Finance Director of the State or any other officer designated to act by resolution of the Issuer by written certificate furnished to the Creditor Representative or Trustee containing the specimen signature of such person and signed on behalf of the Issuer by the Chairman or the Vice Chairman of the Issuer or the Public Finance Director of the State. Such certificate may designate an alternate or alternates.

“Issuing Bank Ratings Event” means, in respect of any issuing bank, the credit rating in respect of such issuing bank (i) fails to be rated by at least one Nationally Recognized Rating Agency or (ii) is rated poorer than “BBB/Baa2” by any Nationally Recognized Rating Agency.

“Karst Agreement” means the I-69 Section 5 Karst Agreement dated March 14, 2014, between the Indiana Department of Transportation (INDOT), the Indiana Department of Natural Resources (IDNR), the Indiana Department of Environmental Management (IDEM) and the U.S. Fish and Wildlife Service (USFWS) included as Attachment 7-2 to the Technical Provisions.

“Karst Feature Treatment Work” means the discovery of a karst feature, whether previously identified or unidentified, as referred to in the Karst Agreement, which (a) cannot be avoided, and (b) for which a proposed treatment measure is required to be implemented in accordance with the Karst Agreement.

“Karst MOU” means the October 1993 Karst Memorandum of Understanding included in Attachment 7-2 to the Technical Provisions.

“Known or Suspected Hazardous Materials” means Hazardous Materials and Hazardous Environmental

Conditions that are known or reasonably suspected to exist as of the Setting Date from information or analysis contained in or referenced in the Reference Information Documents, including any of the reports contained in the Reference Information Documents as of the Setting Date. Known or Suspected Hazardous Materials include Hazardous Materials and Hazardous Environmental Conditions arising in or from any of the Hazardous Materials sites listed in the Final Environmental Impact Statement and Section 7.9 of the Technical Provisions.

“*KPMG*” has the meaning assigned such term in “MISCELLANEOUS—Financial Advisors”.

“*Latent Defect*” means any defect or Nonconforming Work, except for any defect or Nonconforming Work that is discovered or should have been discovered by reasonable inspection during the Warranty Period (other than Nonconforming Work which has been accepted by the Contracting Authority under the Public-Private Agreement and by the Company hereunder with knowledge of the Nonconforming Work).

“*Latent Defect Period*” means the period of time in which a “Claim” (as defined in the Design-Build Contract) may be brought for a Latent Defect under applicable law, which shall in no event be less than ten years from the Final Acceptance Date. For purposes of calculating the Latent Defect Period under the Indiana statute of repose, IC 32-30-1 *et seq.*, the “date of substantial completion” will be deemed to be the Substantial Completion Date as defined in the Design-Build Contract, upon the occurrence of which the Company is entitled to Availability Payments in accordance with Section 10.2.1 of the Public-Private Agreement.

“*Law*” means any federal, state, local and municipal laws, rules and regulations, orders, codes, directives, permits, approvals, decisions, decrees, ordinances or by-laws having the force of law and any common or civil law, whether adopted or enacted prior to or after the date of the Public-Private Agreement including binding court and judicial decisions having the force of law, and includes any amendment, extension or re-enactment of any of the same in force from time to time and all other instruments, orders and regulations made pursuant to statute, including those made by any governmental authority.

“*LC Cost Reimbursement*” means an amount equal to the letter of credit fee payable by any Sponsor to the issuer of an Equity Letter of Credit.

“*LD Cap*” has the meaning assigned such term in “DESIGN-BUILD CONTRACT—Liquidated Damages”.

“*Lender*” means each of the holders and beneficiaries of “Security Documents” (as defined in the Public-Private Agreement) and their respective successors, assigns, participating parties, trustees and agents, including the Collateral Agent.

“*Lenders’ Direct Agreement*” means the direct agreement, dated as of the Closing Date, entered into among the Contracting Authority, the Collateral Agent and the Company with respect to the Public-Private Agreement.

“*Liability Cap*” has the meaning assigned such term in “DESIGN-BUILD CONTRACT—Limitation on Design-Build Contractor’s Liability”.

“*LIBOR*” means the offered rate per annum (rounded up to the next highest one one-thousandth of one percent (0.001%)) for deposits in U.S. dollars for a one-month period which appears on Reuters LIBOR01 (formerly known as the Telerate Page 3750) at approximately 11:00 A.M., London time, on the date of determination, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market. For purposes of this definition, “Reuters LIBOR01” means the display designated on page “LIBOR 01” on Reuters Service (or such other publication as may replace the LIBOR 01 page for Reuters Service, any successor service or services, as may be nominated by the British Bankers’ Association (or successor institution) for purposes of displaying the London interbank rates offered for U.S. dollar deposits). All interest based on LIBOR shall be calculated on the bases of a 360-day year for the actual days elapsed.

“*Liquid Security*” has the meaning assigned such term in “DESIGN-BUILD CONTRACT—Performance Security”.

“*Long Stop Date*” means October 31, 2017, as such date may be extended for Relief Events from time to time pursuant to the Public-Private Agreement.

“*Loss Proceeds Account*” has the meaning assigned such term in Section 5.01(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Loss Proceeds Account” herein.

“*Loss Proceeds Account Withdrawal Certificate*” has the meaning assigned such term in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Loss Proceeds Account”.

“*Losses*” means any loss, damage, injury, liability, obligation, cost, response cost, expense (including attorneys’, accountants’ and expert witnesses’ fees and expenses (including those incurred in connection with the enforcement of any indemnity or other provision of the applicable agreement)), fee, charge, judgment, penalty, fine or third party claims. Losses include injury to or death of persons, damage or loss of property, and harm or damage to natural resources.

“*Mainline*” means the main alignment of the Project roadway, which is continuous through the Project.

“*Major Maintenance Costs*” means the cost or reimbursement of any Rehabilitation Work.

“*Major Maintenance Reserve Account*” means the Project Account so-designated in Section 5.01(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Major Maintenance Reserve Account” herein.

“*Major Maintenance Reserve Account Required Balance*” means, with respect to each quarterly period beginning on a Quarterly Date:

- (a) 100% of forecasted Major Maintenance Costs in the first, second, third and fourth full calendar quarters (*i.e.*, ending March 31, June 30, September 30 and December 31) occurring after such Quarterly Date,
- (b) 50% of forecasted Major Maintenance Costs in the fifth, sixth, seventh and eighth full calendar quarters occurring after such Quarterly Date, and
- (c) 25% of forecasted Major Maintenance Costs for the ninth, tenth, eleventh and twelfth full calendar quarters occurring after such Quarterly Date;

provided that amounts withdrawn from the Major Maintenance Reserve Account during each such quarterly period beginning on a Quarterly Date shall be deducted from the Major Maintenance Reserve Account Required Balance for such quarterly period. The forecasts described in items (a), (b) and (c) above with respect to each quarterly period of each Company Fiscal Year shall be determined at the beginning of each such Company Fiscal Year by the Company and confirmed by the Technical Advisor not less than ten days prior to start of each such Company Fiscal Year.

“*Majority Holders*” means the holders of a majority of the aggregate principal amount of the then Outstanding Bonds.

“*Make-Whole Redemption Price*” of any Series 2014 Bonds to be optionally redeemed prior to the First Call Date means an amount equal to the greater of:

- (d) 100% of the principal amount of such Series 2014 Bonds; or

- (e) the sum of the present value of the remaining scheduled payments of principal of and interest on the Series 2014 Bonds to the earlier of the First Call Date or the maturity date of such Series 2014 Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2014 Bonds are to be redeemed, discounted on a semi-annual basis to the date on which such Series 2014 Bonds are to be redeemed (assuming a 360-day year consisting of twelve 30-day months) at the MMD Rate, plus 30 basis points;

plus, in each case, accrued and unpaid interest on such Series 2014 Bonds to the redemption date.

“*Mandatory Prepayment Account*” means the Project Account so-designated in Section 5.01(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Mandatory Prepayment Account” herein.

“*Material Adverse Effect*” means a material adverse effect on:

- (a) the business, properties, performance, results of operation or condition (financial or otherwise) of the Company;
- (b) the legality, validity or enforceability of any Financing Document or Material Project Contract;
- (c) the Company’s ability to observe and perform its material obligations under any Financing Document;
- (d) the Company’s ability to observe and perform its material obligations under the Public-Private Agreement; or
- (e) the rights of the Collateral Agent and the Trustee under the Financing Documents, including the ability of the Collateral Agent, the Trustee or any other Secured Party to enforce their rights and remedies under the Financing Documents or any related document, instrument or agreement.

“*Material Project Contracts*” means: (a) the Public-Private Agreement; (b) the Design-Build Contract; (c) any other document or contract entered into by the Company that involves payments or the receipt of goods or services with a value of \$10,000,000 or more per year (with such \$10,000,000 amount subject to indexation on the date of Substantial Completion and each anniversary thereafter by the value of the CPI divided by the value of the CPI as of the Closing Date); (d) any other contract designated as such by the agreement of the Company and the Collateral Agent; and (e) replacements of the foregoing.

“*Maximum Availability Payment*” or “*MAP*” means the maximum Availability Payment that the Company can earn in a given State Fiscal Year from and after the Substantial Completion Date, as calculated in accordance with Exhibit 10 (Payment Mechanism) to the Public-Private Agreement, and as may be further adjusted in accordance with the PPA Documents.

“*Milestone*” means each of the milestones set forth at Exhibit 4 (Milestone Payment Amounts) to the Public-Private Agreement.

“*Milestone Agreement*” has the meaning assigned such term in “CONTRACTING AUTHORITY AGREEMENTS—Milestone Agreement”.

“*Milestone Payment*” means the payments identified in Section 10.1.1 of the Public-Private Agreement.

“*Milestone Payment Amount*” means the amount of the Milestone Payments identified in Section 10.1.1 of the Public-Private Agreement, calculated pursuant to Section 4 of Exhibit 10 (Payment Mechanism) to the Public-Private Agreement, subject to adjustment as provided in Section 10.1.3 to the Public-Private Agreement and Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Milestone Payment Receipts Sub-Account*” means the sub-account of the Construction Account so-designated in Section 5.04(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Construction Account” herein.

“*MMD Rate*” means, as of any redemption date of any Series 2014 Bonds, the “Comparable AAA General Obligations” yield curve rate for the period most nearly equal to the period from such redemption date to the earlier of the First Call Date or the maturity date of such Series 2014 Bond (or if such Series 2014 Bond is a “Series 2014 Term Bond” (as defined in the Indenture), the mandatory sinking fund redemption date with respect to each mandatory sinking fund payment thereunder), as published by Municipal Market Data five Business Days prior to the date of redemption. If no such yield curve rate is established for a period ending within one year of such redemption date, the “Comparable AAA General Obligations” yield curve rate for the two published maturities most closely corresponding to such period will be determined, and the “MMD Rate” will be interpolated or extrapolated from those yield curve rates on a straight-line basis. The “Comparable AAA General Obligations” yield curve is made available daily by Municipal Market Data and is available to its subscribers through its internet address: www.tm3.com.

“*Model Auditor*” means WeiserMazars LLP and any replacement thereof.

“*Monthly Disbursement*” means the amount, if any, paid by the Contracting Authority to the Company in accordance with Section 10.2.3 of the Public-Private Agreement, and equal to (a) 95% of the MAP (for the subject year) divided by 12 minus (b) the interest owed by the Company to the Contracting Authority, if any, under the Public-Private Agreement.

“*Moody’s*” means Moody’s Investor Services and any successor to its rating agency business.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*MUTCD*” means the Indiana Manual on Uniform Traffic (Control) Devices or FHWA Manual on Uniform Traffic (Control) Devices, as further defined in Section 21 of the Technical Provisions.

“*Nationally Recognized Rating Agency*” means any of Fitch, Moody’s and S&P.

“*NEPA*” means the National Environmental Policy Act, 42 U.S.C. § 4321 *et seq.*, as amended and as it may be amended from time to time.

“*NEPA Documents*” means each document issued by FHWA in its final form pursuant to NEPA for the Project as it relates to the Project or issued by the Army Corps of Engineers in connection with the review of the 404 Permit for the Project, including the Final Environmental Impact Statement, any record of decision entered in respect thereof, and all approved supplements and reevaluations pertaining to the Project as of the PPA Effective Date.

“*New Agreements*” has the meaning given such term in “PUBLIC-PRIVATE AGREEMENT—Termination—Lenders’ Rights to Obtain New Agreements Following Termination”.

“*Noncompliance Event*” means any Company breach or failure to meet the minimum performance requirements set forth in Attachment 1 of Exhibit 12 (Noncompliance Points System and Persistent Developer Default) to the Public-Private Agreement, as those requirements may be revised from time to time. Any given “Noncompliance Event” is either a Construction Noncompliance Event or an “O&M Noncompliance Event” (as defined in the Public-Private Agreement).

“*Noncompliance Points*” means the points that may be assessed for certain breaches or failures to perform by the Company, as set forth in Attachment 1 of Exhibit 12 (Noncompliance Points System and Persistent Developer Default) to the Public-Private Agreement.

“Nonconforming Work” means:

- (a) with respect to the Public-Private Agreement, Work that does not conform to (and does not exceed) the requirements of the PPA Documents, the Governmental Approvals, applicable law, the “Design Documents” or the “Construction Documents” (as each of the immediately preceding two terms is defined in the Public-Private Agreement); or
- (b) with respect to the Design-Build Contract, Work that does not conform to (and does not exceed) the requirements of the “DBC Documents” (as defined in the Design-Build Contract), PPA Documents, the Governmental Approvals, applicable law, the “Design Documents” (as defined in the Public-Private Agreement) or the “Construction Documents” (as defined in the Design-Build Contract).

“Non-Discriminatory O&M Change” means any alteration or change (including addition) to provisions in the Technical Provisions and Safety Standards relating to the O&M Work of general application to Department transportation facilities, including revision to manuals, publications and guidelines, adoption of new manuals, publications and guidelines, changed, added or replacement standards, criteria, requirements, conditions, procedures and specifications, including Safety Standards, relating to O&M Work of general application to Department transportation facilities. A Non-Discriminatory O&M Change is an IFA Change.

“Non-Recourse Parties” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Pledge Agreement—Non-Recourse to Pledgor”.

“Notice” means a written notice, notification, correspondence, order or other communication given under the Public-Private Agreement to the Company or the Contracting Authority, as the context may require, that complies with the prescriptions set forth in Section 25.11 of the Public-Private Agreement.

“NTP1” means a Notice issued by the Contracting Authority to the Company authorizing the Company to proceed with the portions of the Work described in Section 5.3.1 of the Public-Private Agreement, and is further described in APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Rights and Obligations of the Company—Notice to Proceed 1 (NTP1); Commencement of Design Work”.

“NTP1 Conditions Deadline” means the outside date set forth in the Project Schedule by which the Company is obligated under the Public-Private Agreement to perform and complete the Work and obtain the Contracting Authority’s approval of such Work necessary to issuance of NTP1, as set forth in Section 5.3.1 of the Public-Private Agreement, as such deadline may be extended for Relief Events from time to time pursuant to the Public-Private Agreement.

“NTP2” means a Notice issued by the Contracting Authority to the Company authorizing the Company to proceed with the balance of the Work described in Section 5.6.1 of the Public-Private Agreement, and is further described in APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT—Rights and Obligations of the Company—Notice to Proceed 2 (NTP2); Commencement of Construction Work; Commencement of O&M During Construction”.

“NTP2 Conditions Deadline” means the outside date set forth in the Project Schedule by which the Company is obligated under the Public-Private Agreement to perform and complete the Work and obtain the Contracting Authority’s approval of such Work necessary to issuance of NTP2, as set forth in Section 5.6.1 of the Public-Private Agreement, as such deadline may be extended for Relief Events from time to time pursuant to the Public-Private Agreement.

“O&M After Construction” means the O&M Work for all elements of the Project according to Section 18 of the Technical Provisions. O&M After Construction encompasses all O&M Work during the Operating Period.

“O&M Conditions Precedent” means the conditions set forth in Section 5.8.4 of the Public-Private

Agreement.

“O&M During Construction”:

- (a) means, with respect to the Public-Private Agreement, the O&M Work for all elements of the Project according to Section 18 of the Technical Provisions. O&M During Construction encompasses all O&M Work during the Construction Period; and
- (b) has, with respect to the Design-Build Contract, the meaning assigned such term in “DESIGN-BUILD CONTRACT—Scope of Work”.

“O&M Expenditures” means for any period, the sum (without duplication) of the following costs paid by or on behalf of the Company: (a) the sum of all salaries, employee benefits and other compensation; plus (b) insurance premiums; plus (c) costs of operating and maintaining the Project; plus (d) property and other taxes payable by the Company in respect of the Project; plus (e) fees for accounting, legal and other professional services; plus (f) general and administrative expenses; plus (g) capital expenditures; plus (h) all other cash expenditures approved by the Technical Advisor relating to operation, maintenance and administrative costs of the Project; plus (i) filings or other costs required in connection with the maintenance of the first priority lien of the Secured Parties in the Security Collateral; plus (j) fees with respect to payment and performance bonds regarding O&M During Construction (as defined in the Public-Private Agreement); and plus (k) for purposes of calculating Free Cash Flow, the amounts required to be transferred to the Handback Requirements Reserve Account in the month of such transfer; provided, that the following shall be excluded from the foregoing items (a) through (k): (i) payments of principal, interest or fees with respect to the Bonds, any other Senior Secured Obligations and other Indebtedness permitted under the Financing Documents; (ii) capital expenditures paid with funds made available to the Company by contributions of equity, from amounts deposited in the Major Maintenance Reserve Account or the Handback Requirements Reserve Account or pursuant to level *seventh* of Section 5.02(b) of the Collateral Agency Agreement; (iii) Equity Contributions required pursuant to the Equity Contribution Agreement; (iv) any payments, dividends or distributions to any person in respect of any capital stock of the Company; (v) depreciation, amortization of intangibles and other non-cash accounting entries of a similar nature for such period; and (vi) income taxes and any operation and maintenances costs of the Project incurred prior to Substantial Completion.

“O&M Limits” means the Construction Period O&M Limits or the Operating Period O&M Limits as applicable.

“O&M Work” means any and all operation, management, administration, maintenance, repair, preservation, modification, reconstruction, rehabilitation, restoration, renewal and replacement, including Planned Maintenance, Rehabilitation Work and Handback Requirements Work. O&M Work conducted prior to commencement of the Operating Period is “O&M During Construction;” O&M Work conducted on and after commencement of the Operating Period is “O&M After Construction.”

“Operating Account” shall have the meaning assigned such term in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Establishment of Project Accounts”.

“Operating Agreement” means the Limited Liability Company Agreement of I-69 Development Partners LLC, by the Pledgor, as may be amended from time to time.

“Operating Period” means for the period starting on the Substantial Completion Date and ending at the end of the Term.

“Operating Period O&M Limits” means the areas in which the O&M After Construction is to be performed as identified in Section 18.1.4 of the Technical Provisions.

“Operations and Maintenance Management Center” or “OMMC” means the operations and maintenance management center to be provided by the Company as part of the Work and part of the Project, which will include office, storage and parking facilities, among other items in conformance with the PPA Documents.

“*Original Equity IRR*” means the Equity IRR projected in the Financial Model, as set forth in the Public-Private Agreement.

“*Other Permitted Senior Secured Indebtedness*” means additional senior secured indebtedness incurred by the Company that is equal in priority in payment and security with respect to the Collateral as the Series 2014 Loan (a) as a borrowing of the proceeds of any Additional Parity Bonds satisfying the requirements of the Indenture, (b) as other indebtedness for any purpose for which Additional Parity Bonds may be issued and meeting the requirements in Section 12.2(b) of the Indenture *mutatis mutandis*, and (c) as Senior Hedging Contracts with respect to Senior Secured Obligations.

“*Other Senior Secured Creditors*” means the providers of Other Permitted Senior Secured Indebtedness.

“*Other Senior Secured Documents*” means financing documents in respect of Other Permitted Senior Secured Indebtedness executed after the Closing Date.

“*Outstanding*” means, as of any date of determination, all Bonds that have been executed, authenticated and delivered under the Indenture, except:

- (a) any Bond, or portion thereof, on which all principal and interest due or to become due on or before maturity has been paid;
- (b) any Bond, or portion thereof, on which the Redemption Price or Make-Whole Redemption Price (as applicable) due or to become due has been paid in accordance with the redemption provisions applicable to such Bond;
- (c) Bonds in lieu of which other Bonds have been executed, authenticated and delivered pursuant to the provisions of the Indenture relating to the transfer and exchange of Bonds or the replacement of mutilated, lost, stolen or destroyed Bonds;
- (d) Bonds that have been canceled by the Trustee or that have been surrendered to the Trustee for cancellation; and
- (e) Bonds that have been defeased pursuant to and in accordance with the Indenture.

In determining whether the Owners of the required principal amount of Bonds have concurred in any direction, waiver or consent, Bonds owned by the Issuer or the Company, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or the Company, will be considered as though not Outstanding.

“*Oversight*” means monitoring, inspecting, sampling, measuring, spot checking, attending, observing, testing, investigating and conducting any other oversight respecting any part or aspect of the Project or the Work, including all the activities described in Section 3.4.1.2 of the Public-Private Agreement.

“*Owner*” of a Bond means the registered owner of such Bond as shown in the registration records of the Trustee.

“*PABs Proceeds Sub-Account*” means the sub-account of the Construction Account so-designated in Section 5.04(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Construction Account” herein.

“*PABs Rebate Fund Sub-Account*” means the sub-account of the Debt Payment Account so-designated in Section 5.05(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Payment Account” herein.

“*PABs Rebate Funds*” has the meaning assigned such term in “PROJECT ACCOUNTS AND FLOW OF

FUNDS—Project Accounts—Revenue Account—Flow of Funds”.

“*Payment Bond*” means:

- (a) with respect to the Public-Private Agreement, one or more payment bonds in place as a condition to issuance of NTP2 and commencement of the D&C Work and the O&M During Construction, as more particularly set forth in Section 17.2.1 of the Public-Private Agreement; or
- (b) with respect to the Design-Build Contract, one or more payment bonds in place as a condition to issuance of NTP2 and commencement of the D&C Work (including the O&M During Construction), as more particularly set forth in Section 17.2.1 of the Design-Build Contract.

“*Performance Security*” means:

- (a) with respect to the Public-Private Agreement, one or more performance bonds or letters of credit in place as a condition to issuance of NTP2 and commencement of the D&C Work and the O&M During Construction, as more particularly set forth in Section 17.2.1 of the Public-Private Agreement; or
- (b) with respect to the Design-Build Contract, one or more performance bonds or letters of credit in place as a condition to issuance of NTP2 and commencement of the D&C Work (including the O&M During Construction), as more particularly set forth in Section 17.2.1 of the Design-Build Contract.

“*Permitted Closure*” means, subject to Section 15.10 of the Public-Private Agreement, a Closure for any of the reasons described in items (a) to (h) below; provided that a Closure arising from a risk against which the Company is required to insure in accordance with Exhibit 18 (Insurance Coverage Requirements) to the Public-Private Agreement is not a “Permitted Closure;” and provided further that, in each case, the Company is exercising commercially reasonable efforts to (i) respond to the cause of the Closure in accordance with applicable requirements of the PPA Documents; (ii) mitigate the impact of the Closure on the Project; (iii) reopen affected traffic lanes and ramps as quickly as possible to traffic; and (iv) minimize the impact of the Company’s activities on traffic flow in the affected area:

- (a) A Closure that (i) is required solely for Planned Maintenance; (ii) complies with all restrictions and conditions applicable to Planned Maintenance; (iii) occurs entirely within “Unavailability Period B” on Table 3 to Exhibit 10 (Payment Mechanism) to the Public-Private Agreement; and (iv) occurs on no more than 120 days (aggregated) within a calendar year;
- (b) A Closure due to an emergency that is not the result of the negligence, willful misconduct, or breach of applicable law or contract by the Company or any Company-Related Entity nor considered a Relief Event;
- (c) A Closure due to utility installation work during the Operating Period as provided in Section 6.1.4 of the Public-Private Agreement;
- (d) A Closure specified, caused or ordered by, and continuing only for so long as required by, the Contracting Authority or any Governmental Entity (other than in its capacity as a Utility Owner), including Closures caused by a Relief Event described in clause (e) (Safety Compliance Order), (s) (temporary restraining order, etc.) or (t) (U.S. Department of Homeland Security directive, etc.) of the definition of Relief Event, except to the extent such Closure is the result of the negligence, willful misconduct, or breach of applicable law or contract by the Company or any Company-Related Entity;
- (e) A Closure as a result of a Relief Event described in clause (g) (disruption of work by the Contracting Authority), (h) (Contracting Authority Business Opportunity in Airspace), (j) (Force

Majeure Event), (k) (suspension or revocation of IFA-Provided Approvals or (n) (third-party spills of Hazardous Materials) of the definition of Relief Event, except to the extent otherwise provided in Section 15.10 of the Public-Private Agreement as to clause (j) or (n);

- (f) A Closure necessary to accommodate future construction of Related Transportation Facilities constructed by others;
- (g) Shoulder work of a nature too brief to require shoulder closure as per MUTCD, i.e., patrols, inspections, assistance to motorists, removal of debris; and
- (h) With respect to a Closure under the control of the emergency services and governed by item (b) above, the period of one hour, commencing at the time when the emergency services has returned operational control of all parts of the Project affected by the Closure back to the Company.

“Permitted Indebtedness” means:

- (a) any Indebtedness of the Company incurred under the Financing Documents;
- (b) Additional Parity Bonds and Other Permitted Senior Secured Indebtedness;
- (c) purchase money obligations or capitalized leases incurred by the Company to finance discrete items of equipment not comprising an integral part of the Project and that do not have in the aggregate annual debt service or lease payment obligations exceeding \$500,000 (with such \$500,000 amount subject to indexation on each anniversary of the Closing Date by the value of the CPI divided by the value of the CPI as of the Closing Date);
- (d) current accounts payable arising, and accrued expenses incurred, in the ordinary course of business which are payable in accordance with customary practices that are not overdue by more than ninety days (unless subject to a good faith contest);
- (e) secured or unsecured reimbursement obligations in respect of letters of credit and other financial obligations that are incurred pursuant to the terms of the Material Project Contracts, including with respect to payment and performance bonds regarding O&M During Construction (as defined in the Public-Private Agreement);
- (f) amounts payable under documents and other agreements related to the development, design, construction, insurance, management, operations, maintenance, repair and performance of rehabilitation work with respect to the Project to the extent the same constitute Indebtedness;
- (g) Permitted Subordinated Debt; and
- (h) any Permitted Working Capital Facility.

“Permitted Investments” means to the extent permitted by State law:

- (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America);
- (b) obligations of agencies or instrumentalities of the United States of America;
- (c) obligations not included in (a) and (b), the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States of America or any agency or instrumentality thereof;

- (d) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, rated in the highest short term credit rating category (without regard to gradation) obtainable from a Nationally Recognized Rating Agency;
- (e) deposit agreements, to include demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits and certificates of deposit or bankers' acceptances of depository institutions, including the Collateral Agent or any of its affiliates, which have a combined capital and surplus and undivided profits of not less than \$500,000,000 and, at the time such agreement is entered into, are rated at least "A-" by S&P or "A3" by Moody's or "A-" by Fitch, or which are fully FDIC-insured or collateralized by listed securities in clause (a), (b) or (c) immediately above;
- (f) collateralized repurchase agreements, to include fully collateralized agreements to buy, hold for a specified time and sell back at a future date obligations described in clause (a), (b) or (c) immediately above, if such agreement:
 - (i) is secured by obligations described in such clause (a), (b) or (c) or cash;
 - (ii) requires the securities being purchased to be pledged to the Collateral Agent, held in the name of the Collateral Agent and deposited at the time the investment is made with the Collateral Agent or with a third party approved by the Company and the Collateral Agent; and
 - (iii) is placed through an institution, which, at the time such agreement is entered into, is rated not less than "A-" or "A-1" by S&P, not less than "A3" or "P-1" by Moody's or not less than "A-" or "F-1" by Fitch and such rating by S&P does not include the suffix "r";
- (g) forward delivery agreements with a financial institution which is rated, or whose parent providing a guarantee is rated, at the time such agreement is entered into, at least "A-" or "A-1" (short-term) by S&P, which is rated, or whose parent providing a guarantee is rated, at least "A3" or "P-1" (short-term) by Moody's, or which is rated, or whose parent providing a guarantee is rated, at least "A-" or "F-1" (short-term) by Fitch, under which the provider of such forward delivery agreement agrees to sell and the Company or the Collateral Agent, as applicable, agrees to purchase a series of any of the securities described in clauses (a), (b) and (c) above;
- (h) investment contracts to include obligations of any institution the long-term senior unsecured debt or claims-paying ability or financial strength of which, or of any unconditional guarantor of full and timely payment of its obligations thereunder, is rated, at the time such agreement is entered into, at least "A-" by S&P, "A3" by Moody's or A- by Fitch; and
- (i) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated "AAAm" (or the equivalent) by a Nationally Recognized Rating Agency and (iii) have portfolio assets of at least \$5,000,000,000, including any such fund to which the Collateral Agent or any of its affiliates provides services as an investment advisor, custodian, subcustodian, investment manager, administrator and/or shareholder servicing agent, notwithstanding that (x) the Collateral Agent or an affiliate of the Collateral Agent receives fees from funds for services rendered, (y) the Collateral Agent collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (z) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Collateral Agent or an affiliate of the Collateral Agent.

"Permitted Optional Capital Expenditures" means any capital expenditures not required by the Public-Private Agreement with respect to the Project not to exceed \$10,000,000 per year, subject to indexation on each anniversary of the Closing Date by the value of the CPI divided by the value of the CPI as of the Closing Date.

“Permitted Security Interest” means:

- (a) any Security Interest arising by operation of law or in the ordinary course of business in connection with or to secure the performance of bids, tenders, contracts, leases, statutory obligations, surety bonds or appeal bonds (including with respect to payment and performance bonds regarding O&M During Construction (as defined in the Public-Private Agreement));
- (b) any mechanic’s, materialmen’s, workmen’s, repairmen’s, employees’, warehousmens’, carriers’ or any like lien or right of set-off arising in the ordinary course of business or under applicable law, securing obligations incurred in connection with the Project which are not overdue by more than thirty days or are adequately bonded or are being contested in good faith (provided that the Company shall, to the extent required by generally accepted accounting principles on a consistent basis, set aside adequate reserves with respect thereto);
- (c) any right of title retention in connection with the acquisition of assets in the ordinary course of business that does not exceed \$500,000 (with such \$500,000 amount subject to indexation on each anniversary after the Closing Date by the value of the CPI divided by the value of the CPI as of the Closing Date);
- (d) any Security Interest for taxes, assessments or governmental charges (i) not yet due, being contested in good faith (provided that the company shall, to the extent required by generally accepted accounting principles, set aside adequate reserves with respect thereto), or (ii) with respect to which the failure to pay could not reasonably be expected to have a Material Adverse Effect;
- (e) any Security Interest arising out of judgments or awards fully covered by insurance or with respect to which an appeal or proceeding for review is being prosecuted, enforcement has been stayed or bonded and reserves have been established in accordance with generally accepted accounting principles;
- (f) any Security Interest created pursuant to or contemplated by the Financing Documents or to secure Senior Secured Obligations;
- (g) any right of set-off arising under a Material Project Contract;
- (h) any other lien not securing debt for borrowed money granted over assets with a value not exceeding \$500,000 (with such \$500,000 amount subject to indexation on each anniversary after the Closing Date by the value of the CPI divided by the value of the CPI as of the Closing Date);
- (i) any other Security Interest securing Permitted Indebtedness described in clauses (b), (c) and (d) of the definition thereof;
- (j) any deposit made in the ordinary course of business in connection with workers’ compensation, unemployment insurance or other forms of governmental insurance or benefits;
- (k) any Security Interest arising solely by virtue of any statutory or common law provision relating to banker’s liens, rights to set-off or similar rights;
- (l) licenses or sublicenses of “Intellectual Property” (as defined in the Collateral Agency Agreement) granted in the ordinary course of business;
- (m) any other Security Interest approved in writing by the Creditor Representative (acting at the instructions of the relevant Secured Parties in accordance with the Indenture or any Intercreditor Agreement, as applicable); and

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

“*Permitted Subordinated Debt*” means:

- (a) unsecured Indebtedness, including loans or advances subordinate to the Senior Secured Obligations in accordance with Attachment C of the Senior Loan Agreement; and
- (b) Subordinated Hedging Contracts related to such unsecured Indebtedness, to the extent that all payments by the Company pursuant thereto and all obligations thereunder are subordinate to the Senior Secured Obligations in accordance with Attachment C of the Senior Loan Agreement.

“*Permitted Working Capital Facility*” means unsecured Indebtedness (other than Permitted Subordinated Debt) in an aggregate principal amount not to exceed \$5,000,000 at any one time outstanding (with such \$5,000,000 amount subject to indexation on the date of Substantial Completion and each anniversary thereafter by the value of the CPI divided by the value of the CPI as of the Closing Date) the proceeds of which are restricted to the funding of the Company’ working capital needs; provided, that the principal amount of any such funded Indebtedness shall be reduced to \$0.00 for a period of not less than five consecutive Business Days at least once per calendar year.

“*Persistent Company Default*” means:

- (a) Accumulation of assessed Noncompliance Points, including those assessed on account of breaches or failures that have been cured, at or above any of the trigger points set forth in Section 2.1 of Exhibit 12 (Noncompliance Points System and Persistent Developer Default) to the Public-Private Agreement; or
- (b) Accumulation at or above any of the trigger points set forth in Section 2.2 of Exhibit 12 (Noncompliance Points System and Persistent Developer Default) to the Public-Private Agreement of non-material breaches or failures to timely observe or perform or to cause to be observed or performed any covenant, agreement, obligation, term or condition required to be observed or performed by the Company under the PPA Documents and not otherwise the subject of a Notice declaring a Company Default, including non-material breaches or failures to perform the Design Work, Construction Work or O&M Work in accordance with the PPA Documents.

For the purpose of clause (b) above, a breach or failure to perform shall be counted:

- (i) Only if it is the subject of a Notice from the Contracting Authority to the Company, except that no Notice shall be required to count continuation of the breach or failure to perform beyond the applicable cure period as a new and separate breach or failure to perform, as described in Section 11.3.5 of the Public-Private Agreement;
- (ii) Regardless of whether it is cured;
- (iii) Regardless of whether it is of the same or different type, nature or character as any other breach or failure to perform included in the count; and
- (iv) Regardless of whether it is the basis for assessment of Noncompliance Points.

“*Persistent Design-Build Contractor Default*” has the meaning set forth in Section 2.1 of Exhibit 12 (Noncompliance Points System and Persistent Design-Build Contractor Default) to the Design-Build Contract.

“*Planned Maintenance*” means O&M Work that has been properly scheduled and executed in accordance with Section 18.4 of the Technical Provisions and subject to the following additional restrictions:

- (a) Planned Maintenance shall not be permitted on Event Days;
- (b) Planned Maintenance shall be permitted only within “Period B” as defined on Table 3 in Exhibit 10 (Payment Mechanism) to the Public-Private Agreement;
- (c) Within any “Segment” (for purposes of this paragraph, as defined in the Public-Private Agreement), Work associated with Planned Maintenance shall be restricted to one direction of Mainline travel;
- (d) On I-69 Mainline “Segments” with 2 lanes in each direction at least one travel lane shall remain open and contraflow working shall not be permitted;
- (e) On I-69 Mainline “Segments” with 3 lanes in each direction at least two travel lanes shall remain open; and
- (f) Planned Maintenance shall not be permitted simultaneously on more than one cross road within a “Segment”.

“*Pledge Agreement*” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Pledge Agreement”.

“*Pledged Collateral*” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Collateral Generally”.

“*Pledged Membership Interests*” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Pledge Agreement—Grant”.

“*Pledgor*” has the meaning assigned such term in the inside cover of this Official Statement.

“*Potential Event of Default*” means an event, which with the giving of notice or lapse of time, would become an Event of Default.

“*Potential Indenture Event of Default*” means an event, which, with the giving of notice or lapse of time, would become an Indenture Event of Default.

“*PPA Documents*” has the meaning given such term in Section 1.2 of the Public-Private Agreement.

“*PPA Effective Date*” means April 8, 2014.

“*PRAG*” has the meaning given such term in “MISCELLANEOUS—Financial Advisors”.

“*Preliminary Project Baseline Schedule*” means the high level, logic-based critical path schedule representing the Company’s plan to complete performance of the Work beginning on the date of NTP1 and concluding with Final Acceptance, as set forth in Exhibit 2-B (Preliminary Project Baseline Schedule) to the Public-Private Agreement.

“*Premium Bonds*” has the meaning given such term in “TAX MATTERS—Federal Income Tax Accounting Treatment of Amortizable Bond Premium”.

“*Principal Payment Date*” means, with respect to the Series 2014 Bonds, any maturity date set or any mandatory sinking fund redemption date set forth on the cover page of this Official Statement.

“Pro Rata Share” means, with respect to any Sponsor, the percentage yielded by dividing the Committed Contribution Amount of such Sponsor by the Committed Contribution Amount of all Sponsors.

“Project” has the meaning assigned such term on the cover page hereof.

“Project Accounts” means the following accounts of the Company, established pursuant to the Collateral Agency Agreement: (a) the Revenue Account; (b) the Loss Proceeds Account; (c) the Construction Account; (d) the Series 2014 Bond DSRA and any other Debt Service Reserve Account; (e) the Major Maintenance Reserve Account; (f) the Mandatory Prepayment Account; (g) the Distribution Reserve Account; (h) the Debt Payment Account; (i) the PSD Payment Account; (j) the Operating Account; and (k) any additional accounts established in accordance herewith. For the avoidance of doubt, (y) the Handback Requirements Reserve Account and (z) the Distribution Account are not “Project Accounts”.

“Project Adjusted Costs” means those costs and expenses that have actually been incurred by or on behalf of the Company directly in connection with the design, acquisition or construction of the Project, as well as in connection with Rehabilitation Work, less the Milestone Payment Amount actually paid by the Contracting Authority. Notwithstanding the foregoing, Project Adjusted Costs do not include capitalized interest and other financing costs, professional and advisory fees, Company overhead and administrative expenses, Redundancy Payments or demobilization costs.

“Project Baseline Schedule” means the logic-based critical path schedule for all Work through Final Acceptance, as more particularly described in Section 1.5.2.1.1 of the Technical Provisions, and which is a deliverable described at Table 20-1 of the Technical Provisions.

“Project Costs” means all costs and expenses incurred in connection with the design, construction, commissioning and financing of the Project, including the contract price of the Design-Build Contract, amounts payable under all construction, engineering, technical and other contracts entered into by the Company in connection with performing its obligations under the Public-Private Agreement and in accordance with the Financing Documents, all operation and maintenance costs incurred prior to the Substantial Completion Date, Costs of Issuance, financing costs, fees, interest during construction, initial working capital costs and funding of reserves, including any Debt Service Reserve Account, the LC Cost Reimbursement, professional fees related to the Project, development fees and any taxes, assessments or governmental charges payable by the Pledgor in connection with the Project, as well as reimbursements for the prior payment of any of the foregoing costs and expenses.

“Project Debt” means bona fide indebtedness (including subordinated indebtedness) for or in respect of funds borrowed (including bona fide indebtedness with respect to any financial insurance issued for funds borrowed) or for the value of goods or services rendered or received, the repayment of which has specified payment dates and is secured by one or more “Security Documents” (as defined in the Public-Private Agreement). Project Debt includes principal, capitalized interest, accrued interest, customary and reasonable Lender, financial insurer, agent and trustee fees, costs, expenses and premiums with respect thereto, payment obligations under interest rate and inflation rate hedging agreements or other derivative facilities with respect thereto, reimbursement obligations with respect thereto, lease financing obligations, and “Breakage Costs” (as defined in the Public-Private Agreement). Project Debt excludes any indebtedness of the Company or any shareholder, member, partner or joint venture member of the Company that is secured by anything less than the entire Company’s Interest, such as indebtedness secured only by an assignment of economic interest in the Company or of rights to cash flow or dividends from the Company. Project Debt also excludes any increase in indebtedness to the extent resulting from an agreement or other arrangement the Company enters into or first becomes obligated to repay after it was aware (or should have been aware, using reasonable due diligence) of the occurrence or prospective occurrence of an event of termination, including the Company’s receipt of a “Notice of Termination for Convenience” (as defined in the Public-Private Agreement) and occurrence of an IFA default of the type entitling the Company to terminate the Public-Private Agreement. In addition, no debt shall constitute Project Debt unless and until the Collateral Agent provides the Contracting Authority with Notice thereof and the related Funding Agreements and “Security Documents” (as defined in the Public-Private Agreement) in accordance with Article 21 of the Public-Private Agreement. Subject to the foregoing exclusions, Project Debt includes the Series 2014 Bonds and obligations arising thereunder.

“Project Debt Termination Amount” means:

- (a) All amounts outstanding in respect of the Project Debt; plus
- (b) Without double counting in relation to such Project Debt, all Breakage Costs payable by the Company as a result of prepayment of the outstanding amounts of such Project Debt, subject to the Company and the Lenders mitigating all such costs to the extent reasonably possible; minus
- (c) To the extent it is a positive amount, the aggregate of all Breakage Costs payable by the Lenders to the Company as a result of prepayment of any outstanding Project Debt; minus
- (d) To the extent it is a positive amount, such amounts under clause (a) and (b) above that constitute or accumulate by reason of default rates of interest, late charges and penalties, including any such items added to principal.

“Project Management Plan” means the document, including approved changes, additions and revisions, prepared by the Company and approved by the Contracting Authority describing quality assurance, quality control and other activities necessary to manage the development, design, construction, operation and maintenance of the Project, containing the Contracting Authority-approved component parts, plans and documentation described in Section 1.5.2.5 of the Technical Provisions, and which is a deliverable described at Attachment 1-1 of the Technical Provisions.

“Project Revenues” means the aggregate amount of any payments to the Company made by the Contracting Authority, third party revenues, interest on any Project Accounts (or other accounts created under the Transaction Documents) received by the Company (other than interest on the Handback Requirements Reserve Account and the Distribution Account); provided, that such revenues shall exclude any net Insurance Proceeds received by the Company and required to be deposited to the Loss Proceeds Account (except to the extent such amounts are later transferred from the Loss Proceeds Account to the Revenue Account in accordance with the Financing Documents) and Milestone Payments.

“Project Right of Way” means any real property (which term is inclusive of all estates and interests in real property), improvements and fixtures within the lines delineating the outside boundaries of the Project set forth in the ROW Work Maps contained in Attachment 17-1 to the Technical Provisions, as such boundaries may be adjusted from time to time in accordance with the PPA Documents (including adjustments for Additional Properties). The term specifically includes all air space, surface rights and subsurface rights within the boundaries of the Project Right of Way.

“Project Schedule” means one or more, as applicable, of the logic-based critical path schedules (the Project Baseline Schedule, the “Project Status Schedule” (as defined in the Public-Private Agreement) and the Project recovery schedule) for all Work leading up to and including Substantial Completion and Final Acceptance, and for tracking the performance of such Work, as the same may be revised and updated from time to time in accordance with Section 1.5.2.1 of the Technical Provisions.

“Project Schedule Deadlines” means one or more of the NTP1 Conditions Deadline, Financial Close Deadline, NTP2 Conditions Deadline, Baseline Substantial Completion Date, Final Acceptance Deadline and Long Stop Date, as the case may be.

“Project Specific Locations” means areas in which the Company proposes temporary Project-specific activities in connection with the Construction Work not within the Project Right of Way boundaries identified in the NEPA Documents, such as construction work sites, temporary work areas, lay down areas, staging areas, storage areas, stockpiling areas, earth work material borrow sites, equipment parking areas, and similar areas.

“Project Standards” has the meaning set forth in Section 21 of the Technical Provisions.

“Proposal” means the Company’s response to the “RFP” (as defined in the Public-Private Agreement).

“*Proposal Due Date*” means January 21, 2014, the date of submission of the Proposal to the Contracting Authority.

“*PSD Certificate*” means the certificate substantially in the form of Exhibit K to the Collateral Agency Agreement.

“*PSD Conditions*” means the following conditions:

- (a) the Substantial Completion Date shall been achieved;
- (b) the DSCR on the most recent Calculation Date for the Calculation Period ending on the day immediately preceding such Calculation Date taken as a whole is equal to or greater than 1.10 to 1.00 and is not projected by the Company based on reasonable assumptions confirmed by the Technical Advisor with respect to technical aspects to the extent of any technical assumptions typically and customarily reviewed by technical advisors for projects of a similar nature as the Project to be less than 1.10 to 1.00 for the immediately succeeding 12-month period taken as a whole;
- (c) the Series 2014 Bond DSRA and each other Debt Service Reserve Account is funded in cash in an amount that, together with the amount available for drawing under an Acceptable Letter of Credit provided pursuant to Section 5.07(h) or Section 5.07(i) of the Collateral Agency Agreement, equals or exceeds the relevant DSRA Requirement;
- (d) the Major Maintenance Reserve Account is funded in cash in an amount that, together with the amount available for drawing under an Acceptable Letter of Credit provided pursuant to Section 5.08(d) of the Collateral Agency Agreement, equals or exceeds the Major Maintenance Reserve Account Required Balance;
- (e) no Senior Default or Senior Event of Default under any Financing Document has occurred and is continuing or would exist as a result of the making of any transfer pursuant to the PSD Certificate; and
- (f) the Company shall have delivered to the Collateral Agent and the Creditor Representative an appropriately completed and duly authorized and executed PSD Certificate confirming the foregoing, signed by a Responsible Officer of the Company, together with, if applicable, the confirmation of the Technical Advisor specified in clause (b) of this definition.

“*PSD Payment Account*” means the Project Account so-designated in Section 5.01(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—PSD Payment Account” herein.

“*PSP Investments*” has the meaning assigned such term on the inside cover page hereof.

“*PSP Guaranty*” has the meaning assigned to such term in “FINANCING FOR THE PROJECT—Equity Contributions—PSP Guaranty”.

“*Public-Private Agreement*” has the meaning assigned such term on the cover page hereof.

“*Public-Private Agreements Act*” has the meaning assigned such term in “PUBLIC-PRIVATE AGREEMENT—General”.

“*Punch List*” means an itemized list of Construction Work which remains to be completed after Substantial Completion has been achieved and before Final Acceptance, the existence, correction and completion of which will have no adverse effect on the normal and safe use and operation of the Project.

“*Qualified Issuance*” has the meaning assigned to such term in “FINANCING FOR THE PROJECT—Pledge Agreement—Additional Pledged Collateral and Additional Membership Interests”.

“*Qualified Transfer*” has the meaning assigned to such term in “FINANCING FOR THE PROJECT—Equity Contributions—Overview”.

“*Qualified Transferee*” has the meaning assigned to such term in “FINANCING FOR THE PROJECT—Equity Contributions—Overview”.

“*Quarterly Date*” means the Transfer Date occurring in each of February, May, August and November.

“*Quarterly Noncompliance Adjustment*” means an amount equal to the sum of the deductions for Noncompliance Events or cumulative Noncompliance Events as set forth in Attachment 1 of Exhibit 12 (Noncompliance Points System and Persistent Developer Default) to the Public-Private Agreement, incurred during a given “Quarter” (as defined in the Public-Private Agreement) and calculated as provided in Section 3.8 of Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Quarterly Other Payment Adjustment*” means the adjustment, positive or negative, to derive the Quarterly Payment Adjustment, calculated as provided in Section 3.9 of Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Quarterly Payment*” means the amount of the portion of Availability Payment payable by the Contracting Authority to the Company for a given “Quarter” (as defined in the Public-Private Agreement), calculated as provided in Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Quarterly Payment Adjustment*” means the adjustment, positive or negative, to derive the amount of the Quarterly Payment, calculated as provided in Section 3 of Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Quarterly Unavailability Adjustment*” means an amount equal to the sum of the adjustments for each Unavailability Event incurred during a given “Quarter” (as defined in the Public-Private Agreement), calculated as provided in Section 3.4 of Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Reasonable Accuracy*” means with respect to the description or identification of a Utility in the Utility Information:

- (a) The Utility's actual centerline location is located at or less than five (5) feet distant from the horizontal centerline location indicated therefor in the Utility Information (without regard to vertical location);
- (b) The Utility Information does not show the Utility as abandoned (i.e., nonexistent except “on paper”, or existent but no longer active) when in fact the Utility exists and is active;
- (c) The Utility Information shows non-existent or inactive Utilities as abandoned; or
- (d) The Utility has an actual nominal diameter (excluding casings and any other appurtenances) greater than 12 inches, and its actual nominal diameter is either greater than or less than the diameter shown in the Utility Information by 25% or less of the diameter shown in the Utility Information.

Any other inaccuracies in the Utility Information (e.g., as to type of material or encasement status) shall have no impact on “reasonable accuracy” of its identification and shall not result in a determination that the Utility was not identified with “reasonable accuracy.” If there is any discrepancy between any of the components of the Utility Information, only the most accurate information shall be relevant for purposes of determination of “reasonable accuracy.”

“*Reasonable Investigation*” means the following activities by appropriate, qualified professionals prior to the Setting Date:

- (a) Visit and visual, non-intrusive inspection of the Site and adjacent locations, except areas to which access rights have not been made available by the Setting Date;
- (b) Review and analysis of all Reference Information Documents;
- (c) Review and analysis of IFA-Provided Approvals available prior to the Setting Date;
- (d) Reasonable inquiry with Utility Owners, including request for and review of Utility plans provided by Utility Owners;
- (e) Review and analysis of material laws applicable to the Project or the Work as of the Setting Date; and
- (f) Other activities sufficient to familiarize the Company with surface and subsurface conditions, including the presence of Utilities, Hazardous Materials, archeological, paleontological and cultural resources, and Threatened or Endangered Species, affecting the Site or surrounding locations;

except that none of the foregoing activities includes conducting field studies, geotechnical investigations, or original research of private records not contained or referenced in the Reference Information Documents or Technical Provisions.

“*Record Date*” has the meaning assigned such term in “THE SERIES 2014 BONDS—Payment of the Series 2014 Bonds”.

“*Record Drawings*” means construction drawings and related documentation revised to show significant changes made to the Project during the construction process or during the Operating Period; usually based on marked-up “Final Design Documents” (as defined in the Public-Private Agreement) furnished by the Company; also known as as-built plans. The Record Drawings is a deliverable described at Table 20-1 of the Technical Provisions.

“*Redemption Moneys*” has the meaning assigned such term in “THE SERIES 2014 BONDS—Redemption of Series 2014 Bonds Prior to Maturity—Notice of Redemption”.

“*Redemption Price*” means the principal, interest and any premium, if any, due on a Bond on the date on which it is redeemed prior to maturity pursuant to the redemption provisions applicable to such Bond. Such term does not include the principal and interest due on the Series 2014 Term Bonds on the dates such Bonds are to be redeemed in accordance with a mandatory sinking fund redemption schedule set forth in the Indenture.

“*Redundancy Payments*” means the payment of all wages earned, accrued unused vacation time, and any other payments required by law or required by the employer’s employment agreement with the employees.

“*Reference Information Documents*” means the collection of information, data, documents and other materials that the Contracting Authority has made available to the Company in connection with the Project or the Work (including those contained in the “RFP documents” (as defined in the Public-Private Agreement)) for general or reference information only and without any warranty as to their accuracy, completeness or fitness for any particular purpose. The Reference Information Documents are not PPA Documents. Prior to the PPA Effective Date, the Contracting Authority made available to the Company a non-exclusive list of Reference Information Documents.

“*Refinancing*” means:

- (a) Any amendment, variation, novation, extension, renewal, supplement, refunding, defeasance or replacement of any Project Debt, Funding Agreement or “Security Documents” (as defined in the

Public-Private Agreement) (other than any Subordinated Debt and Subordinated Security Documents);

- (b) The issuance by the Company of any indebtedness in addition to the “Initial Project Debt” (as defined in the Public-Private Agreement), secured or unsecured;
- (c) The disposition of any rights or interests in, or the creation of any rights of participation in respect of, Project Debt, Funding Agreements and “Security Documents” (as defined in the Public-Private Agreement) or the creation or granting by the Company or any Lender of any other form of benefit or interest in either Project Debt, Funding Agreements and “Security Documents” (as defined in the Public-Private Agreement) or the Company’s Interest whether by way of security or otherwise; or
- (d) Any other arrangement put in place by the Company or another person which has an effect similar to any of clauses (a) through (c) above.

“*Refinancing Gain*” means the amount calculated as provided in Exhibit 14 (Calculation and Payment of Refinancing Gain) to the Public-Private Agreement.

“*Rehabilitation Work*” means maintenance, repair, reconstruction, rehabilitation, restoration, renewal or replacement of any Element of the Project that is not normally included as an annually recurring cost in maintenance and repair budgets for transportation facilities of similar natures and in similar environments as the Project.

“*Related Transportation Facility(ies)*” means all existing and future bridges, highways, streets and roads, or other transportation facilities of any mode, including upgrades and expansions thereof, that are or will be connecting with or crossing under or over the Project.

“*Release of Hazardous Materials*” or “*Release*” means any spill, leak, emission, release, discharge, injection, escape, leaching, dumping or disposal of Hazardous Materials into the soil, air, surface water, groundwater, submerged lands or “Environment” (as defined in the Public-Private Agreement), including any exacerbation of an existing release or condition of Hazardous Materials contamination.

“*Relief Event*” means, with respect to the Public-Private Agreement, any of the following events, subject to the requirements, limitations, deductibles and the duty to prevent and to mitigate consequences that are set forth in the Public-Private Agreement for such events:

- (a) Contracting Authority failure to perform or observe any of its material covenants or obligations under the PPA Documents, including unreasonable failure to issue a certificate of Substantial Completion, Substantial Completion or Final Acceptance after the Company fully satisfies all applicable conditions and requirements for obtaining such a certificate (except where such failure is within another defined Relief Event);
- (b) IFA Change (other than a Discriminatory O&M Change and Non-Discriminatory O&M Change);
- (c) Discriminatory O&M Change;
- (d) Non-Discriminatory O&M Change;
- (e) Safety Compliance Orders;
- (f) Contracting Authority-Caused Delay
- (g) Performance of works by or (ii) failure to perform works required of, the Contracting Authority, the Department or another Governmental Entity or their contractors (other than the Company) in the vicinity of the Project Right of Way, including the “Advance Construction Projects”, as

defined in the Public Private Agreement, in either case excluding any Utility Adjustment Work by a Utility Owner, and in either case that materially disrupts the Company's onsite Work;

- (h) Development, use or operation of a Business Opportunity in the Airspace by the Contracting Authority, the Department or anyone (other than a Company-Related Entity) legitimately claiming under or through the Contracting Authority, the Department, the State, or any entity created by the State arising out of, or related to, the Project, to the extent set forth in Section 8.2.4 of the Public-Private Agreement;
- (i) The Contracting Authority's lack of good and sufficient title to or right to enter and occupy any parcel in the Project Right of Way, including Additional Properties required due to IFA Changes but excluding all other Additional Properties, after conclusion of the Contracting Authority's purported acquisition of the parcel or right of entry and occupancy through negotiation, settlement or condemnation proceeding in accordance with the schedule for acquisition of the parcels in the Project Right of Way as described in Attachment 17-2 of the Technical Provisions, to the extent it interferes with physical performance of Work, or (ii) the existence, at any time following issuance of NTP2, of any title reservation, condition, easement or encumbrance, of record or not of record, on any parcel in the Project Right of Way, including Additional Properties required due to IFA Changes but excluding all other Additional Properties, to the extent it interferes with physical performance of Work, except in both cases any title reservations, covenants, conditions, restrictions, easements or encumbrances (A) concerning Utilities, (B) described in Section 2.1.6 of the Public-Private Agreement and either contained in the Reference Information Documents as they exist on the Setting Date or as may be particularly described in the Technical Provisions, or (C) caused, permitted or suffered by a Company-Related Entity, and also excepting in all cases rights of access for Governmental Entities and Utility Owners as provided by applicable law other than a Change in Law;
- (j) Force Majeure Event;
- (k) The revocation or suspension of an IFA-Provided Approval by the relevant Governmental Entity (excluding revocations or suspensions arising out of, or relating to the Company's failure to comply with its obligations under the PPA Documents and/or its or the Contracting Authority's delegated obligations under, or the terms and conditions of, the revoked or suspended IFA-Provided Approval), except delay to the extent attributable to any of the differences described in Section 4.3.4 of the Public-Private Agreement unless such differences are due to an IFA Change;
- (l) Unreasonable and unjustified delay by a Utility Owner (i) with whom the Company has been unable to enter into a "Developer Utility Agreement" (for purposes of this paragraph, as defined in the Public-Private Agreement) in connection with a Utility Adjustment or (ii) with whom the Company or the Contracting Authority, as the case may be, has entered into a "Developer Utility Agreement" or "IFA Utility Agreement" (for purposes of this paragraph, as defined in the Public-Private Agreement), as the case may be, in connection with a Utility Adjustment and such delay by a Utility Owner is contrary to or in violation of the terms and provisions of the "Developer Utility Agreement" or "IFA Utility Agreement", as the case may be, provided that, in either case (A) all of the "conditions to assistance" described in Section 5.5.7.2 of the Public-Private Agreement have been satisfied and (B) delay due to, among other things, the failure by any Company-Related Entity to locate or design the Project or carry out the Work in accordance with the PPA Documents, the Adjustment Standards, the applicable "IFA Utility Agreement", "Developer Utility Agreement", the NEPA Documents, other Governmental Approval or applicable law shall not be deemed to be an unreasonable and/or unjustified delay by a Utility Owner;
- (m) Discovery at, near or on the Project Right of Way, including Additional Properties required due to IFA Changes but excluding all other Additional Properties, of any Hazardous Materials (including "IFA Releases of Hazardous Material" as defined in the Public-Private Agreement), excluding Company Releases of Hazardous Materials and Known or Suspected Hazardous Materials;

- (n) Any Release of Hazardous Material by a third party who is not acting in the capacity of a Company-Related Entity which (i) occurs after the Setting Date, (ii) is required to be reported to a Governmental Entity and (iii) renders use of the roadway or construction area unsafe or potentially unsafe absent assessment, containment and/or remediation (such Relief Event to exclude any Release of Hazardous Material arising out of the normal use of the roadway that would typically be removed and disposed of during Routine Maintenance (as part of the O&M Work);
- (o) Discovery on or under the Project Right of Way, including Additional Properties required due to IFA Changes but excluding all other Additional Properties, of any archeological, paleontological or cultural resources, excluding any such resources known to the Company prior to Setting Date or that would become known to the Company by undertaking Reasonable Investigation;
- (p) Discovery of (i) actual subsurface or latent physical conditions at or within two (2) feet of the boring holes identified in the Geotechnical Data Report that differ materially from the conditions indicated at such boring holes, in the Geotechnical Data Report, (for avoidance of doubt, encountering conditions more than two (2) feet away from the actual boring holes that differ from conditions indicated at such boring data is not a Relief Event); or (ii) actual subsurface physical conditions within the Project Right of Way, including Additional Properties required due to IFA Changes but excluding any other Additional Properties, of an unusual nature, differing materially from those ordinarily encountered in the area and generally recognized as inherent in the type of work provided for in the Public-Private Agreement. In no event shall a discovery under either clause (i) or (ii) above be a Relief Event if (x) any such conditions were known to the Company prior to the Setting Date, or (y) could have been reasonably anticipated as potentially present by an experienced civil works contractor based on the information contained in the Reference Information Documents as of the Setting Date, or (z) that would have become known to the Company by undertaking Reasonable Investigation;
- (q) Discovery at, near or on the Project Right of Way, including Additional Properties required due to IFA Changes but excluding any other Additional Properties, of any Threatened or Endangered Species (regardless of whether the species is listed as threatened or endangered as of the Setting Date), excluding any such presence of the American bald eagle, the Indiana bat or other species known to the Company prior to the Setting Date or that would become known to the Company by undertaking Reasonable Investigation;
- (r) Change in Law or Change in Adjustment Standards, except a Change in Adjustment Standards that is consistent with the terms and limitations, if any, on changes in Adjustment Standards set forth in any agreement with a Utility Owner to which the Company is a party;
- (s) Issuance of a temporary restraining order, preliminary injunction or other form of interlocutory relief by a court of competent jurisdiction that prohibits prosecution of any portion of the Work, except if based on the wrongful act or omission of any Company-Related Entity;
- (t) Issuance of a rule, order or directive from the U.S. Department of Homeland Security or comparable State agency regarding specific security threats to the Project or the region in which the Project is located or which the Project serves, to the extent such rule, order or directive requires specific changes in the Company's normal design, construction, operation or maintenance procedures in order to comply;
- (u) Discovery of Unknown Utilities that directly affects the Construction Work, including Construction Work on Additional Properties required due to IFA Changes but excluding Construction Work on any other Additional Properties, except, in each case, where the identification of a Utility in the Utility Information was Reasonably Accurate, was known to the Company as of the Setting Date, or that would become known to the Company by undertaking Reasonable Investigation;
- (v) Discovery of any hidden or undetected structural defect in any Existing Structure that directly

affects the Construction Work, excluding any such defects known to the Company as of the Setting Date, or that would become known to the Company by undertaking Reasonable Investigation (which, in the case of this Relief Event clause (v) includes specifically review of all related Reference Information Documents provided by the Contracting Authority prior to the Setting Date); or

- (w) Karst Feature Treatment Work.

“*Relief Event Delay*” means a delay to a “Controlling Work Item” (as defined in the Public-Private Agreement) caused by a Relief Event, after consumption of all Total Float available pursuant to Section 5.7.6 of the Public-Private Agreement, due to a Relief Event; provided that such delay excludes delay due to loss, damage or destruction caused by a Relief Event or other event (except the Contracting Authority’s gross negligence, recklessness or willful misconduct) to any equipment, materials, inventory, supplies and other property at locations outside the Project Right of Way or while in transit to the Site; provided, further, that any delay due to any Relief Event for which the Company’s remedy under the PPA Documents excludes adjustment to the Project Schedule (including any Project Schedule Deadline) is not a “Relief Event Delay.” For purposes of clarity, any delay arising out of or relating to Karst Feature Treatment Work is not a Relief Event Delay.

“*Remaining Committed Amount*” means, in respect of each Sponsor, such Sponsor’s Committed Contribution Amount *less* the cumulative amount of all Capital Contributions previously made by such Sponsor.

“*Rescue Refinancing*” means any Refinancing that:

- (a) Occurs due to the failure or imminent failure of the Company to comply with any material financial obligation under any Funding Agreement or “Security Document” (as defined in the Public-Private Agreement);
- (b) Results in the cure of such failure or imminent failure;
- (c) Does not result in an increase in the “Equity IRR” (as defined in the Public-Private Agreement) beyond the Original Equity IRR; and
- (d) Does not result in an actual or potential increase of the Project Debt Termination Amount by more than 10%.

“*Reserved Rights*” means amounts payable to the Issuer pursuant to Sections 4.01(b) and (d) (to the extent applicable to such Section 4.01(b)), 7.02 and 8.05 of the Senior Loan Agreement (such amounts generally including costs, fees and expenses related to issuance of the Series 2014 Bonds, interest upon failed payments, if any, of such costs, fees or expenses, certain indemnification costs and costs related thereto and certain attorneys’ fees and expenses in connection with Events of Default) and the rights of the Issuer set forth in Section 3.05 of the Senior Loan Agreement (such rights generally concerning the special, limited nature of the Issuer’s obligations with respect to the Series 2014 Bonds, the absence of indebtedness or liability of the Issuer in any provisions, covenants, agreements or obligations in the Senior Loan Agreement and no recourse against certain persons affiliated with the Issuer with respect to the Series 2014 Bonds or related claims) and analogous sections of any executed Additional Parity Bonds Loan Agreement. This definition of “Reserved Rights” is qualified in its entirety by reference to the Senior Loan Agreement, wherein may be found the full terms that are referenced herein.

“*Residual Life at Handback*” means the calculated duration that any Element will continue to comply with any applicable “Performance Requirement” (as defined in the Public-Private Agreement) or standard after the Termination Date and before Rehabilitation Work is required, determined through the application of the “Residual Life Methodology” and “Residual Life Inspections” (as each of the immediately preceding two terms is defined in the Public-Private Agreement) and by assuming that the Element is subject to Routine Maintenance.

“*Responsible Officer*” means the chief executive officer, president, any senior vice president, chief financial officer or other authorized signatory.

“*Restoration Cost*” means the Company’s reasonable costs incurred to restore the Project or the applicable portion thereof or any other property required to be restored in accordance with the terms of the Public-Private Agreement.

“*Retainage*” has the meaning set forth in Section 10A.1.6 of the Design-Build Contract.

“*Revenue Account*” means the Revenue Account created and designated as such by Section 5.01(a) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Revenue Account” herein.

“*Revenue Substitution Payment*” has the meaning assigned such term in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Revenue Account—Revenue Substitution Payment”.

“*ROD*” has the meaning assigned such term in “PERMITS; ENVIRONMENTAL COMPLIANCE AND ENVIRONMENTAL LITIGATION”.

“*Routine Maintenance*” means maintenance activities that are scheduled in advance and occur on a regular basis, such as weekly, monthly, quarterly, semi-annually or annually which are normally included as an annually recurring cost in maintenance and repair budgets for transportation facilities (and associated equipment) of similar natures and in similar environmental conditions as the Project.

“*ROW Work Maps*” means and consists of right of way maps prepared for the Project and contained in Attachment 17-1 of the Technical Provisions, depicting within the boundary lines shown therein the land or property which the Contracting Authority has made or will make available for the Project.

“*Rubicon*” has the meaning assigned such term in “MISCELLANEOUS—Financial Advisors”.

“*Rule 15c2-12*” has the meaning assigned such term in “CONTINUING DISCLOSURE OF INFORMATION”.

“*S&P*” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

“*Safety Compliance*” means any and all improvements, repair, reconstruction, rehabilitation, restoration, renewal, replacement and changes in configuration or procedures respecting the Project to correct a specific safety condition or risk of the Project that the Contracting Authority or a Governmental Entity has reasonably determined to exist by investigation or analysis.

“*Safety Compliance Order*” means a written order or directive from the Contracting Authority to the Company to implement Safety Compliance. For purposes of clarity, a Safety Compliance Order may not be issued by the Contracting Authority that effects a change to the Technical Provisions, Safety Standards or safety-related portions of the Work affected by a Change in Law.

“*Safety Standards*” means those provisions of the Technical Provisions that the Contracting Authority indicates that it, the Department, FHWA or AASHTO considers to be important measures to protect public safety, worker safety or the safety of property. As a matter of clarification, provisions of Technical Provisions primarily directed at durability of materials or equipment, where the durability is primarily a matter of life cycle cost rather than protecting public or worker safety, are not Safety Standards.

“*Scheduled DB Substantial Completion Date*” means the Baseline Substantial Completion Date, as may be adjusted in accordance with the “DBC Documents” (as defined in the Design-Build Contract).

“*Secured Parties*” means the Collateral Agent in its own capacity and in its capacity as collateral agent hereunder, any Intercreditor Agent, the Trustee, in its own capacity and in its capacity as trustee acting on behalf of the Owners of the Series 2014 Bonds and the Owners of the Additional Parity Bonds, if any, the Issuer, the Owners

of the Series 2014 Bonds, the Owners of the Additional Parity Bonds, if any, the Other Senior Secured Creditors, if any, and any agent or trustee appointed in respect of any Additional Parity Bonds or Other Permitted Senior Secured Indebtedness.

“*Securities Accounts*” means each of the Project Accounts and sub-accounts thereof established pursuant to Section 5.01(a) and (b) of the Collateral Agency Agreement and described in APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—Securities Intermediary” herein.

“*Securities Intermediary*” has the meaning assigned such term in APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—Securities Intermediary”.

“*Security Agreement*” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Security Agreement”.

“*Security Collateral*” has the meaning assigned such term in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Collateral Generally”.

“*Security Documents*” means the Security Agreement, the Pledge Agreement, the Equity Contribution Agreement, each Equity Letter of Credit, the PSP Guaranty, the Collateral Agency Agreement, the Direct Agreements, and each other document or instrument from time to time pursuant to which a lien or security interest is granted or perfected in favor of the Collateral Agent by the Company in respect of the Financing Documents or the Other Senior Secured Documents for the benefit of the Secured Parties.

“*Security Interest*” means: (a) a mortgage, pledge, lien charge, assignment, hypothecation, security interest, title retention arrangement, preferential right, trust arrangement or other arrangement having the same or equivalent commercial effect as a grant of security; or (b) any agreement to create or give any arrangement referred to in clause (a) of this definition.

“*Seismic Event*” means the trembling or shaking movement of the earth's surface that produces ground motions at the Site that, (a) if prior to Substantial Completion, directly impacts, and causes damage to, temporary or permanent works of the Project or (b) if following Substantial Completion, exceeds the “Design Requirements” (as defined in the Public-Private Agreement) and directly impacts and causes damage to the permanent works of the Project.

“*Semi-Annual Date*” means the Transfer Date occurring in each of February and August.

“*Senior Default*” either (x) means prior to the execution of any Intercreditor Agreement, a Potential Event of Default or (y) on and after the execution of any Intercreditor Agreement, has the meaning set forth therein.

“*Senior Event of Default*” either (x) means prior to the execution of any Intercreditor Agreement, an Event of Default or (y) on and after the execution of any Intercreditor Agreement, has the meaning set forth therein.

“*Senior Hedging Contract*” means any financial arrangement, which: (a) is: a cap, floor or collar; an interest rate swap, including a forward rate or future rate swap; an asset, index, price or market linked transaction or agreement; another exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, executed by the Company is intended to protect the Company from interest rate fluctuations in respect of Senior Secured Obligations bearing interest at a floating rate of interest; and (b) a Company Representative has designated in a writing delivered to the Collateral Agent as a Senior Hedging Contract (which writing shall specify the Senior Secured Obligations with respect to which such Senior Hedging Contract is entered into).

“*Senior Loan Agreement*” has the meaning assigned such term in “SUMMARY—FINANCING FOR THE PROJECT—Senior Loan Agreement”.

“*Senior Loan Agreement Default*” means any Event of Default and/or any “Event of Default” under any

Additional Parity Bonds Loan Agreement (if executed).

“*Senior On-Loans*” means the Series 2014 Loan and any Additional Parity Bond Loan.

“*Senior Secured Obligations*” means all payment obligations of the Company in respect of, without duplication, Senior On-Loans, the Series 2014 Bonds, any Additional Parity Bonds and Other Permitted Senior Secured Indebtedness.

“*Series 2014 Bond DSRA*” means the Project Account so-designated in Section 5.01(a) of the Collateral Agency Agreement and described in “SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS—Series 2014 Bond DSRA” and “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Service Reserve Accounts” herein.

“*Series 2014 Bond DSRA Requirement*” means (A) on the Substantial Completion Date, the forecasted Series 2014 Mandatory Debt Service that is projected to become due and payable on or prior to the first Series 2014 Payment Date to occur after the Substantial Completion Date and (B) on any Transfer Date after the Substantial Completion Date, the forecasted Series 2014 Mandatory Debt Service that is projected to become due and payable on or prior to the next Series 2014 Payment Date.

“*Series 2014 Bonds*” has the meaning assigned such term on the cover page hereof.

“*Series 2014 Debt Service Fund*” has the meaning assigned such term in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Establishment of Funds and Accounts”.

“*Series 2014 Interest Account*” has the meaning assigned such term in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Establishment of Funds and Accounts”.

“*Series 2014 Interest Sub-Account*” means the sub-account of the Debt Payment Account so-designated in Section 5.05(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Payment Account” herein.

“*Series 2014 Loan*” means the loan made by the Issuer to the Company on the Closing Date in an amount pursuant to the Senior Loan Agreement.

“*Series 2014 Mandatory Debt Service*” means the principal and interest due on the Series 2014 Bonds (other than the principal and interest of the Short Term Serial Bond) pursuant to maturity or mandatory sinking fund redemption thereof.

“*Series 2014 Payment Date*” means any date upon which Series 2014 Mandatory Debt Service is due, which, for avoidance of doubt, may be a date upon which only interest on the Series 2014 Bonds is due.

“*Series 2014 Principal Account*” has the meaning assigned such term in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Establishment of Funds and Accounts”.

“*Series 2014 Principal Sub-Account*” means the sub-account of the Debt Payment Account so-designated in Section 5.05(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Payment Account” herein.

“*Series 2014 Rebate Fund*” has the meaning assigned such term in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Establishment of Funds and Accounts”.

“*Series 2014 Redemption Account*” has the meaning assigned such term in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Establishment of Funds and Accounts”.

“*Series 2014 Term Bonds*” has the meaning assigned to such term in “THE SERIES 2014 BONDS—

Redemption of Series 2014 Bonds Prior to Maturity—Mandatory Sinking Fund Redemption”.

“*Service Line*” means:

- (a) A Utility line, the function of which is to directly connect the improvements on an individual property to another Utility line located off such property, which other Utility line connects more than one such individual line to a larger system, or
- (b) Any cable or conduit that supplies an active feed from a Utility Owner’s facilities to activate or energize the Contracting Authority’s or a local agency’s lighting and electrical systems, traffic control systems, communications systems and/or irrigation systems.

“*Setting Date*” means the date that is 45 days before the Proposal Due Date.

“*Short Term Serial Bond*” means the Series 2014 Bonds maturing on March 1, 2017.

“*Short Term Serial Bond Sub-Account*” means the sub-account of the Debt Payment Account so-designated in Section 5.05(b) of the Collateral Agency Agreement and described in “PROJECT ACCOUNTS AND FLOW OF FUNDS—Project Accounts—Debt Payment Account—Short Term Serial Bond Sub-Account” and APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—The Project Accounts—Debt Payment Account—Short Term Serial Bond Sub-Account” herein.

“*Site*” means Project Right of Way and any temporary rights or interests that the Company may acquire in connection with the Project or the Utility Adjustments included in the Construction Work, including Project Specific Locations.

“*Special Record Date*” has the meaning assigned such term in “THE SERIES 2014 BONDS—Payment of the Series 2014 Bonds”.

“*Sponsors*” has the meaning assigned such term on the cover page hereof.

“*State*” means the State of Indiana.

“*State Fiscal Quarter*” means each three month period commencing on the first day of the first, fourth, seventh and tenth month of each State Fiscal Year and ending on the last day of the third, sixth, ninth and twelfth month, respectively, of such State Fiscal Year.

“*State Fiscal Year*” means the twelve-month period commencing on July 1 of each year and ending on the succeeding June 30, or such other fiscal year of the State as may be mandated by law.

“*Step-in Party*” means (a) the Collateral Agent, a Lender or any entity that is wholly owned by a Lender or group of Lenders; or (b) any person approved by the Contracting Authority as a “Substituted Entity” in accordance with Section 21.6 of the Public-Private Agreement.

“*Step-out Notice*” means a Notice given, at any time, by a Step-in Party giving not less than 30 days’ prior notice to the Contracting Authority of such Step-in Party’s intent to terminate its obligations to the Contracting Authority under Article 21 to the Public-Private Agreement respecting the event giving rise to the “Step-in Notice” (for the purposes of this paragraph, as defined in the Public-Private Agreement), in which event such Step-in Party shall be released from all obligations under Article 21 to the Public-Private Agreement respecting the event giving rise to such “Step-in Notice”, except for any obligation or liability of the Step-in Party arising on or before the effective date set forth in the Step-out Notice.

“*Submittal*” means any document, work product or other written or electronic end product or item required under the PPA Documents to be delivered or submitted to the Contracting Authority. “Submittal” does not include Notices or correspondence.

“*Subordinated Debt*” means the bona fide indebtedness for funds borrowed that (a) is held by any Equity Member or an Affiliate, or by a purchaser or assignee of such indebtedness held at any previous time by any Equity Member or Affiliate, and (b) is inferior in priority of payment and security to all Project Debt held by persons who are not Equity Members or Affiliates.

“*Subordinated Hedging Contract*” means any financial arrangement, which: (a) is: a cap, floor or collar; an interest rate swap, including a forward rate or future rate swap; an asset, index, price or market linked transaction or agreement; another exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto; executed by the Company that is intended to protect the Company from interest rate fluctuations in respect of Permitted Subordinated Debt bearing interest at a floating rate of interest; and (b) a Company Representative has designated in a writing delivered to the Collateral Agent as a Subordinated Hedging Contract (which writing shall specify the Permitted Subordinated Debt with respect to which such Subordinated Hedging Contract is entered into).

“*Subordinated Security Documents*” means any “Security Documents” (as defined in the Public-Private Agreement) securing Subordinated Debt.

“*Substantial Completion*” means (a) satisfaction of the criteria for completion of construction of the Project as set forth in Sections 5.8.1 and 5.8.2 of the Public-Private Agreement, as and when confirmed by the Contracting Authority’s issuance of a certificate in accordance with the procedures and within the time frame established in Sections 5.8.1 and 5.8.2 of the Public-Private Agreement after occurrence of all the events and satisfaction of all the conditions therefor set forth in Section 5.8.2.1 of the Public-Private Agreement, and (b) that all the O&M Conditions Precedent have been met as set forth in Section 5.8.4 of the Public-Private Agreement, as and when confirmed by the Contracting Authority’s issuance of a certificate in accordance with the procedures and within the time frame established in Section 5.8.4 of the Public-Private Agreement.

“*Substantial Completion Date*” means the date that Substantial Completion has been achieved for the entire Project.

“*Substantial Completion Milestone Payment Adjustment*” means the amount determined in accordance with Sections 4.1 and 4.2 of Exhibit 10 (Payment Mechanism) to the Public-Private Agreement.

“*Supplemental Indenture*” means any indenture supplementing or amending the Indenture that is adopted pursuant to the Indenture.

“*Taxes*” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Entity.

“*Technical Advisor*” has the meaning assigned such term in “SUMMARY—TECHNICAL ADVISOR’S REPORT”.

“*Technical Advisor Certificate*” means the “Requisition Certificate of the Technical Advisor Certificate” substantially in the form attached as Exhibit G to the Collateral Agency Agreement.

“*Technical Advisor’s Report*” has the meaning assigned such term in “SUMMARY—TECHNICAL ADVISOR’S REPORT”.

“*Technical Provisions*” means the “Technical Provisions, I-69 Section 5 Project” included as among the PPA Documents, constituting the document describing the scope of the Work and related standards, criteria requirements, conditions, procedures, specifications and other provisions for the Project and/or the Utility Adjustments, as such provisions may be changed, added to, deleted or replaced pursuant to the Public-Private Agreement.

“*Temporary Traffic Control Plan*” means the Company’s plan for temporary traffic control, which is a deliverable described in Section 12.3 of the Public-Private Agreement, and listed at Table 20-1, of the Technical

Provisions.

“*Term*” has the meaning assigned such term in “PUBLIC-PRIVATE AGREEMENT—General”.

“*Termination Compensation*” means each measure of compensation, if any, owing from the Contracting Authority to the Company upon termination of the Public-Private Agreement prior to the stated expiration of the Term, as set forth in Exhibit 21 (Terms for Termination Compensation) to the Public-Private Agreement.

“*Termination Date*” means (a) the date of expiration of the Term or (b) if applicable, the Early Termination Date.

“*Termination for Convenience*” means the Contracting Authority’s termination of the Public-Private Agreement in whole, but not in part, if the Contracting Authority determines, in its sole discretion, that such termination is in the Contracting Authority’s best interest.

“*Termination Notice*” means the notice given by the Deposit Account Bank that it no longer wishes to act as a Deposit Account Bank, or that it will no longer be subject to the terms of an Account Control Agreement, or that it will no longer act upon the instructions of the Company or the Collateral Agent, as such notice is described in APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT—Change of Deposit Account Bank”.

“*Threatened or Endangered Species*” means any species listed by the USFWS as threatened or endangered pursuant to the Endangered Species Act, as amended, 16 U.S.C. §§ 1531, *et seq.* or any species listed as threatened or endangered pursuant to the State endangered species act.

“*TMC*” has the meaning assigned such term in “UNDERWRITING”.

“*Total Float*” means the amount of time that any given activity or logically connected sequence of activities shown on the Project Schedule may be delayed before it will delay occurrence of either the Substantial Completion Date or the Final Acceptance Date. Such Total Float is generally identified as the difference between the early start date and late start date, or early completion date and late completion date, for each of the activities shown on the Project Schedule.

“*Total Project Capital Cost*” means approximately \$369,395,692, the total capital cost for the Project set forth in Exhibit 2-I(2) (Capital Cost Table) to the Public-Private Agreement.

“*Transaction Documents*” means the Material Project Contracts and the Financing Documents.

“*Transfer Date*” means the third Business Day prior to the first calendar day of each month.

“*Treasury Regulations*” means the temporary, proposed or final federal income tax regulations promulgated by the U.S. Department of the Treasury, together with the other published written guidance thereof as applicable to the Bonds under the Code.

“*Trust Estate*” has the meaning assigned such term in “THE SERIES 2014 BONDS—Grant of Trust Estate”.

“*Trustee*” means U.S. Bank National Association, as Trustee pursuant to the Indenture and any successor trustee thereunder.

“*Trustee Representative*” means any officer of the Trustee assigned to the corporate trust department or any other officer of the Trustee customarily performing functions similar to those performed by any such officer, with respect to matters related to the administration of this Indenture.

“*Type 1 Utility Adjustment*” has the meaning set forth in Section 15.1.2 of the Technical Provisions.

“*Type 2 Utility Adjustment*” has the meaning set forth in Section 15.1.2 of the Technical Provisions.

“*Type 3 Utility Adjustment*” has the meaning set forth in Section 15.1.2 of the Technical Provisions.

“*UBSFS*” has the meaning assigned such term in “UNDERWRITING”.

“*UCC*” means the Uniform Commercial Code as in effect in the applicable state or jurisdiction.

“*Unavailability Event*” means a Closure during the Operating Period that not a Permitted Closure.

“*Underwriters*” means Citigroup Global Markets Inc. and Jefferies LLC.

“*Unknown Utility*” means a Utility, other than a Service Line, where the Utility Information incorrectly indicates that the subject Utility does not exist anywhere within the boundary lines of the Project Right of Way or that is otherwise not identified with Reasonable Accuracy. If any discrepancy exists between the information provided by one component of the Utility Information and that provided by any other component of the Utility Information, only the more accurate information shall be relevant for purposes of this definition.

“*Use Agreement*” has the meaning set forth in “CONTRACTING AUTHORITY AGREEMENTS—Use Agreement”.

“*Use Payment Requirement*” means an amount which is expected to be at least equal to the sum of (i) the Authority Costs during such State Fiscal Year, (ii) the Maximum Availability Payment for such State Fiscal Year, and (iii) the amounts necessary to pay Compensation Amounts owed by the Contracting Authority under the Public-Private Agreement.

“*Use Payments*” means payments made by the Department to the Contracting Authority for the use of a project as defined in the Public-Private Agreements Act.

“*USFWS*” means the United States Fish and Wildlife Service.

“*Utilities Milestone*” means either or both “Utilities Milestone 1” or “Utilities Milestone 2” (as each such term is defined in the Public-Private Agreement), as applicable, and as context may require.

“*Utility*” means and includes poles, plants, lines, trenches, bridges, tunnels, pipelines, and any other system for furnishing, producing, generating, transmitting, or distributing power, electricity, communications, telecommunications, water, gas, oil, petroleum products, coal or other mineral slurry, steam, heat, light, chemicals, air, sewage, drainage not connected with a highway drainage system, irrigation, or another substance. The term “Utility” also includes a system for furnishing transportation of goods or persons by means of railway, tramway, cableway, conveyor, flume, canal, tunnel, pipeline, or a similar means, but excludes (a) storm water facilities providing drainage for the Project Right of Way, (b) street lights and traffic signals, and (c) “ITS” and “IVHS” (as each of the immediately preceding two terms is defined in the Public-Private Agreement) facilities. The necessary appurtenances to each “Utility Owner Project” (as defined in the Public-Private Agreement) shall be considered part of such Utility. Without limitation, any Service Line connecting directly to a Utility shall be considered an appurtenance to that Utility, regardless of the ownership of such Service Line.

“*Utility Adjustment*” means each relocation (temporary or permanent), abandonment, “Protection in Place” (as defined in the Public-Private Agreement), removal (of previously abandoned Utilities as well as of newly abandoned Utilities), replacement, reinstallation, and/or modification of existing Utilities necessary to accommodate construction, operation, maintenance and/or use of the Project; provided, however, that the term “Utility Adjustment” shall not refer to any of the work associated with facilities owned by any railroad.

“*Utility Adjustment Work*” means all efforts and costs necessary to accomplish the required Utility Adjustments, in accordance with the Public-Private Agreement, whether provided by the Company or by the Utility Owners. Any Utility Adjustment Work furnished or performed by the Company is part of the Work; any Utility

Adjustment Work furnished or performed by a Utility Owner is not part of the Work.

“Utility Information” means the information regarding Utilities included in the Reference Information Documents, together with any other information the Contracting Authority provided to the Company 30 days prior to the “Proposal Date” pursuant to the Public-Private Agreement with regard to identification of Utilities. The Utility Information includes survey information regarding existing utilities; utility maps included as an overlay on the survey; “SUE” (as defined in the Public-Private Agreement) maps depicting existing Utilities potentially impacted by the Project, and other as-built maps for existing Utilities. In the event of any conflict within the various components of the Utility Information, the more accurate information will prevail.

“Utility Owner” means the owner or operator of any Utility (including both privately held and publicly held entities, cooperative utilities, and municipalities and other governmental agencies).

“Warranty Period” means the period of 24 months after the Final Acceptance Date, extended as applicable pursuant to Section 5.13.3.3 of the Design-Build Contract.

“Work” means:

- (a) with respect to the Public-Private Agreement, the work required to be furnished and provided by the Company under the PPA Documents, including all administrative, design, engineering, real property acquisition and occupant relocation, construction, “Aesthetics and Landscaping Work” (as defined in the Public-Private Agreement), Rehabilitation Work, Utility Adjustment, utility accommodation, support services, financing services, operations, maintenance and management services, except for those efforts which such PPA Documents expressly specify will be performed by persons other than Company-Related Entities; or
- (b) with respect to the Design-Build Contract, the work required to be furnished and provided by the Company under the PPA Documents (which is delegated in part to Design-Build Contractor under the Design-Build Contract) and the “DBC Documents” (as defined in the Design-Build Contract), including all administrative, design, engineering, real property acquisition and occupant relocation, construction, “Aesthetics and Landscaping Work” (as defined in the Public-Private Agreement), Rehabilitation Work, Utility Adjustment, utility accommodation, support services, financing services, operations, maintenance and management services, except for those efforts which such PPA Documents and “DBC Documents” (as defined in the Design-Build Contract) expressly specify will be performed by persons other than the Company, Design-Build Contractor, Company-Related Entities, or Design-Build Contractor Entities (as defined in the Design-Build Contract).

“Workforce Diversity and Small Business Performance Plan” means the Company’s plan for meeting the goals for on-the-job and other training in accordance with Exhibit 8 (Equal Employment Opportunity Trainees Special Provisions) to the Public-Private Agreement. The Preliminary Diversity and Small Business Performance Plan is Exhibit 2-N (Developer’s Preliminary Workforce Diversity and Small Business Performance Plan) to the Public-Private Agreement.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT

The following is a summary of selected provisions of the Public-Private Agreement relating to the Project, and is not a full statement of the terms of such agreement. Accordingly, the following summary is qualified in its entirety by reference to such agreement and is subject to the full text of such agreement. A copy of such agreement is available, free of charge, upon request from the Company or the Trustee. Unless otherwise stated, any reference in this APPENDIX C to any agreement will mean such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified and in effect as of the date hereof. Capitalized terms used in this APPENDIX C but not defined in this Official Statement have the meaning assigned to such terms in the Public-Private Agreement.

Rights and Obligations of the Company

Concession

The Company has agreed to finance, develop, design, construct, insure, manage, and with respect to the portions of the Project located within the O&M Limits, to operate, maintain, repair and perform Rehabilitation Work on and for the Project, as described in more detail below and subject to the terms, covenants and conditions of the Public-Private Agreement and the Public-Private Agreements Act.

Pursuant to the Public-Private Agreement, the Contracting Authority has granted to the Company a concession for the exclusive right to perform such work during the Term. The Contracting Authority has granted the Company and authorized Company-Related Entities a right and license to enter onto the Project Right of Way and other lands, improvements or fixtures thereupon owned by or in the possession and control of the Contracting Authority to carry out the Company's obligations under the Public-Private Agreement. The Contracting Authority has also granted the Company a license to operate the portions of the Project located within the O&M Limits, upon the terms, covenants and conditions of the Public-Private Agreement. Such rights and licenses are, in each case, not a real property right, but instead a contractual right. The Company has not been granted any leasehold or any other form of real property interest of any kind in or to the Project or the Project Right of Way.

The Contracting Authority will retain title to all real and other property interests and rights in the Project, the Project Right of Way and all improvements constructed thereon.

Term of the Concession

The Public-Private Agreement became effective on April 8, 2014. The Public-Private Agreement will remain in effect for 35 years after the earlier of the Baseline Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement) or the actual Substantial Completion Date, unless earlier terminated in accordance with the terms of the Public-Private Agreement.

Under certain circumstances, the Contracting Authority may extend the Term as a means of compensating the Company for Extra Work Costs and Delay Costs occurring after the Construction Period. The Contracting Authority's election to compensate the Company through an extension of the Term (in lieu of an alternative compensation method) is deemed void, however, if the Company is unable, after using diligent efforts to obtain debt or equity funds, to finance the applicable Extra Work Costs or Delay Costs, and, in such case, the Contracting Authority must compensate by another method.

Commencement of Work

Notice to Proceed 1 (NTP1); Commencement of Design Work. The Contracting Authority issued NTP1 on April 8, 2014, after determining that the Company had satisfied the conditions precedent to such issuance. NTP1 entitles the Company to commence performance of customary construction engineering activities, field staking,

conduct of surveys, discussions and initial coordination with Utility Owners about potential utility adjustments and geotechnical investigations and, subject to the conditions described below, Design Work.

The Company must satisfy certain other conditions for Design Work to commence, including delivery and approval of certain portions of the Project Management Plan, obtaining design-related insurance policies, delivery and approval of revisions to the Workforce Diversity and Small Business Performance Plan, delivery and approval of the design-related Submittal portion of the Project Baseline Schedule, deposits into the Intellectual Property Escrows and Financial Escrow, certifying that its personnel and its Contractors' relevant personnel hold required licenses, satisfaction of any other requirements for or conditions to commencing Design Work prescribed under the Technical Provisions (including participation in an environmental orientation workshop and training meeting), delivery and approval of the final DBE Performance Plan, and delivery by the Contracting Authority of NTP1 to the Company. Pursuant to a letter dated July 7, 2014, the Contracting Authority notified the Company that it does not object to commencement of Design Work by the Company.

Notice to Proceed 2 (NTP2); Commencement of Construction Work; Commencement of O&M During Construction. The Contracting Authority will issue NTP2 after determining that the Company has satisfied the conditions precedent to such issuance, including the achievement of Financial Close, the delivery of conforming performance and payment security, required insurance policies being in full force and effect, demonstration that the Company has completed training of operations and maintenance personnel, delivery of a certificate affirming that representations and warranties of the Company in the Public-Private Agreement remain true and correct, all guarantees in favor of Contracting Authority have been delivered to Contracting Authority and are effective, there being no uncured Company Default (other than certain defaults subject to pending cure), and the Contracting Authority having approved the final Workforce Diversity and Small Business Performance Plan. NTP2 entitles the Company to commence performance of all Work (other than O&M Work), subject to the additional conditions described below with respect to Construction Work. The Preliminary Project Baseline Schedule anticipates that NTP2 will be issued on or about July 31, 2014 and for construction to begin in early August 2014. If the Contracting Authority has not delivered NTP2 within 60 days after the Company has satisfied the conditions thereto, the Company may terminate the Public-Private Agreement and would be entitled to certain compensation.

The Company is required to satisfy certain other conditions to commence Construction Work, including obtaining all Governmental Approvals necessary to begin Construction Work, obtaining all rights of access necessary for construction, satisfying all pre-construction requirements contained in the NEPA Documents and other Governmental Approvals, delivery and approval of certain portions of the Project Management Plan, delivery and approval of the Temporary Traffic Control Plan, delivery and approval of certain other Submittals required by the Project Management Plan, satisfaction of conditions to Construction Work prescribed under the Technical Provisions, and the adoption of certain policies regarding ethical standards of conduct for all Company-Related Entities. The Preliminary Project Baseline Schedule anticipates that Construction Work will commence in early August 2014.

The Company must also obtain, as a condition to commence O&M During Construction, all Insurance Policies required for O&M During Construction. The Company expects to commence O&M During Construction on the date of issuance of NTP2 and will continue O&M During Construction until the Substantial Completion Date.

Provisions Relating to Financing of the Company's Obligations

Security

As part of fulfilling its obligations to finance the Work, the Company may assign and/or create security over the entire Company's Interest, including the Company's rights and interest in and under the Public-Private Agreement, other project contracts and intellectual property. "Security Documents" (as defined in the Public-Private Agreement) must strictly comply with the terms prescribed by the Public-Private Agreement. See "SECURITY AND SOURCES OF REPAYMENT FOR THE BONDS".

Amendments to any Project Debt, Funding Agreements and other Security Documents; Refinancings

Amendments to any Project Debt, Funding Agreements and “Security Documents” (as defined in the Public-Private Agreement) (other than Subordinated Debt and Subordinated Security Documents), among other things, constitute “Refinancings” and are subject to the provisions applicable thereto. A Refinancing, other than an Exempt Refinancing or Rescue Refinancing, requires prior written approval by the Contracting Authority. A Refinancing, other than an Exempt Refinancing, also entitles the Contracting Authority to share substantially in any Refinancing Gain resulting from the Refinancing. The Contracting Authority’s share of any Refinancing Gain is paid through a reduction in Availability Payments or, if the Refinancing involves increasing the amount of outstanding Project Debt, through a lump-sum payment concurrent with the closing of the Refinancing.

Project Right of Way

The Contracting Authority, at its own cost, will obtain and provide to the Company access to the Project Right of Way, which is the real property, including air space, surface and subsurface rights, and improvements and fixtures within the outside boundaries of the Project. If the Company identifies any Additional Property as permanently needed to construct or maintain the Project, other than temporary interests in property for Project Specific Locations, the Company may submit a request to the Contracting Authority to acquire such Additional Property. The Contracting Authority is not obligated to acquire such Additional Property where, in the Contracting Authority’s good faith judgment, the Contracting Authority determines there would be a material adverse effect on political, community or public relations or successful timely completion of the acquisition is unlikely. Unless the acquisition of Additional Property is due solely to an IFA Change, the Company is responsible for the costs of acquisition of Additional Property.

Environmental and Regulatory Matters

The Company must comply with all environmental obligations associated with the Project, including, but not limited to, environmental impact mitigation requirements, responsibility for site contamination and hazardous materials management.

Site Conditions

The Public-Private Agreement allocates responsibilities between the Company and the Contracting Authority for site contamination found on the Project Right of Way. The Company is generally responsible for existing conditions found at the site. However, the Company is entitled to relief in respect of certain site-related Relief Events, including discovery of Hazardous Materials; Releases of Hazardous Materials (other than by the Company) after the Setting Date; discovery of archaeological, paleontological or cultural resources; discovery of certain actual subsurface or latent physical conditions near the boring holes identified in the Geotechnical Data Report; discovery of Threatened or Endangered Species; discovery of Unknown Utilities that directly affect Construction Work; discovery of any hidden or undetected structural defect in any Existing Structure that directly affects the Construction Work; and Karst Feature Treatment Work.

Permitting

The Company and the Contracting Authority share responsibility for obtaining Governmental Approvals for the Project. The Company must obtain all Governmental Approvals, except for IFA-Provided Approvals. The Contracting Authority has obtained or applied for the IFA-Provided Approvals. The Contracting Authority will, at the Company’s request and expense, reasonably assist and cooperate with the Company in obtaining Governmental Approvals that are the responsibility of the Company. See “PERMITS; ENVIRONMENTAL COMPLIANCE AND ENVIRONMENTAL LITIGATION” for a description of the status of Governmental Approvals for the Project.

Mitigation of Environmental Impacts on the Project

The Public-Private Agreement allocates to the Company the responsibility of managing the environmental impacts of the Project, as well as avoiding or mitigating adverse financial and schedule impacts of Hazardous

Materials and Hazardous Environmental Conditions in respect of the Project. The Company must address impacts of the Work by developing and implementing an Environmental Compliance and Mitigation Plan, which sets forth environmental mitigation measures required by Environmental Approvals, including the NEPA Documents and similar Governmental Approvals, or the PPA Documents. Under the Technical Provisions, the Company must also take steps to limit impacts on protected species as may be required in respect of any Environmental Approvals, including impacts to the Indiana bat. Other mitigation required to be performed by the Company include the implementation of hazardous material management measures and compliance with the Karst MOU. See “PERMITS; ENVIRONMENTAL COMPLIANCE AND ENVIRONMENTAL LITIGATION” for a description of the current status of litigation relating to the environmental approval process.

Construction of the Project

Company Requirements

The Company is required to carry out and complete the Work in accordance with the Public-Private Agreement, the other PPA Documents, the approved Project Management Plan, good industry practice, Governmental Approvals and applicable law. Pursuant to such documents, the Company is required to achieve Substantial Completion by the Baseline Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement) and Final Acceptance by the Final Acceptance Deadline (which the Preliminary Project Baseline Schedule establishes as February 28, 2017, subject to adjustment in accordance with the terms of the Public-Private Agreement). The Company is required to participate in regular progress meetings with the Contracting Authority and provide other information requested by the Contracting Authority to monitor progress.

Milestone (Construction) Payments

With respect to the Construction Period, the Contracting Authority agrees to make certain Milestone Payments totaling up to \$80,000,000, as such amount may change as a result of adjustments. The Public-Private Agreement specifies the following construction Milestones and the associated Milestone Payments:

Milestone	Estimated Completion Date (based on Preliminary Project Baseline Schedule)	Amount (in \$)
Utilities Milestone 1: Company has submitted a valid application compliant with the requirements set forth in Section 5.5.11 of the Public-Private Agreement and including a cost estimate for eligible Utility Adjustment Work exceeding \$5,000,000 in aggregate.	November 30, 2014	5,000,000
Utilities Milestone 2: Company has submitted a valid application compliant with the requirements set forth in Section 5.5.11 of the Public-Private Agreement and including a cost estimate for eligible Utility Adjustment Work exceeding \$20,000,000 in aggregate (including such amounts contemplated in Utility Milestone 1).	May 30, 2015	15,000,000
The local access roads and improvements associated with That Road and the overpass and local road improvements associated with Rockport Road have been completed and opened to traffic without the necessity of further Construction Closures.	June 1, 2015	10,000,000
The interchanges and associated entrance and exit ramps at Fullerton Pike and Tapp Road and the overpass and improvements associated with Vernal Pike have been completed and opened to traffic without the necessity of further Construction Closures.	December 31, 2015	30,000,000
Substantial Completion	October 31, 2016	20,000,000
Total Milestone Payments		80,000,000

When the Company believes it has satisfactorily achieved a Milestone, other than with respect to the Utilities Milestones and Substantial Completion, the Company is required to provide notice to the Contracting Authority. The Contracting Authority will then inspect the Work within ten Business Days of receiving the notice and, if compliant with the requirements of the Public-Private Agreement, will issue a certificate evidencing achievement of the Milestone. With respect to each Utilities Milestone, the Company will submit to the Contracting

Authority an application showing satisfaction of certain conditions precedent to the applicable Utilities Milestone, including an aggregate cost estimate exceeding the amount listed for each Utilities Milestone in the table above. If the Company's application in connection with a Utilities Milestone is compliant with the requirements of the Public-Private Agreement, the Contracting Authority will issue a certificate evidencing achievement of the Utilities Milestone. When the Company achieves Substantial Completion, the Contracting Authority will issue a certificate evidencing that achievement. Upon receipt of a certificate from the Contracting Authority certifying achievement of a Milestone, including the Utilities Milestones and Substantial Completion, the Company may submit an invoice for the Milestone Payment, which the Contracting Authority has agreed to pay within 35 days of receiving such invoice or, if later, on the first day such funds become available to the Contracting Authority, provided, that the Company has cured any outstanding Defaults and satisfied other conditions of the Public-Private Agreement, and subject to the following maximum aggregate Milestone Payment schedule:

Dates	Maximum Aggregate Milestone Amount (in \$)
From December 15, 2014 through August 14, 2015, inclusive	15,000,000
From August 15, 2015 through August 14, 2016, inclusive	60,000,000
On or after August 15, 2016	80,000,000

Utility Adjustment Work

The Construction Work under the Public-Private Agreement will require relocation of certain utilities. Utility Adjustment work is categorized into three types by the Public-Private Agreement: (i) Type 1 Utility Adjustments, for which the Utility Owner performs the work and is paid by the Contracting Authority; (ii) Type 2 Utility Adjustments, for which the Company is required to negotiate a Utility Agreement with the Utility Owner, the Company or the Utility Owner will perform the design, the Company will be responsible for the design and construction costs and perform the Utility Adjustment Work using a contractor acceptable to the Utility Owner, and the Company may seek reimbursement from the Utility Owner for any Betterment of its utilities in accordance with such Utility Agreement; and (iii) Type 3 Utility Adjustments, for which the Company is required to negotiate a Utility Agreement based on an estimated cost and schedule already received from the Utility Owner, which agreement will require the Utility Owner to perform the work and receive reimbursement from the Company. An unreasonable and unjustified delay by a Utility Owner to enter into an agreement with the Company or to perform under its agreement with the Contracting Authority or the Company will be, subject to certain conditions, a Relief Event. The discovery of an Unknown Utility that directly affects the Construction Work will also entitle the Company to a Relief Event. However, the Company may not claim relief for any Extra Work Costs relating to a delay by a Utility Owner.

Suspension of Work

The Contracting Authority has the right to order, in whole or in part, the suspension of Work (in certain cases subject to the expiration of applicable cure periods) due to (i) the Company's failure to perform the Work in compliance with the PPA Documents, (ii) the Company's failure to comply with any applicable law or Governmental Approval, (iii) performance of Design or Construction Work by the Company before the Company has satisfied the conditions precedent thereto (as described above), (iv) discovery of Nonconforming Work, (v) the Company's failure to pay amounts when due to any Contractor or to deliver any certified payroll, (vi) the Company's failure to provide proof of insurance coverage, (vii) the Company's failure to deliver or maintain Payment Bonds and Performance Security, (viii) the existence of unsafe conditions for workers or the public, and (ix) the Company's failure to carry out and comply with Directive Letters or Safety Compliance Orders issued by the Contracting Authority.

Ownership of the Project

The Contracting Authority will retain title to all real and other property interests and rights in the Project, the Project Right of Way and all improvements constructed thereon.

Completion

DB Substantial Completion

DB Substantial Completion will occur when the Company achieves or meets, as certified by the IFA, the following requirements:

(a) the Company has completed the D&C Work in accordance with the PPA Documents (with the exception of any Construction Work that is to be performed as part of the Punch List), certain performance targets with respect to O&M After Construction have been met, and all of the Project is in a condition that can be opened for normal and safe vehicular travel in all lanes and at all points of entry and exit;

(b) the need for temporary traffic controls or for Closures or Construction Closures at any time, including due to the existence of or need to complete Punch List items, has ceased (except for any then-required for Planned Maintenance);

(c) the systems and equipment installed by the Company comply, in all respects, with applicable laws, are operational and functional, and have passed the fire marshal and any other inspections and tests required under the PPA Documents, and the Company has delivered to the Contracting Authority all reports, data and documentation relating to such tests;

(d) the Parties have completed preparation of the Punch Lists for the entire Project (other than resolution of items included under protest);

(e) all Submittals required by the Project Management Plan or PPA Documents to be submitted to the Contracting Authority prior to Substantial Completion have been submitted to and approved by the Contracting Authority;

(f) the Company has satisfied any other requirements or conditions for DB Substantial Completion set forth in the Technical Provisions;

(g) the Company has made all deposits to the Intellectual Property Escrows and the Financial Escrow required at or prior to Substantial Completion;

(h) there exists no uncured Company Default (under the Public-Private Agreement) that is the subject of a Notice, unless (i) Substantial Completion will effect its full and complete cure, (ii) with respect to any non-monetary default, the Company has a right to cure and is diligently pursuing cure within the applicable cure period, or (iii) with respect to any monetary defaults, the amount in question is disputed and the Company has timely submitted such matter for resolution under Dispute Resolution Procedures; and

(i) the Company has delivered to the Contracting Authority manufacturer warranties required under the Technical Provisions.

O&M Conditions Precedent

In preparation of the commencement of the Operating Period, the Company must satisfy the following O&M Conditions Precedent prior to Substantial Completion:

(a) the Company demonstrates that it has completed training of operations and maintenance personnel;

(b) the Contracting Authority has received and approved the Maintenance Plan and the Operations and Maintenance Plan prepared by the Company;

(c) the Company has received, and paid all associated fees for, all applicable Governmental Approvals and other third-party approvals required for use and operation of the O&M Limits, such Governmental Approvals and other third-party approvals are in full force and effect, and there exists no uncured material violation of the terms and conditions of any such Governmental Approval or other third-party approvals;

(d) all Insurance Policies required during the Operating Period for the O&M Limits have been obtained and are in full force and effect;

(e) any security for payment and for performance required for the Operating Period has been obtained and has been delivered to the Contracting Authority and is in full force and effect;

(f) any other guaranty of payment or performance required for the Operating Period has been delivered to the Contracting Authority and is in full force and effect; and

(g) the Company has satisfied any other requirements or conditions for commencement of O&M Work set forth in the Technical Provisions.

Substantial Completion

Substantial Completion is achieved when IFA certifies that both the conditions to DB Substantial Completion and the O&M Conditions Precedent are satisfied. The Baseline Substantial Completion Date established by the Company is October 31, 2016, which may be extended for Relief Events in accordance with the terms of the Public-Private Agreement.

The Public-Private Agreement also establishes a Long Stop Date of October 31, 2017, which date may be extended in accordance with the Public-Private Agreement. The Long Stop Date is the outside date for achieving Substantial Completion as set forth in the Project Schedule. The failure to achieve Substantial Completion by the Long Stop Date constitutes a Default Termination Event. See “Termination of the Public-Private Agreement—Termination for Company Default” below for a summary of the Contracting Authority’s termination rights.

Final Acceptance

Final Acceptance is achieved when IFA certifies that all remaining Work is completed and the following conditions are satisfied:

(a) the Substantial Completion Date has occurred, all requirements for Substantial Completion remain satisfied, and the Contracting Authority has issued a certificate of Substantial Completion;

(b) all Punch List items have been completed and delivered to the reasonable satisfaction of the Contracting Authority;

(c) the Company has acquired and properly stored, or arranged for immediate availability, a reasonable inventory of all spare parts, spare components, spare equipment, special tools, materials, expendables and consumables necessary for operation and maintenance of the Project during the Operating Period as identified in the Operations and Maintenance Plan and Maintenance Plan;

(d) the Contracting Authority has received a complete set of the Record Drawings;

(e) the Contracting Authority has received as-built survey sheets for the Project;

(f) if any Governmental Entity with jurisdiction requires any form of certification of design, engineering or construction with respect to the Project or any portion thereof, including any certifications from the Engineer of Record and architect of record for the Project, the Company has caused such certificates to be executed and delivered;

(g) all Utility Adjustment Work and other work that the Company is obligated to perform for or on behalf of third parties has been accepted by such third parties, and the Company has paid for all work by third parties that Company is obligated to pay for, other than disputed amounts;

(h) the Company has made all deposits to the Intellectual Property Escrows and Financial Escrow required at or prior to Final Acceptance;

(i) the Contracting Authority has received the final certifications regarding suspension or debarment;

(j) there exist no uncured Company Defaults that are the subject of a Notice, or with the giving of Notice or passage of time, or both, could become the subject of a warning notice (except any Company Default for which Final Acceptance will affect its full and complete cure); and

(k) the Company has submitted to Contracting Authority documentation of DBE utilization and, if the DBE Goal is not met, documentation supporting good faith efforts.

Operation and Maintenance

Operating Period

The Operating Period commences on the Substantial Completion Date. The Company will operate, maintain and rehabilitate the Project within the O&M Limits throughout the Operating Period in compliance with the specified requirements. The Department or another Governmental Entity will control operation and maintenance of the portions of the Project that are not included within the O&M Limits, and the Company will not have or assume responsibility for the portions of the Project that are not included within the O&M Limits.

Maintenance and Repairs

The Company will at all times maintain, keep in good operating repair and condition and rehabilitate to the extent reasonably necessary under the Public-Private Agreement the portions of the Project that are within the O&M Limits. The Company will carry out all maintenance and repairs to the Project at its own cost and in accordance with (i) good industry practice; (ii) the terms of the PPA Documents; (iii) all applicable laws; (iv) Governmental Approvals; (v) the approved Project Management Plan, Operations and Maintenance Plan, and Maintenance Plan; (vi) Best Management Practices; and (vii) safety requirements and plans. The Company is responsible for coordinating its traffic management and control, Planned Maintenance, other maintenance activities and other O&M Work on or for the O&M Limits with that of the Department and any other Governmental Entity that may assume responsibility for such operation and maintenance. At the Company's request, the Contracting Authority will assist the Company in seeking the cooperation and coordination of the Department and any other Governmental Entities to minimize disruption of traffic on the Project and ensure that such operation and maintenance activities are carried out in accordance with then-current maintenance standards and then-current traffic management standards, practices and procedures of the Department or such other Governmental Entities.

Availability Payments

Commencing with the Substantial Completion Date, the Company will be eligible to receive Availability Payments from the Contracting Authority based on, and subject to, the Project located within the O&M Limits being open and available for public travel as measured through the Company's compliance with the PPA Documents. The annual Availability Payment is payable quarterly and disbursed monthly. See "REQUIREMENTS FOR CONTRACTING AUTHORITY BUDGETING AND STATE BUDGET AND APPROPRIATIONS PROCESS UNDER INDIANA LAW" for a description of the process by which the State of Indiana and the Contracting Authority will appropriate and pay the Availability Payments.

The Availability Payments are calculated and earned by the Company according to the methodology set forth in the Public-Private Agreement. The Public-Private Agreement establishes a MAP for each State Fiscal Year. The Availability Payments payable during any given State Fiscal Year may not exceed the MAP for that State Fiscal

Year. The MAP for each State Fiscal Year is the Base MAP adjusted pursuant to an adjustment formula that, starting at the Substantial Completion Date and for each State Fiscal Year thereafter, adjusts 20% of the MAP based on the change in the Consumer Price Index (All Items, BES Series ID: CUUR0000SA0) and the remaining 80% of the MAP based on an annual rate of 2.5% per State Fiscal Year. The Base MAP is \$21,780,000 and is subject to adjustment on the Closing Date upon finalization of the financial model. The adjustment of the Base MAP on the Closing Date is expected to be \$20,323,123. See “RISK FACTORS—Risks Relating to the Public-Private Agreement—Inflation Risk”.

The Availability Payment is calculated for each quarter of each State Fiscal Year by apportioning the MAP for that year based on the number of days in the quarter and subtracting any adjustments. Adjustments are made for certain Unavailability Events, where the facility is not available to public travel, the accumulation of Non-Compliance Points, which are points assessed for certain breaches or failures to perform by the Company that cause a Non-Compliance Event (such as by not complying with certain provisions of the Public-Private Agreement), and certain other adjustments, which are applied collectively reducing the annual MAP in the applicable State Fiscal Year. See “PUBLIC-PRIVATE AGREEMENT—Payments Under the Public-Private Agreement—Availability Payments” for more detailed information.

Indemnity

The Company will release, protect, defend, indemnify and hold harmless the Contracting Authority and other Indemnified Parties from and against any and all claims, causes of action, suits, judgments, investigations, legal or administrative proceedings, demands and Losses, in each case if asserted or incurred by or awarded to any third party, arising out of, relating to or resulting from certain acts, omissions, breaches, or failures or alleged acts, omissions, breaches or failures of the Company or Company-Related Entities, including, among others, breaches or alleged breaches of obligations under, or failures or alleged failures to comply with, the PPA Documents, Governmental Approvals, Environmental Laws, or certain other obligations; provided, that the Company is not liable for any third-party Loss to the extent directly caused by the sole negligent acts, sole negligent omissions, recklessness or willful misconduct, bad faith or fraud of the Indemnified Party, or to the extent directly caused by an Indemnified Party’s violation of any applicable laws or Governmental Approvals, the Contracting Authority’s breach of any of its material obligations under the PPA Documents, or any material defect inherent in a prescriptive design, construction, operations or maintenance specification included in the Technical Provisions in certain circumstances.

Changes to the Project

Company Initiated Changes

The Company will have the right to suggest a change to the Technical Provisions, its Proposal commitments set forth in the Public-Private Agreement or the Project Right of Way not already indicated in the Company’s Schematic Design. Company Initiated Changes are subject to consent by the Contracting Authority at its discretion. The Company is solely responsible for payment of any increased costs and for any Project Schedule delays or other impacts resulting from a Change Request accepted by the Contracting Authority. To the extent a Change Request accepted by the Contracting Authority results in a net cost savings to the Company, the Contracting Authority is entitled to 50% of such net cost savings that are expected to occur during the first five years after the change is approved and 100% of such net cost savings that are expected to occur thereafter. There will not be any reconciliation to actual costs once such Change Request is implemented.

IFA Changes

At any time, the Contracting Authority may propose a change in the Work or the terms and conditions of the Technical Provisions, subject to certain limited exceptions. The Company is required to prepare a detailed assessment of the cost, schedule and other impacts of carrying out the change. The Contracting Authority and Company will then conduct good faith negotiations to determine adjustments to the Project Schedule and the Project Schedule Deadlines, additional compensation to be paid to the Company in respect of the change or, if the change will produce net cost savings, the timing and method by which the Company and the Contracting Authority will realize those cost savings. If the parties cannot reach an agreement, the Contracting Authority may deliver a

Directive Letter to the Company directing the Company to proceed with the change, pending final resolution of the compensation terms in accordance with the Dispute Resolution Procedures. Upon receipt of such Directive Letter, pending final resolution of the relevant Change Order according to the Dispute Resolution Procedures, the Company will implement and perform the work in question as directed by the Contracting Authority, which will make interim payments to the Company on a monthly progress payment basis for the reasonable documented Extra Work Costs and Delay Costs in question, subject to subsequent adjustment through the Dispute Resolution Procedures.

Reductive IFA Changes

The Contracting Authority may reduce the scope of Work by up to 10% of the Total Project Capital Cost. The Contracting Authority is entitled to 75% of the net cost savings due to the reduction in labor, material, equipment and overhead costs of a reductive IFA Change, and 100% of the net savings in related financing costs. The Contracting Authority is also entitled to 100% of the effect, if any, of a reductive IFA Change on shortening the Project Schedule and the Project Schedule Deadlines. The Contracting Authority would receive its share of such savings as periodic payments by the Company, as an adjustment to the Maximum Availability Payment, or through a combination of the foregoing as selected by the Contracting Authority in its sole discretion. On May 2, 2014, the Company received notice of certain reductive IFA Changes related to the relocation of certain access rights of way which may no longer be needed. The Company and the Contracting Authority are in the process of determining the amount of net cost savings related to this notice, but currently the amounts are not expected to be material. The Contract Sum under the Design-Build Contract will be reduced by the amount of net cost savings in labor, material, equipment and overhead of the Design-Build Contractor and its contractors to which the Contracting Authority is entitled pursuant to a reductive IFA Change. See “DESIGN-BUILD CONTRACT—Compensation and Payments”.

Change in Law

Certain Changes in Law will entitle the Company to claim a Relief Event and to receive from the Contracting Authority the reimbursement for certain Delay Costs and certain Extra Work Costs resulting from such Change in Law, subject to deductions.

Relief Events

Relief Events include any of the following events, subject to the requirements, limitations, deductibles, exceptions and the duty to prevent and to mitigate consequences that are set forth in the Public-Private Agreement for such events:

- (a) the Contracting Authority’s failure to perform or observe any of its material covenants or obligations under the PPA Documents, including unreasonable failure to issue a certificate of Substantial Completion or Final Acceptance after the Company fully satisfies all applicable conditions and requirements for obtaining such a certificate (except where such failure is within another defined Relief Event);
- (b) an IFA Change (other than a Discriminatory O&M Change and Non-Discriminatory O&M Change);
- (c) a Discriminatory O&M Change;
- (d) a Non-Discriminatory O&M Change;
- (e) Safety Compliance Orders;
- (f) a Contracting Authority-Caused Delay;
- (g) the performance of works by or failure to perform works required of the Contracting Authority, the Department or another Governmental Entity or their contractors (other than the Company) in the vicinity of the Project Right of Way, including the Advance Construction Projects, in either case excluding any Utility Adjustment Work by a Utility Owner, and in either case that materially disrupts the Company’s onsite Work;

(h) Development, use or operation of a Business Opportunity in the Airspace by the Contracting Authority, the Department or anyone (other than a Company-Related Entity) legitimately claiming under or through the Contracting Authority, the Department, the State, or any entity created by the State arising out of, or related to, the Project;

(i) the Contracting Authority's lack of good and sufficient title to or right to enter and occupy any parcel in the Project Right of Way including Additional Properties required by the Contracting Authority; or, subject to certain exceptions, the existence of any title reservation, condition, easement or encumbrance on any parcel in the Project Right of Way, including Additional Properties required by the Contracting Authority, to the extent it interferes with physical performance of the Work;

(j) a Force Majeure Event;

(k) the revocation or suspension of an IFA-Provided Approval by the relevant Governmental Entity (except if arising out of, or relating to, the Company's failure to comply with its obligations under the PPA Documents and/or the Company's or the Contracting Authority's delegated obligations under or the terms and conditions of the revoked or suspended IFA-Provided Approval), except delay to the extent attributable to certain differences of design or construction methods or means, unless such differences are due to an IFA Change;

(l) an unreasonable and unjustified delay by a Utility Owner (i) with whom the Company has been unable to enter into an agreement or (ii) contrary to or in violation of the applicable agreement with such Utility Owner; provided in either case that the Company has fulfilled its related obligations as described below;

(m) discovery at, near or on the Project Right of Way (including Additional Properties required by the Contracting Authority) of any Hazardous Materials, but excluding Company Releases of Hazardous Materials and Known or Suspected Hazardous Materials;

(n) any Release of Hazardous Material by a third party who is not acting in the capacity of a Company-Related Entity which (i) occurs after the Setting Date, (ii) is required to be reported to a Governmental Entity and (iii) renders use of the roadway or construction area unsafe or potentially unsafe absent assessment, containment and/or remediation (except for any Release of Hazardous Material arising out of the normal use of the roadway that would typically be removed and disposed of during Routine Maintenance as part of the O&M Work);

(o) discovery on or under the Project Right of Way (including Additional Properties required by the Contracting Authority) of any archeological, paleontological or cultural resources, excluding any such resources known to the Company prior to Setting Date or that would become known to the Company by undertaking Reasonable Investigation;

(p) discovery of (i) actual subsurface or latent physical conditions at or within two feet of the boring holes identified in the Geotechnical Data Report that differ materially from the conditions indicated at such boring holes, in the Geotechnical Data Report, or (ii) actual subsurface physical conditions within the Project Right of Way, including Additional Properties required by the Contracting Authority, of an unusual nature, differing materially from those ordinarily encountered in the area and generally recognized as inherent in the type of work provided for in the Public-Private Agreement; provided, that in no event will a discovery under either clause (i) or (ii) above be a Relief Event if (x) any such conditions were known to the Company prior to the Setting Date, or (y) could have been reasonably anticipated as potentially present by an experienced civil works contractor based on the information contained in the Reference Information Documents as of the Setting Date, or (z) that would have become known to the Company by undertaking Reasonable Investigation;

(q) discovery at, near or on the Project Right of Way, including Additional Properties required by the Contracting Authority, of any Threatened or Endangered Species, excluding any such presence of the American bald eagle, the Indiana bat or other species known to the Company prior to the Setting Date or that would become known to the Company by undertaking Reasonable Investigation;

(r) a Change in Law or Change in Adjustment Standards, except a Change in Adjustment Standards that is consistent with the terms and limitations, if any, on changes in Adjustment Standards set forth in any memorandum of agreement or agreement with a Utility Owner to which the Company is a party;

(s) the issuance of a temporary restraining order, preliminary injunction or other form of interlocutory relief by a court of competent jurisdiction that prohibits prosecution of any portion of the Work, except if based on the wrongful act or omission of any Company-Related Entity;

(t) the issuance of a rule, order or directive from the U.S. Department of Homeland Security or comparable State agency regarding specific security threats to the Project or the region in which the Project is located or which the Project serves, to the extent such rule, order or directive requires specific changes in the Company's normal design, construction, operation or maintenance procedures in order to comply;

(u) the discovery of Unknown Utilities that directly affects the Construction Work, including Construction Work on Additional Properties required by the Contracting Authority but excluding Construction Work on any other Additional Properties, except, in each case, where the identification of a Utility in the Utility Information was Reasonably Accurate, was known to the Company as of the Setting Date, or that would become known to the Company by undertaking Reasonable Investigation;

(v) the discovery of any hidden or undetected structural defect in any Existing Structure that directly affects the Construction Work, excluding any such defects known to the Company as of the Setting Date, or that would become known to the Company by undertaking Reasonable Investigation; and

(w) Karst Feature Treatment Work.

In respect of a Relief Event described in paragraph (l) above, a delay due to, among other things, the failure by any Company-Related Entity to locate or design the Project or carry out the Work in accordance with the PPA Documents, the Adjustment Standards, the applicable agreement with the Utility Owner and the NEPA Documents, other governmental approval or applicable law will not be deemed to be an unreasonable and/or unjustified delay by a Utility Owner. In addition, before the Company may claim a Relief Event, it must provide evidence reasonably satisfactory to the Contracting Authority that (i) the subject Utility Adjustment is necessary, (ii) the time for completion of the Utility Adjustment in the Project Schedule was, in its inception, a reasonable amount of time for completion of such work, (iii) the Company has made diligent efforts to obtain the Utility Owner's cooperation, and (iv) the Utility Owner is not cooperating (the "conditions to assistance"). Following receipt of satisfactory evidence, the Contracting Authority will take such reasonable steps as the Company may request to obtain the cooperation of the Utility Owner or resolve the dispute; however, the Contracting Authority has no obligation to prosecute eminent domain or other legal proceedings, or to exercise any other remedy available to it under applicable law or existing contract, unless it elects to do so in its sole discretion. Subject to any agreed scope of work and budget, the Company will reimburse the Contracting Authority for any recoverable costs in connection with providing such assistance to the Company (including all reasonable costs of litigation if the Contracting Authority agrees to pursue litigation against a Utility Owner). Any assistance the Contracting Authority provides does not relieve the Company of its sole responsibility for satisfactory compliance with its obligations and timely completion of all Utility Adjustment Work, except as otherwise expressly set forth in the Public-Private Agreement.

Relief for Relief Events

The Company may be entitled to schedule relief and/or compensation for certain costs, suffered or incurred as a result of a Relief Event (which include certain Force Majeure Events). During the Construction Period, where the performance of the Work has been delayed as a result of the occurrence of a Relief Event, the dates for Project Schedule Deadlines will be extended to reflect the impact of the Relief Event on the critical path of the Work that could not have been reasonably avoided by the Company's mitigation efforts. During either the Construction Period or the Operating Period, the Company is entitled to claim (but may not be entitled to receive) certain Delay Costs and Extra Work Costs actually incurred by it as a result of the impact of such Relief Event on the Company's performance under the Public-Private Agreement and any additional work it is required to carry out as a result of the applicable Relief Events, subject to deductibles, described below. Generally, the Company is also entitled to compensation in respect of certain of its debt service costs (i) where a Relief Event causes a delay in achieving a

Milestone or receiving a Milestone Payment and (ii) where a Relief Event causes missed Availability Payments due to a delay in achieving Substantial Completion by the original Baseline Substantial Completion Date. Such compensation for a delay in any Milestone Payment is limited to increased interest costs incurred due to a delay in making a principal payment expected to be paid from the delayed Milestone Payment. Based on the schedule of debt service payments included in the Base Case Financial Model, no principal payment is scheduled prior to the Baseline Substantial Completion Date (including the Short Term Serial Bond).

Relief from Relief Events is subject to certain monetary deductibles to be borne by the Company. With respect to certain, but not all, Relief Events, the Company is required to bear the first \$40,000 of Extra Work Costs and the first three days (prior to Substantial Completion) or seven days (on or after Substantial Completion) of Delay Costs. With respect to certain Deductible Relief Events, however, the Company is not entitled to such compensation with respect to (1) the first 60 days of delay in respect of the missed or delayed Milestone Payment and (2) the first 60 days of delay in respect of missed Availability Payments due to a delay in achieving Substantial Completion caused by Relief Event Delays. To address the potential financial impact of such deductibles, the Design-Build Contractor's construction budget includes an allocation for design, construction management, general activities, and contingency and profit of approximately 28.7% of the Design-Build Contract Price. See "RISK FACTORS—Risks Relating to the Public-Private Agreement—Events of Force Majeure; Limited Insurance Coverage; Relief Event Deductibles and Compensation Deferral".

With respect to Karst Feature Treatment Work, the Company is not entitled to Delay Costs and certain other costs. Further, the Company's claims for specified Extra Work Costs associated with Karst Feature Treatment Work will be allocated over the Term as follows: (a) the Company is solely responsible for all of the first \$6,000,000 of such Extra Work Costs, (b) the Contracting Authority will equally share such Extra Work Costs with the Company that are in excess of \$6,000,000 up to and including \$10,000,000, and (c) the Contracting Authority bears all of the risk for Extra Work Costs exceeding \$10,000,000.

In addition, the Company is not entitled to compensation for increases in costs of O&M Work, whether Extra Work Costs or Delay Costs, due to a Non-Discriminatory O&M Change, except to the extent that, subject to certain conditions, (i) the increase in costs of O&M Work is for capital costs of required major new improvements or required major repair, reconstruction, rehabilitation, restoration, renewal or replacement of any affected Element, and (ii) the claimed compensation exceeds the Annual Non-Discriminatory O&M Change Deductible.

Payment of Relief Event Compensation

The Contracting Authority will pay Delay Costs and Extra Work Costs as a lump sum payment, as periodic payments over the Term, as an adjustment to the Maximum Availability Payment over the Term, as progress payments invoiced as Work is completed, through an extension of the Term, or any combination of the foregoing, as the Contracting Authority elects in its sole discretion, subject to certain exceptions. If the total amount of compensation due in a State Fiscal Year is less than \$7,000,000, the Contracting Authority is required to pay such amount as a lump sum payment. If the costs are due to an IFA Change, the Contracting Authority is required to pay such costs as a lump sum payment or as progress payments invoiced as the Work is completed. The Contracting Authority will notify the Company of its payment method election and negotiate the amount of compensation owed on an open-book basis. Deferred payment methods are subject to the Company's success in financing its upfront costs through debt or equity. If the Company is unable, after using diligent efforts, to finance its upfront costs, the Contracting Authority is required to elect a different payment method.

Force Majeure Events

Force Majeure Events generally include events that are beyond the reasonable control of the Company, not attributable to the negligence, willful misconduct or breach by a Company-Related Entity, that actually, demonstrably, materially and adversely affect performance of the Company's obligations under the PPA Documents (other than payment obligations), and such events are not caused and could not have been avoided by the exercise of caution, due diligence or reasonable efforts, by the Company (or any Company-Related Entity). Force Majeure Events include:

(a) war (including civil war and revolution), invasion, armed conflict, violent act of foreign enemy, military or armed blockade, or military or armed takeover of the Project or the Site, in each case occurring within the State;

(b) any act of terrorism, riot, insurrection, civil commotion or sabotage that causes direct physical damage to, or otherwise directly causes interruption to construction or direct losses during operation of, the Project or the Site;

(c) strikes not specific to Company, embargoes, acts or omissions of a port or transportation authority, unavailability or shortages of materials, wars, and currently-listed events that occur outside of the State that, in each case, directly causes interruption to construction or direct losses during operation of the Project;

(d) nuclear explosion that causes direct physical damage to the Project or the Site, or radioactive contamination of the Project or the Site;

(e) Flood Event, fire, explosion, gradual inundation caused by natural events (other than an event that is the subject of Karst Feature Treatment Work), a tornado with an enhanced Fujita Score Rating of EF2, sinkhole caused by natural events, or landslide caused by natural events, in each case directly impacting the physical improvements of the Project or performance of Work at the Site;

(f) any governor-declared emergency within the limits of the Project Right of Way, except one consisting of or arising out of traffic accidents; and

(g) a Seismic Event.

The Company is entitled to claim a Relief Event for delays or costs associated with a Force Majeure Event. Relief from Force Majeure Events is subject to certain time and monetary deductibles to be borne by the Company. With respect to Seismic Events, in particular, the Company is required to bear the first \$5,000,000 of Extra Work and Delay Costs in aggregate over the Term.

Termination of the Public-Private Agreement

The Public-Private Agreement may be terminated in certain circumstances, including any of the circumstances set forth below.

Termination for Convenience

The Contracting Authority may terminate the Public-Private Agreement for convenience, upon 30 days' prior notice, if the Contracting Authority, in its sole discretion, determines that termination is in its best interest.

If the Public-Private Agreement is terminated for convenience by the Contracting Authority, the Contracting Authority is required to pay compensation, within 90 days of the Contracting Authority providing notice and receiving written statements regarding the amounts payable. In general, this would compensate the Company for (i) the Project Debt Termination Amount, which include certain outstanding Project Debt (including certain penalties), (ii) equity distribution make-whole amounts based on a backward-looking calculation, (iii) certain Redundancy Payments for Company employees, (iv) certain Losses incurred by the Company with respect to termination of contracts with Contractors, (v) less certain amounts on deposit for the Company's account and (vi) less previous payments for Extra Work Costs and Delay Costs accruing after the Early Termination Date due to Relief Events that occurred prior to termination.

Termination for Extended Relief Event, Extended Permitted Closure or Insurance Unavailability

Either the Contracting Authority or the Company may conditionally terminate the Public-Private Agreement upon the occurrence of (a) one or more Relief Events occurring prior to Substantial Completion that result in Relief Event Delays in excess of 220 days in aggregate (or in certain cases, 180 days in aggregate) or (b) a

Permitted Closure affecting all or substantially all of the lanes of travel through the Project persisting for 220 consecutive days. In addition, the Contracting Authority may terminate the Public-Private Agreement due to Commercially-Unreasonable Insurance Availability. An election by a party to terminate the Public-Private Agreement for these reasons is subject to dispute, and the other party may under certain circumstances keep the agreement in effect by waiving its rights to additional compensation, in the case of the Company, and accepting certain risks associated with continued performance.

If the Public-Private Agreement is terminated under such circumstances, the Contracting Authority is required to compensate the Company for (i) the Project Debt Termination Amount, which include certain outstanding Project Debt (including certain penalties); (ii) amounts paid by the Equity Members or their Affiliates to the Company in the form of certain Committed Investments or Subordinated Debt less certain amounts received as Distributions, provided, that if the termination for an extended Relief Event is due to Environmental Litigation, amounts payable will include a rate of return (1) with respect to Committed Investment equal to the Original Equity IRR and (2) with respect to Subordinated Debt equal to the lesser of the Original Equity IRR or the non-default interest rate owing on the Subordinated Debt; (iii) certain Redundancy Payments for Company employees; (iv) certain Losses incurred by the Company with respect to termination of contracts with Contractors; (v) less certain amounts on deposit for the Company's account; and (vi) less previous payments for Extra Work Costs and Delay Costs accruing after the Early Termination Date due to Relief Events that occurred prior to termination. Amounts are paid upon satisfaction of certain conditions and, if the Company provided the termination notice, in full not later than July 1 immediately following the date that requirements were satisfied if such date is before August 1, otherwise the second July 1 after such date. If the Contracting Authority provided the termination notice, amounts are paid no later than 90 days after satisfaction of the relevant conditions.

Termination for Company Default

Subject to applicable cure periods, upon the occurrence of a Company Default that constitutes a Default Termination Event, the Contracting Authority may terminate the Public-Private Agreement. Each of the following constitutes a "Default Termination Event" under the Public-Private Agreement:

- (a) the Company fails to begin Work within 30 days following the issuance of NTP1 or NTP2, fails to satisfy all conditions to the commencement of Design Work and to commence Design Work within 30 days of the issuance of NTP1, or fails to satisfy all conditions to the commencement of Construction Work within 30 days of the issuance of NTP2;
- (b) an Abandonment;
- (c) the Company fails to achieve Substantial Completion by the Long Stop Date;
- (d) the Company fails to make a payment to the Contracting Authority when due or deposit into any reserve or account in the amount and within the time period required by the PPA Documents;
- (e) there occurs any use of the Project or Airspace by a Company-Related Entity in material violation of the Public-Private Agreement, Technical Provisions, Governmental Approvals or applicable laws;
- (f) the Company makes or attempts to make or suffers an assignment or transfer of all or a portion of the Public-Private Agreement, the Project or the Company's Interest, or there occurs an Equity Transfer or Change of Control, in violation of the Public-Private Agreement;
- (g) there occurs a Persistent Company Default, and the Company fails to timely deliver a remedial plan or to comply with the approved remedial plan;
- (h) the Company fails to comply with the Contracting Authority's order to suspend Work;
- (i) the Company commences bankruptcy-type proceedings, becomes insolvent or admits in writing its inability to pay its debts as they become due, or other similar circumstances;

(j) an involuntary bankruptcy-type proceeding is commenced against the Company that remains uncontested;

(k) voluntary or involuntary bankruptcy-type or insolvency events occur with respect to any Guarantor or with respect to certain Equity Members, partners or joint venture members of the Company;

(l) there occurs any other Company Default for which the Contracting Authority issues a notice and the default is not cured within the applicable cure periods available to the Company and the Lenders.

Certain of the Contracting Authority's remedies may be affected by the Lenders' rights under the Lenders' Direct Agreement. Compensation is payable to the Company for a termination related to a Default Termination Event, except that the Contracting Authority will not pay such compensation under clauses (i) or (j) of this paragraph or if any Lender has duly exercised its option under any direct agreement that is entered into pursuant to the Public-Private Agreement to obtain New Agreements following a Default Termination Event under clauses (f), (i) or (j) above or, subject to certain conditions, a Default Termination Event that cannot be cured until the Collateral Agent or others have possession of the Project. See "PUBLIC-PRIVATE AGREEMENT—Termination—Lenders' Rights to Obtain New Agreements Following Termination".

Except as described above, if the termination is before Substantial Completion, the amount of compensation is equal to the greater of (a) Project Adjusted Costs, plus the amount of any compensation accrued for delayed Milestone Payments in connection with a Relief Event but not yet paid, *minus* Losses incurred by the Contracting Authority due to the Company Default, *minus* any lump sum amounts previously paid by the Contracting Authority to the Company as compensation for Extra Work Costs or Delay Costs not yet incurred relating to a Relief Event that occurred prior to termination (excluding Milestone and Availability Payments) and (b) 80% of Project Debt Termination Amount, *minus* certain amounts previously paid by the Contracting Authority to the Company as compensation for Extra Work Costs or Delay Costs not yet incurred relating to a Relief Event that occurred prior to termination (excluding Milestone and Availability Payments).

Except as described above, if the termination is after Substantial Completion, the amount of compensation is equal to the greater of (a) Project Adjusted Costs, *minus* the value of the accrued amortization of Project Adjusted Costs funded with Committed Investment calculated using the greater of straight line amortization and the amortization shown in the financial model, *minus* the value of the accrued amortization of the Project Adjusted Costs funded with Project Debt calculated based on the financial model, *minus* certain Losses recoverable by the Contracting Authority, *minus* any lump sum amounts previously paid by the Contracting Authority to the Company as compensation for Extra Work Costs or Delay Costs not yet incurred relating to a Relief Event that occurred prior to termination (excluding Milestone and Availability Payments) or (b) 80% of Project Debt Termination Amount, *minus* certain amounts previously paid by the Contracting Authority to the Company as compensation for future Extra Work Costs or Delay Costs not yet incurred relating to a Relief Event that occurred prior to termination (excluding Milestone and Availability Payments), but not amounts previously paid and applied by the Company to reduce principal of Project Debt outstanding.

Termination for IFA Default or Suspension of Work

Subject to applicable cure periods, the Company is entitled to terminate the Public-Private Agreement following an IFA Default for:

- (a) non-payment of an undisputed amount due to the Company;
- (b) the Contracting Authority fails to observe or perform a covenant, agreement, term or condition under the Public-Private Agreement; or
- (c) government confiscation, condemnation or appropriation of a material part of the Company's Interest.

The Company is also entitled to terminate the Public-Private Agreement if the Contracting Authority suspends Work for reasons other than a breach by the Company of its obligations under the Public-Private Agreement for 270 consecutive days or more.

If the Public-Private Agreement is terminated due to an IFA Default or suspension of work, the Contracting Authority is required to pay compensation similar in calculation of amounts and method of payment to a Termination for Convenience.

Handback Requirements

The Company is required to cause the portions of the Project located within the O&M Limits, at no charge to the Contracting Authority, to be in the condition and to meet all of the requirements for Residual Life at Handback specified in the Handback Requirements. The Company is required to complete all Rehabilitation Work required to be performed or completed prior to the Termination Date under the Public-Private Agreement. The Company is also required to establish and fund a Handback Requirements Reserve Account to pay for rehabilitation and safety compliance work.

Dispute Resolution

Generally, the disputes between the parties under the Public-Private Agreement will be resolved first by informal negotiations between the parties, second by non-binding arbitration, and finally by litigation exclusively in the Circuit or Superior Court in Marion County, Indiana.

Amendment of the Public-Private Agreement

On the Closing Date, the Company and the Contracting Authority will amend the Public-Private Agreement to include the list of “Initial Funding Agreements” and “Initial Security Documents” (as each of the immediately preceding two terms is defined in the Public-Private Agreement) to be entered on such date, amend the Base MAP and reflect the base rate adjustment and the credit spread adjustment that occurs on such date in accordance with the Public-Private Agreement (in each case reflecting the final pricing terms of the Series 2014 Bonds).

Pursuant to Section 13.7.11 of the Public-Private Agreement, the Company will prepare and execute an amendment to the Public-Private Agreement at Financial Close to include the documents to be listed in Exhibit 13 to the Public-Private Agreement, which will include the list of “Initial Funding Agreements” and “Initial Security Documents”.

The interest rate adjustment and the credit spread adjustment that will be reflected in the amendment to the Public-Private Agreement will be made in accordance with Section 13.7.8 of the Public-Private Agreement, pursuant to which the Contracting Authority has agreed to bear the risk and assume the benefit of the impact on the Base MAP of (i) 100% of the changes in the base interest rates as specified in the Public-Private Agreement at 10:00 A.M. on January 8, 2014, and ending on the earliest of (w) 10:00 A.M. on the date of Financial Close, (x) the date of execution of the bond purchase agreement relating to the purchase and sale of the Series 2014 Bonds, (y) 10:00 A.M. on the Financial Close Deadline and (z) the date of execution of any interest rate hedging instrument by the Company, and (ii) 85% of the differences between the credit spreads assumed in the Financial Model and specified in the Public-Private Agreement and the credit spreads for the Series 2014 Bonds as obtained at Financial Close or the date of execution of the bond purchase agreement relating to the purchase and sale of the Series 2014 Bonds.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE DESIGN-BUILD CONTRACT

The following is a summary of selected provisions of the Design-Build Contract relating to the Project, and is not a full statement of the terms of such agreement. Accordingly, the following summary is qualified in its entirety by reference to such agreement and is subject to the full text of such agreement. A copy of such agreement is available, free of charge, upon request from the Company or the Trustee. Unless otherwise stated, any reference in this APPENDIX D to any agreement will mean such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified and in effect as of the date hereof. Capitalized terms used in this APPENDIX D but not defined in this Official Statement have the meaning assigned to such terms in the Design-Build Contract.

On April 8, 2014, the Company and Corsán Spain entered into the Design-Build Contract, pursuant to which substantially all of the D&C Work relating to the Project will be undertaken by the Design-Build Contractor, on a turnkey lump sum fixed price basis that is payable in installments. Corsán Spain has assigned all of its rights and obligations under the Design-Build Contract to the Design-Build Contractor and the Design-Build Contractor has assumed all of Corsán Spain's rights and obligations under the Design-Build Contract, pursuant to the DB Assignment and Amendment, with the approval of the Contracting Authority and the consent of the Company. Under the DB Assignment and Amendment, notwithstanding the Design-Build Contractor's assumption of Corsán Spain's rights and obligations under the Design-Build Contract, Corsán Spain has not been released from, and retains liability for, all of the Design-Build Contractor's obligations under the Design-Build Contract. In addition, the Design-Build Contractor delivered a parent company guaranty, dated as of July 1, 2014, from Corsán Spain in favor of the Company and its successors and assignees, in respect of all obligations of the Design-Build Contractor under the Design-Build Contract. See "—Design-Build Guaranty". The DB Assignment and Amendment, among other things, made certain conforming changes to the Design-Build Contract to reflect Corsán USA as the Design-Build Contractor thereunder. See "—DB Assignment and Amendment".

Scope of Work

Subject to limited exceptions specified in the Design-Build Contract, the Design-Build Contractor's scope of work includes all work required in connection with the design, engineering and architecture for the Project, Project Right of Way acquisition and Utility Adjustments (the "Design Work") and the DB Construction Work.

In addition, subject to limited exceptions specified in the Design-Build Contract, the Design-Build Contractor's scope of work includes responsibility for all work required in connection with operation, management, administration, maintenance, repair, preservation, modification, reconstruction, rehabilitation, restoration, renewal and replacement of the Project until the Substantial Completion Date (such work during such period (other than the Excluded Work) the "O&M During Construction"). Excluded Work includes (a) if Substantial Completion is not achieved within 27 months of the commencement of DB Construction Work for reasons not attributable to the Design-Build Contractor, performance of O&M During Construction with respect to completed segments of the Project at least two miles in length and having an interchange at both ends, (b) mowing, pruning and snow removal, (c) provision of equipment and personnel for incident responses, (d) responding to customer inquiries, (e) manning and maintaining a customer contact telephone line, (f) preparing and submitting various plans and reports, including in cooperation with the Design-Build Contractor insofar as some of the plans and reports relate to the D&C Work, and (g) applying for, processing or obtaining those Governmental Approvals for which the Design-Build Contractor cannot assume responsibility under applicable law.

The Design-Build Contractor is also required pursuant to the Design-Build Contract to provide temporary office space for the Company and to construct, within six months after the Company makes available the site therefor, an Operation and Maintenance Management Center, including a parking lot for staff and visitors, vehicle and spare parts storage, an approximately 3,500 square foot office building with a public reception area, a covered salt storage and other maintenance facilities. The Design-Build Contract requires the construction of an additional lane per direction in portions of urban areas throughout the Project. The Design-Build Contract also requires that the existing roadway remain open for use throughout the construction.

General Obligations of the Design-Build Contractor

Back-to-Back Obligations

Under the Design-Build Contract and subject to its terms and conditions, the Design-Build Contractor has assumed and is required to comply with, on a back-to-back basis, substantially all of the Company's obligations and liabilities set forth in the Public-Private Agreement to the extent they relate to the design, construction, installation and completion of the Project, and to the O&M During Construction, subject to certain exceptions, and such obligations and liabilities are deemed included as part of the Design-Build Contractor's obligations under the Design-Build Contract. The Design-Build Contract is not intended to, and does not, relieve the Company of its obligations under the Public-Private Agreement.

Performance Standards

The Design-Build Contractor is required to comply with good industry practice, the requirements of the Public-Private Agreement Documents, the Project Schedule, all applicable laws, the requirements, terms and conditions of all Governmental Approvals, and the Project Management Plan and all component plans prepared or to be prepared under the Design-Build Contract.

Project Right of Way

Under the Public-Private Agreement, the Contracting Authority has agreed to obtain and provide the Project Right of Way at the Contracting Authority's cost. Upon receipt from the Contracting Authority, the Company will provide access to the Project Right of Way to the Design-Build Contractor for purposes of performance of the D&C Work. Should the Project Right of Way and the rights to use those sites not be sufficient for the Design-Build Contractor to undertake and complete the D&C Work in accordance with the Design-Build Contract, the Design-Build Contractor's rights against the Company are limited to such relief as is granted by the Contracting Authority to the Company under the Public-Private Agreement.

Site Conditions

The Design-Build Contractor is entitled to monetary or schedule relief in respect of a DB Relief Event for the discovery of specified site conditions to the extent permitted by the Design-Build Contract and only to the extent the Contracting Authority provides relief to the Company for such event under the Public-Private Agreement.

Subcontractors and Labor

Subject to the requirements of the Design-Build Contract, the Design-Build Contractor may enter into subcontracts for a substantial portion of the D&C Work. The Design-Build Contractor is solely responsible and liable to the Company for any part of the D&C Work that is performed by subcontractors; subcontracting does not relieve the Design-Build Contractor of any of its obligations, liabilities or responsibilities under the Design-Build Contract. Each contract entered into for D&C Work with value in excess of \$150,000 must be assigned to the Company in the event of a termination of the Design-Build Contract or to the Lenders in respect of a foreclosure.

The Design-Build Contractor is obligated to comply with the provisions of the Public-Private Agreement in respect of labor and wages. The Design-Build Contractor is required to pay, and to cause its Contractors to pay, prevailing wages (the higher of wages determined under the federal Davis-Bacon Act or the Indiana prevailing wage statute) to workers performing DB Construction Work or O&M During Construction.

The Design-Build Contractor expects to enter into agreements with local subcontractors for the performance of a substantial portion of the D&C Work and is currently in discussions with various local subcontractors, including Aztec-Typsa, Gradex Inc., Force Construction Company, Inc. and E&B Paving, Inc.

Permitting

The Company and the Contracting Authority share responsibility under the Public-Private Agreement for

obtaining Governmental Approvals for construction of the Project. The Company's obligations with respect to such Governmental Approvals have been delegated to the Design-Build Contractor under the Design-Build Contract to obtain all Governmental Approvals, except for (i) IFA-Provided Approvals (for which the IFA has represented that it has obtained or is in the process of obtaining) and (ii) Governmental Approvals that relate solely to the O&M Work that is not the responsibility of the Design-Build Contractor pursuant to the Design-Build Contract.

Environmental Issues

The Public-Private Agreement allocates to the Company the responsibility of managing the environmental impacts of the Project, as well as avoiding or mitigating adverse financial and schedule impacts of Hazardous Materials and Hazardous Environmental Conditions. Such obligations with respect to the construction of the Project have been delegated, with certain exceptions, to the Design-Build Contractor under the terms of the Design-Build Contract. The Design-Build Contractor is entitled to DB Relief Events for certain environmental issues, but only if and to the extent the Company is entitled to Relief Events under the Public-Private Agreement.

Changes in Scope of Work

The Public-Private Agreement permits changes to the scope of work initiated by the Contracting Authority, the Company or the Design-Build Contractor. The Design-Build Contractor is obligated to carry out any changes originating from the Contracting Authority, with compensation to the Design-Build Contractor, unless otherwise agreed, for Extra Work Costs and Delay Costs to the extent received by the Company. For changes resulting in savings, the Contract Sum will be reduced by an amount calculated pursuant to the Design-Build Contract based on savings in labor, material, equipment and overhead. Changes from the Contracting Authority that shorten the Project Schedule and Project Schedule Deadlines under the Public-Private Agreement will result in corresponding changes pursuant to the Design-Build Contract in the deadlines under the Design-Build Contract. The Company may initiate requests for changes. If such changes are approved by the Contracting Authority, but the Company and the Design-Build Contractor cannot reach agreement regarding such changes, the Company may contract the applicable work to a third party, and the Design-Build Contractor is obligated to cooperate with such third party. The Design-Build Contractor may initiate requests for changes, subject to review and approval by the Company and, subject to the Funding Agreements, the Lenders. If approved, the Design-Build Contractor will be responsible for any increased costs and for any Project Schedule delays. The Contracting Authority will be entitled to savings pursuant to the Design-Build Contract resulting from such changes, with the Contract Sum reduced pursuant to the Design-Build Contract by any payments by the Company to the Contracting Authority, or any reduction in payments from the Contracting Authority to the Company.

Commencement of Work

Notice to Proceed 1 (NTP1); Commencement of Design Work

The Contracting Authority issued NTP1. NTP1 entitles the Design-Build Contractor, with notice to the Company and the Contracting Authority, to commence certain work that includes of customary construction engineering activities, field staking, conduct of surveys and discussions and initial coordination with Utility Owners about potential utility adjustments and geotechnical investigations.

Pursuant to the Public-Private Agreement, the Design Work for the Project may only begin following receipt of NTP1 and achievement of certain other conditions. The obligation to satisfy many of these conditions, with limited exceptions, has been delegated to the Design-Build Contractor.

Notice to Proceed 2 (NTP2); Commencement of D&C Work

The Contracting Authority will issue NTP2 after determining that the Company has satisfied the conditions precedent to such issuance. The obligation to satisfy many of these conditions, with limited exceptions, has been delegated to the Design-Build Contractor. NTP2 entitles the Design-Build Contractor to commence performance of D&C Work, subject to the additional conditions described below. The Project Baseline Schedule anticipates that NTP2 will be issued on or about July 31, 2014 and for construction to begin in early August 2014.

The Company is required to satisfy certain other conditions to commence DB Construction Work, including obtaining all Governmental Approvals necessary to begin DB Construction Work, obtaining all rights of access necessary for construction, satisfying all pre-construction requirements contained in the NEPA Documents and other Governmental Approvals, delivery and approval of certain portions of the Project Management Plan, delivery and approval of the Temporary Traffic Control Plan, delivery and approval of certain other Submittals required by the Project Management Plan, satisfaction of conditions to DB Construction Work prescribed under the Technical Provisions and the adoption of certain policies regarding ethical standards of conduct for all Company-Related Entities. The obligation to satisfy many of these conditions, with limited exceptions, has been delegated to the Design-Build Contractor.

For additional information, see APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE PUBLIC-PRIVATE AGREEMENT”.

Company’s Right to Carry Out Work

If the Design-Build Contractor defaults or neglects to carry out the D&C Work in accordance with the requirements of the Design-Build Contract or if there are defects or deficiencies in the D&C Work that the Design-Build Contractor refuses or neglects to repair after receipt of notice from the Company to correct such default, neglect, defect or deficiency with diligence and promptness, the Company may correct the same. The costs of such work performed by the Company will be borne by the Design-Build Contractor.

Compensation and Payments

The lump sum fixed price payable to the Design-Build Contractor for the performance of the D&C Work is \$307,000,000. The Design-Build Contractor will, no more frequently than monthly, submit payment applications, which are subject to review and audit by the Company and, if and to the extent required by the Funding Agreements, the Technical Advisor. The Company has the right to withhold payments to the Design-Build Contractor to protect itself from Losses or claims related to performance by the Design-Build Contractor of its obligations or certain third party claims.

The Company is required to pay the Design-Build Contractor, within 15 days after the first disbursement to the Company of funds from the bond proceeds account under the Funding Agreements in an amount equal to 10% of the Contract Sum. The Company may deduct from each monthly installment payment (calculated without deducting for the Retainage described below) to the Design-Build Contractor 10% of such installment payment until the cumulative amount so retained equals the original value of the Advance Payment. On the termination date of the Design-Build Contract, any Advance Payment balance not yet recaptured will be returned to the Company. The Design-Build Contractor will secure the return of the Advance Payment by providing either a standby letter of credit or a surety bond. The amount of the Advance Payment Security will decrease from time to time to match the decreasing Advance Payment balance as the Company makes the deductions from monthly installment payments described above. The Company may only make demand upon or draw upon the Advance Payment Security if the Design-Build Contract terminates (for any reason) and the Advance Payment balance has not been reduced to zero by the foregoing mechanism before such termination and such outstanding Advance Payment balance is not returned to the Company within three days after such termination.

The Company will also withhold as Retainage from each monthly installment payment to the Design-Build Contractor the amount of 4.23% of such monthly installment, calculated without deducting the amounts relating to the Advance Payments. Such Retainage withholdings will accumulate until the aggregate of all such withholdings equals \$13,000,000. Within ten Business Days after Substantial Completion under the Public-Private Agreement, the Company will pay \$3,000,000 to the Design-Build Contractor (or such lower amount as to result in a remaining amount of Retainage equal to \$10,000,000). Within ten Business Days after the Contracting Authority pays to the Company the Substantial Completion Milestone Payment, the Company will pay to the Design-Build Contractor the remainder of the Retainage, subject to limited deductions.

In addition, the Contract Sum under the Design-Build Contract will be reduced by the amount of net cost savings in labor, material, equipment and overhead of the Design-Build Contractor and its contractors to which the Contracting Authority is entitled pursuant to a reductive IFA Change.

Limitation on Design-Build Contractor's Liability

The maximum aggregate liability of the Design-Build Contractor pursuant to the Design-Build Contract is 50% of the Contract Sum, excluding the Design-Build Contractor's liability for (i) liabilities that arise out of any sum recovered by the Design-Build Contractor through insurance, (ii) liabilities that arise out of certain third-party claims, (iii) liabilities that arise out of abandonment, willful default, willful misconduct, willful breach of applicable law or fraud or any fraudulent misrepresentation of or by the Design-Build Contractor, (iv) liabilities that arise out of certain indemnities given by the Design-Build Contractor to the Company, (v) fines and penalties imposed by the Contracting Authority and not under dispute, or imposed by a Governmental Entity under applicable law, (vi) reasonable costs incurred by the Company in its defense in complying with legal obligations other than those provided in the Public-Private Agreement, (vii) interest on any undisputed amounts owed to a third party by the Design-Build Contractor not paid when due, and (viii) any amount paid to, but subsequently recovered from, the Company.

Completion Deadlines and Recovery Plans

The Design-Build Contractor is required to achieve DB Substantial Completion by the Baseline Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement) and to achieve DB Final Acceptance by the DB Final Acceptance Deadline. The DB Long Stop Date under the Design-Build Contract is 90 days prior to the Long Stop Date (as defined in the Public-Private Agreement) under the Public-Private Agreement, anticipated in the Project Baseline Schedule to be August 2, 2017.

If the Company determines that there is no reasonable possibility that DB Substantial Completion can be achieved within three months after the Baseline Substantial Completion Date (including if such delay is caused by a Company Default under the Design-Build Contract and giving effect to extensions to such date under the Public-Private Agreement as a result of Relief Events), the Design-Build Contractor will prepare a remedial plan, subject to the Company's approval, to cause the DB Substantial Completion to be achieved by the Baseline Substantial Completion Date or, if not reasonably possible, at the earliest reasonably possible date, which in any event cannot be later than nine months after the Baseline Substantial Completion Date. The Design-Build Contractor's failure to provide a remedial plan or to comply with the remedial plan in any material respect is an event of default, which constitutes a Default Termination Event.

If the Technical Advisor determines that DB Substantial Completion may not occur on or before the Bondholder Long Stop Date (including if such delay is caused by a Company Default under the Design-Build Contract), the Design-Build Contractor will prepare a remedial plan, subject to approval by the Company and the Technical Advisor, that demonstrates how the Design-Build Contractor will accelerate the remaining D&C Work in a manner necessary to achieve the DB Substantial Completion to be achieved by the Bondholder Long Stop Date. The Design-Build Contractor's failure to provide a remedial plan or to comply with the remedial plan in any material respect is an event of default, which constitutes a Default Termination Event.

Liquidated Damages

If DB Substantial Completion does not occur by the Scheduled DB Substantial Completion Date (which the Preliminary Project Baseline Schedule establishes as October 31, 2016, subject to adjustment in accordance with the terms of the Public-Private Agreement), the Design-Build Contractor will pay liquidated damages to the Company equal to \$82,200 per day until the DB Substantial Completion Date, which is intended to compensate the Company for losses related to missed Availability Payments resulting from the delay. The Design-Build Contractor is not entitled to a refund by the Company of such liquidated damages upon DB Substantial Completion.

If any Milestone is not achieved by the applicable achievement date for such Milestone, the Design-Build Contractor will pay liquidated damages to the Company every day until the Milestone is achieved. A different daily liquidated damages assessment applies to each of the Milestones, other than Substantial Completion, set forth in the Public-Private Agreement, ranging from \$1,300 per day to \$8,000 per day. The liquidated damages paid in connection with missed Milestones are intended to compensate the Company for delays in obtaining Milestone Payments and also to estimate damages caused by the Design-Build Contractor's failure to timely perform with

respect to the achievement of Milestones. The Design-Build Contractor is not entitled to a refund by the Company of such liquidated damages when the Milestone Payment is received.

The Design-Build Contractor's liability for the above-described liquidated damages is capped at 10% of the initial Contract Sum.

Performance Security

As security for the payment and performance by the Design-Build Contractor of the Company's obligations under the Public-Private Agreement relating to the D&C Work, the Design-Build Contractor will provide the Contracting Authority with a Payment Bond and Performance Security satisfying the requirements set forth in the Public-Private Agreement. The Company will provide the Contracting Authority with a Payment Bond and Performance Security satisfying the requirements set forth in the Public-Private Agreement as security for the payment and performance by the Company of the portion of the O&M During Construction for which it is responsible.

In addition, the Design-Build Contractor will provide the Company with Liquid Security, in the form of one or more irrevocable, transferable standby letters of credit in the form agreed in the Design-Build Contract in an aggregate amount equal to 7.5% of the Contract Sum as partial security for payment by the Design-Build Contractor of all sums to the Company and for the Design-Build Contractor's full and timely performance under the Design-Build Contract. The aggregate amount of such Liquid Security will be reduced to 4% of the Contract Sum for the period beginning on the day after the Substantial Completion Date and ending on the Final Acceptance Date, and further reduced to 2% of the Contract Sum for the period beginning on the day after the Final Acceptance Date and ending on the expiration of the Warranty Period. The Liquid Security must remain in place until expiration of the Warranty Period, but once Final Acceptance has been achieved, the Liquid Security may take the form of a bond in form and substance acceptable to the Company, which also must remain in place until expiration of the Warranty Period.

See "DESIGN-BUILD CONTRACT—Performance Security" for additional information about the various types of performance security provided by the Design-Build Contractor in respect of its performance and obligations under the Design-Build Contract.

Relief Events

Subject to compliance with applicable procedures and other terms and conditions set forth in the Design-Build Contract, the Design-Build Contractor is entitled to the monetary and schedule relief in respect of the D&C Work to the extent actually received from the Contracting Authority under the Public-Private Agreement. If compensation under the Public-Private Agreement to the Company with respect to Relief Events is through Deferral of Compensation, the Company is obligated to compensate the Design-Build Contractor for the related work and delay costs as progress payments of the applicable work or, if the Company and the Design-Build Contractor agree, as a lump sum. The payment obligation of the Company to the Design-Build Contractor does not arise until the quantum attributed to such work and delay costs has been determined under the Public-Private Agreement for the purposes of determining the additional compensation payable by the Contracting Authority to the Company to restore the Company's financial balance as a result of such Deferral of Compensation. The Design-Build Contract sets forth the procedures by which the Design-Build Contractor and the Company will work together to assert a claim against the Contracting Authority under the Public-Private Agreement.

Warranties

The Design-Build Contractor warrants that the materials and equipment furnished under the Design-Build Contract will be free of defects and of good quality and new and that the D&C Work will meet all requirements of the Design-Build Contract. The Warranty Period is 24 months after the Final Acceptance Date. The Latent Defect Period is ten years after the Final Acceptance Date or such longer period as may be provided by law.

Suspension of Work

The Contracting Authority and the Company each have rights to suspend the D&C Work. The Contracting Authority's rights are set forth in the Public-Private Agreement and acknowledged by the Design-Build Contractor. The Company has analogous rights to suspend D&C Work due to certain breaches or failures by the Design-Build Contractor, including, for among other reasons, failure to comply with the Design-Build Contract or applicable law or Governmental Approvals, discovery of Nonconforming Work, failure to pay sums when due, failure to maintain insurance coverages, failure to maintain payment bonds and performance security and the existence of unsafe conditions. The Company may also suspend the D&C Work at its discretion but would, in such case, be liable to the Design-Build Contractor for its losses and adjustments to the Scheduled DB Substantial Completion Date would be made for purposes of calculating delay liquidated damages.

Termination Rights

Termination for Design-Build Contractor Default

Subject to applicable cure periods specified in the Design-Build Contract, the Company may terminate the Design-Build Contract for the following Design-Build Contractor Default, each of which constitutes a "Default Termination Event" under the Design-Build Contract: (a) the Design-Build Contractor fails to begin D&C Work within 20 days following the issuance of NTP1 or NTP2, fails to satisfy all conditions to the commencement of Design Work for which it is responsible and fails to commence Design Work within 30 days of the issuance of NTP1, or fails to satisfy all of the conditions to the commencement of DB Construction Work and fails to commence DB Construction Work within 30 days following the issuance of NTP2; (b) an Abandonment; (c) the Design-Build Contractor fails to achieve DB Substantial Completion by the DB Long Stop Date; (d) the Design-Build Contractor fails to make any payment or deposit when due; (e) there occurs any use of the Project or Airspace by a DBC-Related Entity in material violation of the Design-Build Contract, Technical Provisions, Governmental Approvals or applicable law; (f) the Design-Build Contractor fails to obtain or maintain any required insurance, bonds, guarantees, letters of credit or other payment or performance security, comply with requirements pertaining to the amount, terms or coverage of the same or deliver any originals, certificates or evidence of the same; (g) the Design-Build Contractor makes or attempts to make or suffers an assignment or transfer of all or a portion of the Design-Build Contract or the Design-Build Contractor's Interest, or there occurs an assignment, mortgage, encumbrance or conveyance thereof; (h) there occurs any disqualification, suspension or debarment, or there goes into effect an agreement for voluntary exclusion, from bidding, proposing or contracting with any United States or State department or agency of the Design-Build Contractor, its affiliates (as defined in 29 C.F.R. Section 16.105) or any DBC Key Contractor whose work is not completed; (i) there occurs a Persistent Design-Build Contractor Default, and the Design-Build Contractor fails to timely deliver a remedial plan or to comply with the approved remedial plan; (j) the Design-Build Contractor fails to comply with the Contracting Authority's order to suspend Work issued in accordance with the Public-Private Agreement; (k) certain bankruptcy-type proceedings are commenced involving the Design-Build Contractor; (l) certain bankruptcy-type proceedings are commenced involving Corsán Spain; (m) the Design-Build Contractor incurs liabilities under the Design-Build Contract that reach the Liability Cap (unless the Design-Build Contractor agrees to increase the amount of the Liability Cap) or Delay Liquidated Damages under the Design-Build Contract that reach the LD Cap (unless the Design-Build Contractor agrees to increase the amount of the LD Cap subject to certain limitations on such increases); (n) the Design-Build Contractor fails to pay any liquidated damages when due and the amount unpaid exceeds \$500,000; (o) the Design-Build Contractor fails to provide or comply with a required remedial plan; (p) there exists a Company Default (under the Public-Private Agreement), the cause of which is attributable to a breach by the Design-Build Contractor of the Design-Build Contract; and (q) there occurs any other Design-Build Contractor Default for which the Company issues a notice and the default is not cured within the applicable cure periods available to the Design-Build Contractor. In the event of such termination, the Design-Build Contractor is obligated to pay damages to the Company to compensate the Company for the cost of replacement contractors to complete the D&C Work and correct any defects and for any other Losses suffered.

Termination for Company Default

Subject to applicable cure periods, the Design-Build Contractor is entitled to terminate the Design-Build Contract following a Company Default for (a) non-payment by the Company of an undisputed amount due to the

Design-Build Contractor, (b) commencement of certain bankruptcy-type proceedings involving the Company, or (c) suspensions initiated by the Company, and not by the Contracting Authority, of more than 90 consecutive days (or 150 days in the aggregate) for any reason that is not included within a list of grounds for suspension that are related to the action or inaction of the Design-Build Contractor or its related entities. In the event of such termination, the Company is obligated to compensate the Design-Build Contractor for any unpaid sums for completed work, the costs of materials delivered, the costs of termination of subcontracts, and the costs of removing equipment from the site and repatriation of staff. If the Company Default results from a failure by the Contracting Authority to perform any of its obligations under the Public-Private Agreement or any other agreement between the Company and the Contracting Authority, (a) the Company's liability to the Design-Build Contractor is limited to the amount of compensation the Company recovers from the Contracting Authority in connection with such failure, and (b) the Company has no such liability to the Design-Build Contractor unless and until the Contracting Authority pays such compensation.

If the Contracting Authority terminates the Public-Private Agreement as a result of the fraud, gross negligence or willful misconduct of the Company, and that fraud, gross negligence or willful misconduct is not attributable to the Design-Build Contractor, then the Design-Build Contractor is entitled to terminate the Design-Build Contract. In the event of such termination, the Company is obligated to compensate the Design-Build Contractor for any unpaid sums for completed work, the costs of materials delivered, the costs of termination of subcontracts and the costs of removing equipment from the site and repatriation of staff.

Other Termination

The Design-Build Contract may also be terminated where (a) the Public-Private Agreement is terminated for convenience by the Contracting Authority or due to an IFA Default thereunder, (b) the Public-Private Agreement is terminated due to an extended Relief Event, Permitted Closure, unavailability of insurance or court order, (c) the Public-Private Agreement is terminated for failure to reach Financial Close. In the event of such termination, the Design-Build Contractor is entitled to share in compensation to be received by the Company under the Public-Private Agreement as provided by the Design-Build Contract.

Dispute Resolution

Disputes between the Design-Build Contractor and the Company under the Design-Build Contract not involving claims from or against the Contracting Authority (for which the Design-Build Contract includes a mechanism for shared participation and responsibilities) are first submitted to the parties for amicable negotiation and voluntary settlement. If not resolved within ten Business Days (or such longer period as agreed), disputes are referred to binding arbitration administered by the International Chamber of Commerce under its Rules of Arbitration.

DB Assignment and Amendment

Corsán Spain and Corsán USA have entered into the DB Assignment and Amendment, pursuant to which Corsán Spain has assigned all of its rights and obligations under the Design-Build Contract to Corsán USA and Corsán USA has assumed all of Corsán Spain's rights and obligations under the Design-Build Contract, including, but not limited to, all obligations to perform the D&C Work. Notwithstanding anything in the DB Assignment and Amendment, Corsán Spain has not been released from the obligations and liabilities as the Design-Build Contractor under the Design-Build Contract and Corsán Spain continues to remain liable to Company, and to the extent of their rights pursuant to the Design-Build Contract, the Contracting Authority, for the full payment and complete performance of any and all obligations and liabilities of Design-Build Contractor under the Design-Build Contract. In the event that Corsán USA fails to perform any obligation of the Design-Build Contractor under the Design-Build Contract or there occurs any violation of the terms and conditions of the Design-Build Contract by Design-Build Contractor, including, but not limited to a Design-Build Contractor Default, the Company, and to the extent of their rights pursuant to the Design-Build Contract, the Contracting Authority, has the right to pursue a claim for such failure, pursuant to the applicable terms and conditions of the Design-Build Contract, directly against Corsán Spain without having to first bring a claim against Corsán USA.

Design-Build Guaranty

On or prior to the Closing Date, the Design-Build Contractor will deliver the Design-Build Guaranty from Corsán Spain in favor of the Company and its successors and assignees, in respect of all obligations of the Design-Build Contractor under the Design-Build Contract, including, without limitation, completion of the D&C Work, all warranty and other continuing obligations under the Design-Build Contract, all obligations arising under indemnities provided by Design-Build Contractor under the Design-Build Contract and payment of all amounts owing by Design-Build Contractor under the Design-Build Contract (including liquidated damages and any amount owed by Design-Build Contractor to Developer as a result of Developer having to rectify a default or omission of Design-Build Contractor), in each case in accordance with the terms and conditions of the Design-Build Contract. Corsán Spain waives certain defenses under the law and the Design-Build Contract and also assents to any amendment of the Design-Build Contract. The guaranty is a primary obligation, and not a contract of surety.

The maximum aggregate liability of Corsán Spain under the Design-Build Guaranty is subject to the same liability cap under the Design-Build Contract, including the exceptions thereto. In addition, the Company is not required to first pursue or exhaust other remedies or rights against the Design-Build Contractor or resort to any other security or collateral before pursuing its rights under the Design-Build Guaranty. The pursuit of other remedies or rights is not a discharge of liability under its respective Design-Build Guaranty. Corsán Spain may not assign or transfer the Design-Build Guaranty without the prior written consent of the Company.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE COLLATERAL AGENCY AGREEMENT

The following is a summary of selected provisions of the Collateral Agency Agreement, and is not a full statement of the terms of such agreement. Accordingly, the following summary is qualified in its entirety by reference to such agreement and is subject to the full text of such agreement. A copy of such agreement is available, free of charge, upon request from the Company or the Trustee. Unless otherwise stated, any reference in this APPENDIX E to any agreement will mean such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified and in effect as of the date hereof. Capitalized terms used in this APPENDIX E but not defined in this Official Statement have the meaning assigned to such terms in the Collateral Agency Agreement.

The Collateral Agent

Duties and Responsibilities

The Collateral Agent will administer and enforce the Collateral Agency Agreement and the other Security Documents, and, among other remedies, foreclose upon, collect and dispose of the Collateral and apply the proceeds therefrom, for the benefit of the Secured Parties, and otherwise perform its duties and obligations as the Collateral Agent under the Collateral Agency Agreement, the Senior Loan Agreement and the other Security Documents. The Collateral Agent will not be required to exercise any discretion or take any action but will only be required to act or refrain from acting (and will be fully protected in so acting or refraining from acting) upon the written instructions of the Creditor Representative, in each case, as specified in such instructions, and such instructions will be binding upon the Collateral Agent and each of the Secured Parties; provided, that the written instructions of all of the Secured Parties (or the trustee or agent thereof) will be required where expressly provided in the Collateral Agency Agreement; provided, further, that the Collateral Agent will not be required to take any action which is contrary to any provision of the Collateral Agency Agreement or of the other Security Documents or applicable Law.

In no event will the Collateral Agent be required to foreclose on, or take possession of, the Collateral, if, in its reasonable judgment, such action would be in violation of any applicable Law pertaining thereto, or if the Collateral Agent reasonably believes that such action would result in the incurrence of liability by the Collateral Agent for which it is not fully indemnified by the Company.

Neither the Collateral Agent, the Securities Intermediary nor any of their respective directors, officers, employees or agents will be liable or responsible for any action taken or omitted to be taken by it or them under or in connection with the Collateral Agency Agreement, except for its or their own gross negligence, bad faith or willful misconduct.

If the Collateral Agent desires direction regarding any consent, modification or other matter pursuant to any Financing Document or Other Senior Secured Document, the Collateral Agent may ask for the direction of the Creditor Representative.

Authorization

The Collateral Agent is authorized by the Creditor Representative, on behalf of each Secured Party, to take the appropriate actions necessary to perform under the Collateral Agency Agreement, each other Financing Document and Other Senior Secured Document, to exercise and enforce any and all available rights, powers and remedies thereunder, and to take any other action which the Creditor Representative deems advisable in the best interests of the Secured Parties. Notwithstanding the foregoing, the Collateral Agent will not commence an Enforcement Action except in accordance with instructions given by the Creditor Representative (acting in accordance with the terms of the Indenture or any Intercreditor Agreement, as applicable). All decisions with respect to the type of Enforcement Action which is to be commenced will be made by, and all actions with respect to prosecution and settlement of such Enforcement Action will require the written consent of, the Creditor Representative (acting in accordance with the terms of the Indenture or any Intercreditor Agreement, as applicable),

and the Collateral Agent will not be required to take any Enforcement Action in the absence of any such written consent.

Administrative Actions and Release of Collateral

The Collateral Agent may, but will not be obligated to, take such action as it deems necessary to perfect or continue the perfection of the Security Interests on the Collateral held for the benefit of the Secured Parties. The Collateral Agent will not release any of the Collateral held for the benefit of the Secured Parties, except: (a) upon the written direction of the Creditor Representative (acting in accordance with the terms of the Indenture or any Intercreditor Agreement, as applicable); (b) upon payment in full of the Senior Secured Obligations, as certified to the Collateral Agent by the Creditor Representative (which certification to the Creditor Representative will provide promptly); (c) for Collateral consisting of a debt instrument if the indebtedness evidenced thereby has been paid in full, as certified to the Collateral Agent by the Creditor Representative (which certification to the Creditor Representative will provide promptly); or (d) where such release is expressly permitted under the Senior Loan Agreement or the Security Documents.

Reliance of Collateral Agent

In connection with the performance of its duties under the Collateral Agency Agreement, the Collateral Agent will be entitled to rely conclusively upon, and will be fully protected in acting or refraining from acting in accordance with, any written certification, notice, instrument, opinion, request, consent, order, approval, direction or other written communication of the Creditor Representative or of any other Secured Party, which the Collateral Agent in good faith reasonably believes to be genuine and to have been signed or sent by or on behalf of the proper person or persons, and it will be entitled to rely conclusively upon the due execution, validity and effectiveness, and the truth, correctness and acceptability of, any provisions contained therein. The Collateral Agent will not have any responsibility to make any investigation into the facts or matters stated in any notice, certification, certificate, instrument, demand, request, direction, instruction or other communication furnished to it. Whenever the Collateral Agency Agreement specifies that any instruction or consent by the Creditor Representative is to be given in accordance with the terms of the Indenture or any Intercreditor Agreement, as applicable, the Collateral Agent will be entitled to rely upon any such instruction or consent by the Creditor Representative, and the Collateral Agent may presume without investigation that any such instruction or consent by the Creditor Representative has been given in accordance with the terms thereof.

Resignation and Removal; Successor Collateral Agent; Individual Collateral Agent

Subject to the appointment and acceptance of a successor Collateral Agent, the Collateral Agent may resign at any time by giving at least 30 days' prior written notice thereof to the other Secured Parties and the Company, and the Collateral Agent may be removed at any time with or without cause by the Creditor Representative (acting in accordance with the terms of the Indenture or any Intercreditor Agreement, as applicable) upon 30 days' written notice thereof to the Collateral Agent, the other Secured Parties and the Company. Upon any such resignation or removal, the Creditor Representative (acting in accordance with the terms of the Indenture or any Intercreditor Agreement, as applicable) will have the right to appoint a successor Collateral Agent, which, so long as no Senior Event of Default has occurred and is continuing, must be reasonably acceptable to the Company. If no successor Collateral Agent will have been so appointed within 30 days after the retiring Collateral Agent's giving of notice of resignation or the removal of the retiring Collateral Agent, then the retiring Collateral Agent may, on behalf of the Secured Parties, at the expense of the Company, apply to a court of competent jurisdiction (with notice to the Creditor Representative and the Company) for the appointment of a successor Collateral Agent. In all such cases, the successor Collateral Agent must be a bank organized under the laws of the United States of America or any state thereof that has an office in the State of New York and which agrees to administer the Collateral in accordance with the terms of the Collateral Agency Agreement and of the other Security Documents and will have a total capital stock and unimpaired surplus of not less than \$500,000,000 and, so long as no Senior Event of Default has occurred and is continuing, must be reasonably acceptable to the Company. Upon the acceptance of any appointment as Collateral Agent under the Collateral Agency Agreement by a successor Collateral Agent, such successor Collateral Agent will thereupon succeed to and become vested with all the rights, powers, privileges, obligations and duties of the retiring Collateral Agent, and the retiring Collateral Agent will be discharged from its duties and responsibilities under the Collateral Agency Agreement.

Books and Records; Reports

- (a) The Collateral Agent will at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries will be made of all transactions made by the Collateral Agent pursuant to the Collateral Agency Agreement relating to the Senior Secured Obligations, Project Revenues and all Project Accounts (other than the Operating Account) established pursuant to the Collateral Agency Agreement. Such books of record and accounts will be available for inspection by the Company, the Creditor Representative and the other Secured Parties, or their agents or representatives duly authorized in writing, at reasonable hours and under reasonable circumstances and upon reasonable prior written request.
- (b) Within 15 days after the end of each month, the Collateral Agent will furnish to the Creditor Representative and the Company a report or statement that sets forth in reasonable detail the account balances, receipts, disbursements, transfers, investment transactions, and accruals for each of the Project Accounts (other than the Operating Account) during such month.
- (c) Within 30 days after the end of each year, the Collateral Agent will furnish to the Creditor Representative and the Company a report or statement setting forth in reasonable detail the account balances, receipts, disbursements, transfers, investment transactions and accruals for each of the Project Accounts (other than the Operating Account) during the preceding year.
- (d) The Collateral Agent will maintain records of all receipts, disbursements and investments of funds with respect to the Project Accounts (other than the Operating Account) until the fifth anniversary of the date on which all of the Senior Secured Obligations have been paid in full.

Authorization of Collateral Agent to Recover Compensation, Fees and Expenses

To the extent that the Company fails to pay any amount required to be paid by it to the Collateral Agent under the Collateral Agency Agreement, the Collateral Agent is authorized to transfer funds to reimburse itself for such amounts out of the following accounts in the following order of priority: *first*, from the Distribution Reserve Account and *second*, (i) prior to the Substantial Completion Date, from the Construction Account (to the extent permitted by applicable Law, including the Code and the Treasury Regulations), and (ii) upon and following the Substantial Completion Date from the Revenue Account. These provisions survive the termination of the Financing Documents and the Other Senior Secured Documents and the resignation or removal of the Collateral Agent.

Company Remains Liable

The Company will remain liable under its contracts and agreements (including the Financing Documents and the Other Senior Secured Documents) to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if the Collateral Agency Agreement had not been executed. The exercise by the Collateral Agent of any of the rights under the Collateral Agency Agreement will not release the Company from any of its duties or obligations under such contracts and agreements. The Collateral Agent will not be obligated to perform any of the obligations or duties of the Company under such contracts and agreements (including the Financing Documents and the Other Senior Secured Documents) or to take any action to collect or enforce any claim for payment assigned thereunder. Notwithstanding the foregoing, if the Company fails to perform any agreement of the Company contained in the Collateral Agency Agreement relating to the perfection or preservation of the Collateral, the Collateral Agent may (but will not be obligated to) itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith will be payable by the Company.

The Project Accounts

Establishment of Project Accounts

The following Project Accounts will be established and created under the Collateral Agency Agreement in the name of the Company on or prior to the Closing Date:

- (a) the Revenue Account;
- (b) the Debt Payment Account;
- (c) the PSD Payment Account;
- (d) the Loss Proceeds Account;
- (e) the Construction Account;
- (f) the Series 2014 Bond DSRA;
- (g) the Major Maintenance Reserve Account;
- (h) the Mandatory Prepayment Account; and
- (i) the Distribution Reserve Account.

In addition to the foregoing Project Accounts, the Company will establish the Operating Account with the Deposit Account Bank, and such account will be maintained in the name of the Company. The Operating Account will constitute a Project Account and will be subject to the Account Control Agreement (to be entered into on or before the Closing Date), which will be required to satisfy the requirements of the Public-Private Agreement. The Company will establish a Distribution Account with a bank to be selected by the Company. The Distribution Account will not be a Project Account, and will not be subject to any Security Interest in favor of the Collateral Agent, the Creditor Representative or any other Secured Party.

All of the Project Accounts will be under the control of the Collateral Agent (and, in the case of the Operating Account, in accordance with the Account Control Agreement) and, except as expressly provided in the Collateral Agency Agreement (and in the case of the Operating Account, in the Account Control Agreement), the Company will not have any right to withdraw funds from any Project Account. The Company will irrevocably authorize the Collateral Agent to credit funds to or deposit funds in, and to withdraw and transfer funds from, each Project Account in accordance with the terms of the Collateral Agency Agreement. The Project Accounts will be maintained at all times in (i) the State of New York, without limiting the effect of the provisions of the Collateral Agency Agreement providing that the “securities intermediary’s jurisdiction” of the Securities Intermediary for purposes of the UCC (or the Uniform Commercial Code of any other jurisdiction to the extent applicable) is the State of New York or any other state reasonably acceptable to the Collateral Agent, or (ii) any other jurisdiction as long as the “securities intermediary’s jurisdiction” is the State of New York or any other jurisdiction reasonably acceptable to the Collateral Agent.

Revenue Account

All Project Revenues received after the Substantial Completion Date and all other amounts required to be deposited therein pursuant to the Collateral Agency Agreement will be deposited into the Revenue Account (but not amounts required to remain on deposit in “Funds” or “Accounts” as defined in and pursuant to the Indenture). At all times after the Substantial Completion Date, the Company will promptly deposit or cause to be deposited into the Revenue Account all other amounts received by the Company from any source whatsoever, the application of which is not otherwise specified in the Collateral Agency Agreement. Pending such deposit, the Company will hold all such amounts coming into its possession in trust for the benefit of the Secured Parties.

Flow of Funds. Beginning with the first Transfer Date after the Substantial Completion Date, the Collateral Agent will make the following withdrawals, transfers and payments from the Revenue Account and the sub-accounts therein in the amounts, at the times and only for the purposes specified below, at the request of the Company in a Funds Transfer Certificate at the times and in the following order of priority:

first, on each Transfer Date (or more frequently if the balance of the Operating Account is insufficient to pay O&M Expenditures that were not anticipated on the immediately preceding Transfer Date when due), to the Operating Account, an amount (after giving effect to the balance thereof on such Transfer Date) sufficient to fund or reimburse O&M Expenditures (or with respect to any date that is not a Transfer Date, unanticipated O&M Expenditures) then due and payable or expected to be payable by the Company prior to the next Transfer Date and sufficient to fund interest and fees with respect to the Permitted Working Capital Facility then due and payable or expected to be payable by the Company prior to the next Transfer Date or to fund any projected shortfalls in the Handback Reserve Required Balance in an amount necessary to comply with the Public-Private Agreement;

second, on each Transfer Date, to the Debt Payment Account, an amount (after giving effect to the balance thereof on such Transfer Date) sufficient to fund, without duplication, (i) the Administrative Fees Sub-Account up to its required balance (as specified in the Funds Transfer Certificate and calculated as described under the caption “—Debt Payment Account”), (ii) the Series 2014 Interest Sub-Account and each similar account or sub-account in respect of interest and commitment and similar fees (and, with respect to Senior Hedging Contracts, regularly scheduled hedge payments) on Other Permitted Senior Secured Indebtedness up to its required balance (as specified in the Funds Transfer Certificate and calculated as described under the caption “—Debt Payment Account”), (iii) the Series 2014 Principal Sub-Account and each similar account or sub-account in respect of principal and other amounts (other than interest and commitment and similar fees) (and, with respect to Senior Hedging Contracts, termination and other payments) of Other Permitted Senior Secured Indebtedness up to its required balance (as specified in the Funds Transfer Certificate and calculated as described under the caption “—Debt Payment Account”), (iv) the aggregate amount of any payments then due and payable to the Issuer to fund the Series 2014 Rebate Fund or any similar rebate fund in respect of any future tax-exempt borrowings comprising Additional Parity Bonds (collectively, the “PABs Rebate Funds”), and (v) the aggregate amount of any payments and amounts described in and calculated pursuant to levels *fifth* and *sixth* under the caption “—Debt Payment Account”;

third, on each Transfer Date, to (i) the Series 2014 Bond DSRA, the aggregate amount, if any, necessary to fund it to the Series 2014 Bond DSRA Requirement, taking into account the amount available for drawing under any letter of credit on deposit in the Series 2014 Bond DSRA and (ii) any other Debt Service Reserve Account, the aggregate amount, if any, necessary to fund it to its DSRA Requirement taking into account the amount available for drawing under any letter of credit on deposit in such other Debt Service Reserve Account (pro rata among the Series 2014 Bond DSRA and each other Debt Service Reserve Account to the extent of any deficiency);

fourth, on each Quarterly Date on and after the second anniversary date after the Substantial Completion Date and prior to the date that is five full calendar years prior to the end of the term of the Public-Private Agreement, to the Major Maintenance Reserve Account, the amount, if any, necessary to fund such account so that the balance, taking into account the amount available for drawing under any letter of credit on deposit in the Major Maintenance Reserve Account, equals or, at the option of the Company (so long as the amounts on deposit in the Handback Requirements Reserve Account equal or exceed the Handback Reserve Required Balance), is greater than the Major Maintenance Reserve Account Required Balance;

fifth, on each Quarterly Date, on and after the date that is five full calendar years prior to the end of the term of the Public-Private Agreement, to the Handback Requirements Reserve Account the amount, if any, necessary to fund such account so that the balance equals or, at the option of the Company, is greater than the Handback Reserve Required Balance;

sixth, on each Semi-Annual Date, at the option of the Company, to the PSD Payment Account the amount, if any, to pay (i) the fees, administrative costs and other similar expenses of the trustees, agents, rating

agencies and similar fees in respect of Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company); (ii) interest payable (and the regularly scheduled hedge payments then due under any Subordinated Hedging Contracts) in respect of any Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company); and (iii) scheduled principal payable and other amounts (and any termination payments or expenses then due under any Subordinated Hedging Contracts and other amounts payable, other than regularly scheduled hedge payments then due under any Subordinated Hedging Contracts, if any) in respect of any Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company), in each of cases (i), (ii) and (iii), to the extent then due and payable or to the extent such amounts will be due and payable prior to the next Transfer Date;

seventh, on each Quarterly Date, to pay any Permitted Optional Capital Expenditures;

eighth, on each Semi-Annual Date, at the option of the Company, to fund to the Issuer the redemption price of all or any portion of the Bonds in accordance with the Indenture or to make prepayments of Permitted Indebtedness (if in respect of Permitted Subordinated Debt, solely to the extent that the PSD Conditions are met by transferring the amount of the desired prepayment to the PSD Payment Account) and any interest or other amounts payable in connection therewith (and any termination payments or expenses or other amounts with respect to any Hedging Contracts payable in connection therewith (if in respect of Hedging Contracts other than Senior Hedging Contracts, solely to the extent that the PSD Conditions are met by transferring the amount thereof to the PSD Payment Account));

ninth, on the Transfer Date occurring in March, May, August and November of each calendar year, to the Distribution Account, the Applicable Tax Distribution Amount in respect of the next Company Fiscal Quarter ending after such date; and

tenth, on each Semi-Annual Date, to the Distribution Reserve Account.

Revenue Substitution Payment. If, on or after the Substantial Completion Date, the Company receives any Revenue Substitution Payments, including payment of Compensation Amounts, insurance proceeds from delayed opening insurance, business interruption insurance or other insurance in respect of the actual or estimated loss of the Company's future Project Revenues, then such amount will be deposited into a sub-account of the Revenue Account to be established for such purpose; provided, that prior to such deposit, the Company will provide to the Collateral Agent (for subsequent dissemination to the Secured Parties) a calculation in reasonable detail showing the future years for which such amount was paid as compensation in respect of the loss of Project Revenues. In the event that such amount is deposited into such sub-account, then, at the Company's written request, the portion thereof constituting a Revenue Substitution Payment for the loss of Project Revenues for each month for which it was paid, together with interest or other earnings accrued thereon from the date of deposit, will be transferred from such sub-account to the Revenue Account on the Transfer Date falling in such month and applied as described under the *second* paragraph above, and any such amounts will be considered Project Revenues for purposes of the transfers described under the *second* paragraph above and the calculation of the DSCR. Except as set forth in the preceding sentence, the amounts deposited in such sub-account will not be deemed to be on deposit in the Revenue Account until so transferred from such sub-account for purposes of the transfers described under the *second* paragraph above or the calculation of the DSCR; provided, that any funds held in such sub-account will be used to fund any shortfall in levels *first* through *fifth* described under the caption "—Flow of Funds".

Excess Amounts. To the extent that, on any Transfer Date, amounts on deposit in any Debt Service Reserve Account are in excess of such Debt Service Reserve Account's DSRA Requirement or amounts on deposit in the Major Maintenance Reserve Account are in excess of the Major Maintenance Reserve Account Required Balance, as applicable, at the option of the Company, such excess amounts will be deposited into the Revenue Account prior to any transfers described under the caption "—Flow of Funds"; provided, that if such excess is in the Series 2014 Bond DSRA and to the extent that such excess constitutes proceeds deposited therein from the PABs Proceeds Sub-Account or investment earnings thereon, such excess will be transferred first to the Series 2014 Interest Sub-Account of the Debt Payment Account to be used to pay interest on the Series 2014 Bonds on the next Series 2014 Payment Date and any remainder of such excess will then be transferred to the Series 2014 Principal Sub-Account of the Debt Payment Account to be used to pay the principal of the Series 2014 Bonds on the next Series 2014 Payment Date.

Insufficient Funds. If funds on deposit in the Revenue Account on any Transfer Date are insufficient to make each of the transfers described in levels *first*, *second* and *third* under the caption “—Flow of Funds”, then the Collateral Agent will, at the direction of the Company, transfer amounts from the following Accounts in the following order of priority prior to making the transfers described under the caption “—Flow of Funds”: *first*, from the Distribution Reserve Account (or if less the aggregate balance thereof); *second*, from the PSD Payment Account (or if less the aggregate balance thereof); and *third*, from the Major Maintenance Reserve Account (or if less the aggregate balance thereof).

Loss Proceeds Account

All Insurance Proceeds received by the Company or to its order (other than Revenue Substitution Payments, which will be paid directly to a sub-account of the Revenue Account as described under the caption “—Revenue Account—Revenue Substitution Payment”) and all condemnation proceeds (if any) will be paid directly into the Loss Proceeds Account.

Amounts on deposit in the Loss Proceeds Account will be applied to fund (or to reimburse to the extent theretofore funded) Restoration Costs of the Project or the applicable portion thereof in accordance with the requirements of the Public-Private Agreement or of any other property required to be restored in accordance with the terms of the Public-Private Agreement; provided, that if (i) such proceeds exceed the amount required to restore the Project or any portion thereof or such other property required to be restored in accordance with the terms of the Public-Private Agreement to the condition required by the Public-Private Agreement or, if the Public-Private Agreement requires restoration of the Project or such affected property but does not specify the required condition for such restoration, to the condition existing prior to the event of loss, or (ii) the affected property cannot be restored or is not required pursuant to the terms of the Public-Private Agreement and the Financing Documents or the Other Senior Secured Documents to be restored, and the Company elects not to do so, then such proceeds will be transferred to the Mandatory Prepayment Account for further application to the mandatory prepayment of the Senior Secured Obligations in accordance with the Collateral Agency Agreement as described under the caption “—Mandatory Prepayment Account”, with the Financing Documents and with the Other Senior Secured Documents; provided, further, that if any such amount is not required to be applied to the mandatory prepayment of the Senior Secured Obligations in accordance with the Financing Documents and the Other Senior Secured Documents, then such remaining amount will be transferred to the Construction Revenues Sub-Account of the Construction Account (on or before the Substantial Completion Date) or to the Revenue Account (after the Substantial Completion Date).

On each Transfer Date (or any other date when due and payable) following the deposit of Insurance Proceeds in the Loss Proceeds Account and prior to the restoration of the Project or the applicable portion thereof, the Company may requisition funds pursuant to an appropriately completed and duly authorized and executed requisition (a “Loss Proceeds Account Withdrawal Certificate”), which must be delivered to the Collateral Agent not less than two Business Days prior to the relevant Transfer Date (or other applicable date). If the proceeds with respect to an event of loss are in excess of \$10,000,000, then each Loss Proceeds Account Withdrawal Certificate with respect to the restoration of such loss must attach a certificate of the Technical Advisor.

Construction Account

The Collateral Agent will deposit (and the Company will cause to be deposited) into the applicable sub-account of the Construction Account specified below all net proceeds of the Series 2014 Loan, all proceeds of Equity Contributions, all Project Revenues prior to the Substantial Completion Date (excluding amounts required to remain on deposit in “Funds” or “Accounts” pursuant to the Indenture), and all Milestone Payments, except to the extent deposited in a Debt Service Reserve Account as described under the caption “—Debt Service Reserve Accounts”. The net proceeds of Other Permitted Senior Secured Indebtedness issued to finance a portion of the Project Costs prior to the Substantial Completion Date will be remitted to the Collateral Agent for deposit in a sub-account of the Construction Account established and created for such purpose. At all times prior to the Substantial Completion Date, the aggregate amount in the Construction Account *plus* the aggregate stated amount of all Equity Letters of Credit (posted in accordance with the Equity Contribution Agreement) and the amount of Infra-PSP’s then-current Remaining Committed Amount (to the extent supported by the PSP Guaranty), *minus* any amounts on deposit in the Series 2014 Bond DSRA prior to the Substantial Completion Date will not be less than the projected Series 2014 Bond DSRA Requirement on the Substantial Completion Date.

The following separate sub-accounts will be established and created within the Construction Account:

- (i) the PABs Proceeds Sub-Account;
- (ii) the Construction Revenues Sub-Account;
- (iii) the Equity Contribution Sub-Account; and
- (iv) the Milestone Payment Receipts Sub-Account.

The Company will establish and maintain additional sub-accounts in the Construction Account into which the proceeds of Other Permitted Senior Secured Indebtedness will be deposited.

Project Costs will be paid from the various sub-accounts of the Construction Account in accordance with an appropriately completed and duly authorized and executed Construction Account Withdrawal Certificate attaching all documentation required thereby or from the Operating Account from amounts on deposit therein. In addition to the payment of Project Costs directly out of the various sub-accounts of the Construction Account, the Company will have right to transfer from the Construction Account to the Operating Account on each Transfer Date occurring prior to the Substantial Completion Date, an amount set forth in a Construction Account Withdrawal Certificate not to exceed the difference between \$500,000 and the balance of the Operating Account on such Transfer Date for further application to the payment of Project Costs as described below under the caption “—Operating Account”.

PABs Proceeds Sub-Account. The net proceeds of the Series 2014 Bonds will be deposited on the date of issuance of the Series 2014 Bonds into the PABs Proceeds Sub-Account on the Closing Date. Funds on deposit in the PABs Proceeds Sub-Account will be available to the Company, at the Company’s discretion, (x) to pay, or reimburse for a prior payment of, Project Costs as permitted by the Code, (y) to be transferred to the Operating Account as described above to pay, or reimburse for prior payments of, Project Costs as permitted by the Code, and (z) to fund the Series 2014 Bond DSRA as described under the caption “—Debt Service Reserve Accounts”, solely upon the satisfaction of the following conditions precedent:

- (i) delivery to the Collateral Agent and the Creditor Representative of a Construction Account Withdrawal Certificate requesting disbursement (or transfer) of such funds not less than two Business Days prior to the proposed date of disbursement (or transfer);
- (ii) delivery to the Collateral Agent and the Creditor Representative of a duly authorized and executed officer’s certificate of the Company (which may be included in the Construction Account Withdrawal Certificate) accurately certifying that all of the representations and warranties given by the Company under the Senior Loan Agreement are true and correct in all material respects on and as of the date of the Construction Account Withdrawal Certificate, except for any representations and warranties that relate to a specific date, in which case such representations and warranties will be (or have been) true and correct in all material respects on such specific date, and certain representations and warranties set forth in the Senior Loan Agreement;
- (iii) delivery to the Collateral Agent and the Creditor Representative of a duly executed Technical Advisor Certificate stating that: (A) sufficient funds are available to the Company to achieve Substantial Completion; (B) there has not been an abandonment of the work under the Design-Build Contract; and (C) the amounts being requested in the applicable Construction Account Withdrawal Certificate are for the payment of Project Costs; provided, that none of the foregoing requirements described in this subparagraph will apply to Project Costs constituting (x) the payment of interest on the Series 2014 Bonds or Other Permitted Senior Secured Indebtedness, (y) the Costs of Issuance of the Series 2014 Bonds or Other Permitted Senior Secured Indebtedness, or (z) amounts transferred to the Operating Account;

- (iv) all equity contributions required under the Equity Contribution Agreement to be made as of such date have been made or will have been made prior to the date of disbursement in accordance with the Equity Contribution Agreement and the amount to be funded out of the Equity Contribution Sub-Account concurrently therewith in accordance with a Construction Account Withdrawal Certificate is sufficient to cause the Funding Ratio to be not more than 86.16:13.84 (which means, for clarification purposes, that the number 13.84 in this ratio will not be adjusted upward); and
- (v) no Event of Default has occurred and is continuing or will occur as a result of the disbursement or transfer.

Construction Revenues Sub-Account. Project Revenues (other than payments received by the Company pursuant to the Public-Private Agreement and excluding amounts required to remain on deposit in “Funds” or “Accounts” pursuant to the Indenture) received by the Company prior to the Substantial Completion Date will be deposited by the Company (or on its behalf) directly into the Construction Revenues Sub-Account. Amounts deposited in the Construction Revenues Sub-Account will be held in such sub-account and applied from time to time at the direction of the Company (i) to pay, or reimburse for a prior payment of, Project Costs, (ii) to be transferred to the Operating Account as described above to pay, or reimburse for prior payments of, Project Costs, (iii) to fund any Debt Service Reserve Account as described under the caption “—Debt Service Reserve Accounts”, or (iv) to fund the Short Term Serial Bond Sub-Account to the aggregate principal amount or the Redemption Price of the Short Term Serial Bond (provided, that no Project Revenues constituting interest earned from proceeds on deposit in the PABs Proceeds Sub-Account or the Series 2014 Debt Service Fund will be used for the purpose of this clause (iv)), in each case upon delivery to the Collateral Agent and the Creditor Representative of a Construction Account Withdrawal Certificate requesting disbursement (or transfer) of such funds not less than two Business Days prior to the proposed date of disbursement (or transfer).

Equity Contributions Sub-Account. The proceeds of all Equity Contributions will be deposited by the Company (or on its behalf) directly into the Equity Contribution Sub-Account. Amounts deposited in the Equity Contribution Sub-Account will be held in such sub-account and applied from time to time at the direction of the Company (i) to pay, or reimburse for a prior payment of, Project Costs, (ii) to be transferred to the Operating Account pursuant to the Collateral Agency Agreement as described above to pay, or reimburse for prior payments of, Project Costs, (iii) to fund any Debt Service Reserve Account as described under the caption “—Debt Service Reserve Accounts”, or (iv) to fund the Short Term Serial Bond Sub-Account to the aggregate principal amount or the Redemption Price of the Short Term Serial Bond, in each case upon delivery to the Collateral Agent and the Creditor Representative of a Construction Account Withdrawal Certificate requesting disbursement (or transfer) of such funds not less than two Business Days prior to the proposed date of disbursement (or transfer).

Milestone Payment Receipts Sub-Account. Upon and prior to the Substantial Completion Date, the proceeds of all Milestone Payments and any other payment received by the Company pursuant to the Public-Private Agreement will be deposited into the Milestone Payment Receipts Sub-Account. Amounts deposited in the Milestone Payment Receipts Sub-Account will be held in such sub-account and applied from time to time at the direction of the Company (i) to pay, or reimburse for a prior payment of, Project Costs, (ii) to be transferred to the Operating Account as described above to pay, or reimburse for prior payments of, Project Costs, or (iii) to fund any Debt Service Reserve Account as described under the caption “—Debt Service Reserve Accounts”, in each case, upon delivery to the Collateral Agent and the Creditor Representative of a Construction Account Withdrawal Certificate requesting disbursement (or transfer) of such funds not less than two Business Days prior to the proposed date of disbursement (or transfer); provided, that if the Milestone Payment with respect to Substantial Completion is received by the Company prior to the funding of the Short Term Serial Bond Sub-Account in an amount equal to the aggregate principal amount or Redemption Price, as determined by the Borrower, of the Short Term Serial Bond, a portion of the Milestone Payment with respect to Substantial Completion will be deposited promptly into the Short Term Serial Bond Sub-Account and applied to the payment of the Short Term Serial Bond to the extent amounts have not been deposited into the Short Term Serial Bond Sub-Account in such aggregate principal amount or Redemption Price, as the case may be.

The Collateral Agent will comply with any Construction Account Withdrawal Certificate timely received pursuant to this caption “—Construction Account”; provided, that if any payment, withdrawal or transfer of funds is not in compliance with the Collateral Agency Agreement or the other Financing Documents or Other Senior Secured

Documents, then the Creditor Representative will notify the Collateral Agent and the Company in writing of such non-compliance and the Company will not be entitled to cause such proposed payment, withdrawal or transfer to the extent of such noncompliance until such time as it has submitted a revised Construction Account Withdrawal Certificate which complies with the terms hereof or thereof; and, provided, further, that the failure to give any such notice will not be deemed to be an approval of the proposed payment, withdrawal or transfer or a waiver of any rights of the Secured Parties with respect thereto. Upon receipt of a notice of a Senior Event of Default and solely during the continuance thereof, the Collateral Agent will comply with the requirements of subparagraph (d) under the caption “—Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Senior Event of Default”.

Remaining Amounts. Subject to the proviso set forth under the caption “—Milestone Payment Receipts Sub-Account” and except as otherwise required by any applicable Law, to the extent that on the date of the payment of the Milestone Payment in respect of Substantial Completion, there are any funds remaining on deposit in the Construction Account or any sub-account thereof, such amounts will be applied in the following order of priority:

first, such amounts will be retained in the various sub-accounts of the Construction Account in the amount certified by the Company as the amount required for the payment of any remaining Project Costs;

second, to the extent requested by the Company, such amounts will be transferred to the Series 2014 Bond DSRA or any other Debt Service Reserve Account; provided, that any funds remaining on deposit in the PABs Proceeds Sub-Account, if used pursuant to this subparagraph *second*, will be deposited only in the Series 2014 Bond DSRA; and

third, all remaining amounts will be transferred to the Revenue Account, except to the extent excess proceeds of the Series 2014 Bonds or Other Permitted Senior Secured Indebtedness are required pursuant to the Code or desired by Company to be used to redeem or defease the Series 2014 Bonds or for other permitted purposes, in which case such amounts will be, at the direction of the Company, transferred to the Series 2014 Redemption Account or other applicable Account or, with respect to the Series 2014 Bonds or other Bonds, remain on deposit in the applicable account or sub-account for future application at the direction of the Company pursuant to subparagraph (iii) under the caption “—Mandatory Prepayment Account” or for other permitted purposes.

Debt Payment Account

The Debt Payment Account will be funded from the Revenue Account as described under the caption “—Revenue Account—Flow of Funds” and from the Construction Account as described under the caption “—Construction Account”.

The following separate sub-accounts will be established and created within the Debt Payment Account:

- (i) the Administrative Fees Sub-Account;
- (ii) the PABs Rebate Fund Sub-Account;
- (iii) the Series 2014 Interest Sub-Account;
- (iv) the Series 2014 Principal Sub-Account; and
- (v) the Short Term Serial Bond Sub-Account.

The Company will establish and maintain additional sub-accounts in the Debt Payment Account in respect of interest, fees and similar amounts on and principal of Other Permitted Senior Secured Indebtedness and from which all such payments will be made.

On each Transfer Date after Substantial Completion, amounts on deposit in the Debt Payment Account will be allocated in the following order of priority in accordance with the applicable Funds Transfer Certificate:

first, to the Administrative Fees Sub-Account, the aggregate amount of fees, administrative costs and other expenses of the Collateral Agent, the Creditor Representative, the Trustee, any agent or trustee in respect of Other Permitted Senior Secured Indebtedness, the Issuer (only to the extent of its Reserved Rights), and any Nationally Recognized Rating Agency rating the Bonds, as applicable, together with any similar fees, costs and other expenses of such other parties with respect to the Series 2014 Bonds and Other Permitted Senior Secured Indebtedness, that are then due and payable or that will be payable by the Company prior to the next Transfer Date;

second, to the PABs Rebate Fund Sub-Account, the aggregate amount of any payments then due and payable by the Issuer to the PABs Rebate Funds;

third, pro rata to:

(i) the Series 2014 Interest Sub-Account, the sum of, without duplication:

(x) on any Transfer Date on or immediately preceding an Interest Payment Date, the difference between the amount then on deposit in the Series 2014 Interest Sub-Account and the aggregate amount of interest on the Series 2014 Bonds that is then due and payable or will be payable by the Company prior to the next Transfer Date; *plus*

(y) other than with respect to a Transfer Date on or immediately preceding an Interest Payment Date, the aggregate amount of interest payable by the Company to the Issuer (and by the Issuer to the Owners) on the next succeeding Interest Payment Date *divided by* the number of Transfer Dates that will occur after the immediately preceding Interest Payment Date until the next Interest Payment Date (or, with respect to the first Interest Payment Date after Substantial Completion, the number of Transfer Dates after the Substantial Completion Date until the next Interest Payment Date) including such Transfer Date; *plus*

(z) any amount not funded as described in this subparagraph (i) of this level *third* on any Transfer Date after the immediately preceding Interest Payment Date;

(ii) each other similar sub-account in respect of interest on Other Permitted Senior Secured Indebtedness the sum of, without duplication:

(x) on any Transfer Date on or immediately preceding an interest payment date (or regularly scheduled hedge payment date with respect to Senior Hedging Contracts) with respect to such Other Permitted Senior Secured Indebtedness, the difference between the amount then on deposit in the applicable sub-account and the aggregate amount of (1) interest and commitment and similar fees on such Other Permitted Senior Secured Indebtedness that is then due and payable or will be payable by the Company prior to the next Transfer Date and (2) regularly scheduled hedge payments that are then due and payable or will be payable by the Company prior to the next Transfer Date in accordance with the Senior Hedging Contracts; *plus*

(y) other than with respect to the Transfer Date on or immediately preceding an interest payment date (or regularly scheduled hedge payment date) and to the extent required by the Other Senior Secured Documents, the aggregate amount of interest and commitment and similar fees payable by the Company in respect of such Other Permitted Senior Secured Indebtedness on the next succeeding interest payment date (or regularly scheduled hedge payment date) *divided by* the number (not to exceed twelve unless desired by the Company) of Transfer Dates that will occur after the immediately preceding interest payment date (or regularly scheduled hedge payment date) until the next interest payment date (or regularly scheduled hedge payment date) with respect to such Other Permitted Senior Secured Indebtedness as notified by the Company to the Collateral

Agent (or, with respect to the first such interest payment date, the number of Transfer Dates after the later of the Substantial Completion Date and the incurrence of the applicable Other Permitted Senior Secured Indebtedness thereof), provided, that the Company may, but will not be required to, reserve for such amounts before the twelfth Transfer Date prior to the first payment thereof; *plus*

(z) any amount not funded as described in this subparagraph (ii) of this level *third* to such sub-account on any Transfer Date after the immediately preceding Interest Payment Date;

provided, that in each case of the above items, amounts required to be funded will be reduced by, without double counting, the amount, if any, then on deposit in the applicable interest payment account or fund under the Indenture or other applicable Other Senior Secured Document;

fourth, pro rata, to:

(i) the Series 2014 Principal Sub-Account, the sum of, without duplication:

(x) on any Transfer Date on or immediately preceding a Principal Payment Date, the difference between the amount then on deposit in the Series 2014 Principal Sub-Account and the aggregate amount of principal and other amounts (excluding interest) of the Series 2014 Bonds that is then due and payable or will be payable by the Company prior to the next Transfer Date; *plus*

(y) on each Transfer Date beginning on the sixth Transfer Date prior to the first Principal Payment Date and without taking into consideration the Short Term Serial Bond, other than with respect to the Transfer Date on or immediately preceding a Principal Payment Date, the aggregate amount of principal and other amounts (excluding interest) of the Series 2014 Bonds payable by the Company to the Issuer (and by the Issuer to the Owners) on the next succeeding Principal Payment Date *divided by* the number of Transfer Dates that will occur after the immediately preceding Principal Payment Date until the next Principal Payment Date including such Transfer Date (or, with respect to the Transfer Dates before the first Principal Payment Date, six); *plus*

(z) any amount not funded in accordance with this subparagraph (i) of this level *fourth* on any Transfer Date after the immediately preceding Principal Payment Date; and

(ii) each other similar sub-account in respect of principal of Other Permitted Senior Secured Indebtedness the sum of, without duplication:

(x) on any Transfer Date pro rata, (1) on or immediately preceding a principal payment date with respect to such Other Permitted Senior Secured Indebtedness, the difference between the amount then on deposit in the applicable sub-account and the aggregate amount of principal and other amounts (excluding interest and commitment and other similar fees) of such Other Permitted Senior Secured Indebtedness that is then due and payable or will be payable by the Company prior to the next Transfer Date and (2) the amount of any termination payments or expenses or other amounts with respect to Senior Hedging Contracts then due and payable or expected to be payable by the Company prior to the next Transfer Date to a sub-account of the Debt Payment Account to be created by the Company with respect to each such Senior Hedging Contract and applied as described below; *plus*

(y) other than with respect to the Transfer Date on or immediately preceding a principal payment date, the aggregate amount of principal and other amounts (excluding interest and commitment and other similar fees) payable by the Company in respect of such Other Permitted Senior Secured Indebtedness on the next succeeding principal payment date *divided by* the number (not to exceed twelve unless desired by the Company) of Transfer Dates that will occur after the immediately preceding principal payment date until the next principal payment date with respect to such Other Permitted Senior Secured Indebtedness as notified by the Company to the Collateral Agent (or

with respect to the first such principal payment date, the number of Transfer Dates after the later of the Substantial Completion Date and the incurrence thereof), provided, that the Company may, but will not be required to, reserve for such amounts before the twelfth Transfer Date prior to the first payment thereof; *plus*

(z) any amount not funded in accordance with this subparagraph (ii) of this level *fourth* to such sub-account on any Transfer Date after the immediately preceding principal payment date;

provided, that in each case of the above items, amounts required to be funded will be reduced by, without double counting, the amount, if any, then on deposit in the applicable principal payment account or fund under the Indenture or other applicable Other Senior Secured Document;

fifth, pro rata, to (i) to the extent not paid at level *fourth* above, the applicable Secured Parties, the amount of any termination payments or expenses or other amounts with respect to Senior Hedging Contracts then due and payable or expected to be payable by the Company prior to the next Transfer Date to a sub-account to be created by the Company as described above with respect to each such Senior Hedging Contract and applied as described below and (ii) to the extent not paid pursuant to levels *first* through *fourth* of this paragraph, to pay any other amounts due and payable with respect to the Other Permitted Senior Secured Indebtedness (including following an acceleration thereof) in accordance with the relevant Other Senior Secured Documents; and

sixth, amounts specified by Company with respect to any prepayment of any Permitted Working Capital Facility and other amounts (other than interest and fees) with respect to any Permitted Working Capital Facility.

Administrative Fees Sub-Account. Amounts on deposit in the Administrative Fees Sub-Account will be applied to the payment of fees, administrative costs and other expenses of the Collateral Agent, the Creditor Representative, the Trustee, any agent or trustee in respect of any Additional Parity Bonds or Other Permitted Senior Secured Indebtedness, the Issuer (only to the extent of its Reserved Rights), and any Nationally Recognized Rating Agency rating the Bonds, as applicable, together with any similar fees, costs and other expenses of such other parties with respect to the Series 2014 Bonds and Other Permitted Senior Secured Indebtedness in accordance with the relevant Funds Transfer Certificate and the Financing Documents and Other Senior Secured Documents.

PABs Rebate Fund Sub-Account. Amounts on deposit in the PABs Rebate Fund Sub-Account will be transferred to the PABs Rebate Funds in accordance with the relevant Funds Transfer Certificate and the Financing Documents.

Series 2014 Interest Sub-Account. Amounts on deposit in the Series 2014 Interest Sub-Account will be transferred to the Series 2014 Interest Account on the relevant Transfer Date in accordance with the relevant Funds Transfer Certificate and the Financing Documents. Amounts on deposit in any other sub-account in the Debt Payment Account established in respect of interest and commitment and similar fees on or regularly scheduled hedge payments in respect of Other Permitted Senior Secured Indebtedness will be applied to the payment of interest on the relevant Senior Secured Obligations in accordance with the relevant Funds Transfer Certificate and the Other Senior Secured Documents.

Series 2014 Principal Sub-Account. Amounts on deposit in the Series 2014 Principal Sub-Account with respect to principal will be transferred to the Series 2014 Principal Account on the relevant Transfer Date in accordance with the relevant Funds Transfer Certificate and the Financing Documents. Amounts on deposit in the Series 2014 Principal Sub-Account or in any other sub-account of the Debt Payment Account in respect of other amounts or principal and other amounts (excluding interest and commitment and similar fees) or termination payments or expenses with respect to Other Permitted Senior Secured Indebtedness will be applied to the payment of principal or other amounts (excluding interest and commitment and similar fees) and termination payments or expenses of the relevant Senior Secured Obligations in accordance with the relevant Funds Transfer Certificate and the Other Senior Secured Documents.

Short Term Serial Bond Sub-Account. Amounts on deposit in the Short Term Serial Bond Sub-Account will be applied to the payment of the Short Term Serial Bond in accordance with the relevant Funds Transfer Certificate and the Financing Documents and the excess, if any, of such amounts over the aggregate principal amount or the Redemption Price of the Short Term Serial Bond will be transferred to the Construction Revenues Sub-Account of the Construction Account (on or before the Substantial Completion Date) or, so long as the Series 2014 Principal Sub-Account is funded to the required level, to the Revenue Account (after the Substantial Completion Date) in accordance with the relevant Funds Transfer Certificate.

PSD Payment Account

The PSD Payment Account will be funded from the Revenue Account as described under the caption “—Revenue Account—Flow of Funds”.

On and after the first Calculation Date after each Semi-Annual Date and prior to the next succeeding Semi-Annual Date following such Semi-Annual Date, amounts on deposit in the PSD Payment Account will be allocated in the following order of priority in accordance with the applicable Funds Transfer Certificate:

first, so long as the PSD Conditions are met, to pay for fees, administrative costs and other similar expenses of the trustees, agents, rating agencies and similar fees in respect of Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company);

second, so long as the PSD Conditions are met, to pay interest payable (and the regularly scheduled hedge payments then due under any Subordinated Hedging Contracts) in respect of any Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company);

third, so long as the PSD Conditions are met, to pay scheduled principal payable (and any termination payments or expenses then due under any Subordinated Hedging Contracts and other amounts payable, other than regularly scheduled hedge payments then due under any Subordinated Hedging Contracts, if any) in respect of any Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company); and

fourth, so long as the PSD Conditions are met, to make prepayments of principal of Permitted Subordinated Debt (other than Permitted Subordinated Debt of Affiliates of the Company) and any interest or other amounts payable in connection therewith (and any termination payments or expenses or other amounts with respect to any Subordinated Hedging Contracts payable in connection therewith as a result of cancellations thereof).

The funds held in the PSD Payment Account will be used to fund any shortfall in items described in levels *first* through *ninth* under the caption “—Revenue Account—Flow of Funds” and the excess, if any, of such funds over the aggregate amount of such shortfalls may be transferred to the Revenue Account, at the option of the Company, in accordance with the relevant Funds Transfer Certificate.

Debt Service Reserve Accounts

The Series 2014 Bond DSRA will be established solely for the benefit of the Owners of the Series 2014 Bonds and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Owners.

If required by the Other Senior Secured Documents, the Company will establish and maintain additional Debt Service Reserve Accounts which will be funded to their respective DSRA Requirements as set forth in the Other Senior Secured Documents. Any other Debt Service Reserve Account so established will be established solely for the benefit of the relevant Secured Parties and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Secured Parties.

The Company will cause the Series 2014 Bond DSRA to be funded to the Series 2014 Bond DSRA

Requirement on or prior to the Substantial Completion Date from funds available to the Company in the Construction Account. After the Substantial Completion Date, each existing Debt Service Reserve Account will be funded to its respective DSRA Requirement from the Revenue Account, to the extent available, as described under the caption “—Revenue Account—Flow of Funds”. The required balance of the Series 2014 Bond DSRA will be (A) on the Substantial Completion Date, the forecasted Series 2014 Mandatory Debt Service that is projected to become due and payable on or prior to the first Series 2014 Payment Date to occur after the Substantial Completion Date and (B) on any Transfer Date after the Substantial Completion Date, the forecasted Series 2014 Mandatory Debt Service that is projected to become due and payable on or prior to the next Series 2014 Payment Date. The required balance of the Debt Service Reserve Account with respect to any Other Permitted Senior Secured Indebtedness will be as set forth in the Other Senior Secured Documents.

If, prior to the Substantial Completion Date, an Event of Default occurs, then the Series 2014 Bond DSRA immediately will be funded to the Series 2014 Bond DSRA Requirement from the amounts on deposit in the Construction Account in the following priority:

- first*, from the Construction Revenues Sub-Account;
- second*, from the Milestone Payment Receipts Sub-Account;
- third*, from the Equity Contribution Sub-Account; and
- fourth*, from the PABs Proceeds Sub-Account.

On each Transfer Date after the date of Substantial Completion, the Collateral Agent will cause amounts in the Revenue Account, to the extent available, to be deposited into each Debt Service Reserve Account, as described under the caption “—Revenue Account—Flow of Funds”. Except as described below, any amounts on deposit in any Debt Service Reserve Account in excess of its DSRA Requirement will be applied as described under the caption “—Revenue Account—Excess Amounts”.

Moneys on deposit in the Series 2014 Bond DSRA will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate) as follows:

- (i) if on any Transfer Date immediately preceding an Interest Payment Date or Principal Payment Date, as applicable, the funds on deposit in the Series 2014 Interest Sub-Account or the Series 2014 Principal Sub-Account (after giving pro forma effect to all transfers to such sub-account described under the captions “—Revenue Account” and “—Debt Payment Account”) are insufficient to pay the principal of, redemption price or interest on the Bonds required to be paid on the applicable Interest Payment Date or Principal Payment Date, funds on deposit in the Series 2014 Bond DSRA will be transferred to the Series 2014 Interest Sub-Account or the Series 2014 Principal Sub-Account, as applicable, for payment of interest or principal, as applicable, due and payable on the Series 2014 Bonds or any Additional Parity Bonds; and
- (ii) following the taking of an Enforcement Action with respect to the Series 2014 Bond DSRA, moneys in the Series 2014 Bond DSRA will be applied as described below under the caption “—Collateral and Remedies—Application of Proceeds”.

Moneys on deposit in any Debt Service Reserve Account (other than the Series 2014 Bond DSRA) will be used by the Collateral Agent (without the requirement of a Funds Transfer Certificate) as follows:

- (i) if on any Transfer Date immediately preceding an interest payment date (or regularly scheduled hedge payment date with respect to Senior Hedging Contracts) or principal payment date with respect to Other Permitted Senior Secured Indebtedness (but not with respect to dates for payment of termination payment or expenses with respect to Senior Hedging Contracts), as applicable, the funds on deposit in the applicable interest or principal sub-account for any Other Permitted Senior Secured Indebtedness (after giving pro forma effect to all transfers to such sub-accounts described

under the captions “—Revenue Account” and “—Debt Payment Account”) are insufficient to pay the principal of, regularly scheduled hedge payment of, redemption price on or interest on such Other Permitted Senior Secured Indebtedness required to be paid on the applicable interest payment date (or regularly scheduled hedge payment date) or principal payment date, funds on deposit in such Debt Service Reserve Account will be transferred to such applicable interest or principal sub-account, for payment of principal, regularly schedule hedge payment, redemption price or interest, as applicable, due and payable on such Other Permitted Senior Secured Indebtedness; and

- (ii) following the taking of an Enforcement Action with respect to any such Debt Service Reserve Account, moneys in such Debt Service Reserve Account will be applied as described below under the caption “—Collateral and Remedies – Application of Proceeds”.

Notwithstanding any other provision of the Collateral Agency Agreement, the Company may, upon delivery to the Creditor Representative of a written opinion of Bond Counsel to the effect that such actions will not adversely affect the excludability of the interest on the applicable Bonds from gross income for federal income tax purposes or the exemption of the interest on such Bonds from income taxation in the State, substitute an Acceptable Letter of Credit in favor of the Collateral Agent for all or any portion of the cash or Permitted Investments on deposit in or required to be on deposit in the Series 2014 Bond DSRA. In the event the Company replaces cash or Permitted Investments on deposit in the Series 2014 Bond DSRA with an Acceptable Letter of Credit and delivers such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred (i) so long as no Event of Default has occurred and is continuing, to the Distribution Account or (ii) if an Event of Default has occurred and is continuing, to the Revenue Account.

Notwithstanding any other provision of the Collateral Agency Agreement, if permitted by the Other Senior Secured Documents that require the establishment of a Debt Service Reserve Account, the Company may substitute an Acceptable Letter of Credit in favor of the Collateral Agent for all or any portion of the cash or Permitted Investments on deposit in or required to be on deposit in such Debt Service Reserve Account. In the event the Company replaces cash or Permitted Investments on deposit in such Debt Service Reserve Account with an Acceptable Letter of Credit and delivers such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred as required by the applicable Other Senior Secured Documents.

The Collateral Agent will utilize any available cash or Permitted Investments in any Debt Service Reserve Account prior to drawing on any applicable Acceptable Letter of Credit on deposit in the Series 2014 Bond DSRA or any other Debt Service Reserve Account. The Collateral Agent will (without further direction from the Company) draw on any Acceptable Letter of Credit on deposit in the Series 2014 Bond DSRA, if: (i) such letter of credit is not replaced ten days prior to expiry thereof; (ii) the issuing bank of such letter of credit ceases to be an Acceptable Bank for 60 consecutive days (but such issuing bank has not suffered an Issuing Bank Ratings Event) and the Company has not arranged for the replacement thereof with an Acceptable Letter of Credit on or before the date which is 60 days following the date on which the issuing bank ceases to be an Acceptable Bank; (iii) the issuing bank of such letter of credit suffers an Issuing Bank Ratings Event; or (iv) at any time funds are payable out of the Series 2014 Bond DSRA, and there is no cash or Permitted Investments on deposit in the Series 2014 Bond DSRA to the extent of such deficiency.

Major Maintenance Reserve Account

The Major Maintenance Reserve Account will be funded initially from the Revenue Account, to the extent available as described in level *fourth* under the caption “—Revenue Account—Flow of Funds”, up to the Major Maintenance Reserve Account Required Balance. The Major Maintenance Reserve Account thereafter will be funded from the Revenue Account as described in level *fourth* under the caption “—Revenue Account—Flow of Funds”, up to the then applicable amount of the Major Maintenance Reserve Account Required Balance.

Except as described below, any amounts on deposit in the Major Maintenance Reserve Account in excess of the Major Maintenance Reserve Account Required Balance will be applied as described under the caption “—Revenue Account—Excess Amounts”.

Except as described below, upon delivery of a Funds Transfer Certificate by the Company to the Collateral Agent, moneys on deposit in the Major Maintenance Reserve Account will be transferred by the Collateral Agent to the Operating Account and applied to pay Major Maintenance Costs in respect of the Project.

Notwithstanding any other provision of the Collateral Agency Agreement, the Company may substitute an Acceptable Letter of Credit in favor of the Collateral Agent for all or any portion of the cash or Permitted Investments on deposit or required to be on deposit in the Major Maintenance Reserve Account. In the event the Company replaces cash or Permitted Investments on deposit in the Major Maintenance Reserve Account with an Acceptable Letter of Credit and delivers such Acceptable Letter of Credit to the Collateral Agent, the cash or Permitted Investments so replaced will be transferred (i) so long as no Senior Event of Default has occurred and is continuing, to the Distribution Account or (ii) if a Senior Event of Default has occurred and is continuing, to the Revenue Account.

The Collateral Agent will utilize any available cash or Permitted Investments in the Major Maintenance Reserve Account prior to drawing on an Acceptable Letter of Credit. The Collateral Agent will (without further direction from the Company) draw on any Acceptable Letter of Credit on deposit in the Major Maintenance Reserve Account, if: (i) such letter of credit is not replaced ten days prior to expiry thereof; (ii) the issuing bank of such letter of credit ceases to be an Acceptable Bank for 60 consecutive days (but such issuing bank has not suffered an Issuing Bank Ratings Event) and the Company has not arranged for the replacement thereof with an Acceptable Letter of Credit on or before the date which is 60 days following the date on which the issuing bank ceases to be an Acceptable Bank; (iii) the issuing bank of such letter of credit suffers an Issuing Bank Ratings Event; or (iv) at any time funds are payable out of the Major Maintenance Reserve Account and there is no cash or Permitted Investments on deposit therein to the extent of such deficiency.

Mandatory Prepayment Account

The Bond Mandatory Prepayment Sub-Account will be established and created within the Mandatory Prepayment Account.

Upon the incurrence of any Other Permitted Senior Secured Indebtedness (other than Additional Parity Bonds), the Company will establish and maintain additional sub-accounts in the Mandatory Prepayment Account in respect of such Other Permitted Senior Secured Indebtedness.

Funds deposited into the Mandatory Prepayment Account will be allocated pro rata to the Bond Mandatory Prepayment Sub-Account and each other sub-account of the Mandatory Prepayment Account to the extent that the relevant Other Senior Secured Documents require such funds to be utilized to prepay the relevant Other Permitted Senior Secured Indebtedness. If the transactions under any Senior Hedging Contracts are required to be terminated in whole or in part as a result of the mandatory prepayment of any Other Permitted Senior Secured Indebtedness, then the amount allocated to such mandatory prepayment will be reduced by the amount of interpolated early termination payments or expenses payable by the Company as a result of the mandatory partial termination of such transactions to the extent required by the Company to comply with its obligations and covenants in the Senior Hedging Contracts and the Other Senior Secured Documents and such interpolated early termination payments or expenses will be allocated to the sub-account of the Mandatory Prepayment Account established in favor of the counterparties to such Senior Hedging Contracts.

The following amounts, when received by the Company (or as otherwise required as described in this paragraph), will be deposited into the Mandatory Prepayment Account and allocated as described above:

- (i) to the extent permitted under the Public-Private Agreement, from net amounts of insurance or loss proceeds (excluding delayed opening and business interruption insurance) and condemnation proceeds (if any), received by the Company, to the extent that (A) such proceeds exceed the amount required to restore the Project or any portion thereof or any other property required to be restored in accordance with the terms of the Public-Private Agreement to the condition existing prior to the relevant event of loss or to such other condition as may be required under the terms of the Public-Private Agreement, or (B) the affected property cannot be restored or is not required to

be restored pursuant to the terms of the Public-Private Agreement, the Financing Documents and the Other Senior Secured Documents and the Company elects not to do so;

- (ii) from proceeds of any Termination Compensation received from the Contracting Authority under the Public-Private Agreement; and
- (iii) on a Business Day selected by the Company on or after the Substantial Completion Date but in no event later than the date that is five years and 90 days after the date of issuance of each series of tax-exempt Bonds (including the Series 2014 Bonds), in the principal amount equal to the remaining unspent proceeds of such series of Bonds (rounded upward to a multiple of \$5,000) from any remaining unspent Bond proceeds on deposit in the PABs Proceeds Sub-Account on such date; provided, that no such redemption will be required if the Company has obtained an opinion of Bond Counsel stating that the failure to redeem the Bonds will not adversely affect the excludability of the interest on such Bonds from gross income for federal income tax purposes or the exemption of the interest on such Bonds from income taxation in the State and that such redemption is not required by the IFA Act; provided, further, that notwithstanding anything to the contrary in the Collateral Agency Agreement, the application of any proceeds on deposit in the PABs Proceeds Sub-Account as described in this subparagraph will be transferred to the Creditor Representative solely for the redemption of the Bonds in accordance with the Indenture. If more than one series of tax-exempt Bonds are issued, then the requirements of the Collateral Agency Agreement described in this subparagraph (iii) will be applied such that the proceeds of each such series is utilized to redeem only such series.

Notwithstanding anything to the contrary in the Collateral Agency Agreement, the Bond Mandatory Prepayment Sub-Account will be pledged solely as collateral to secure the Bonds and will be established solely for the benefit of the Owners of the Bonds, and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of only such Owners, except as described in subparagraph (iii) of the immediately preceding paragraph (and the holders of any Other Permitted Senior Secured Indebtedness will have no security interest in the Bond Mandatory Prepayment Sub-Account). Each other sub-account of the Mandatory Prepayment Account will be pledged solely as collateral to secure the relevant Other Permitted Senior Secured Indebtedness and will be established solely for the benefit of the holders of such Other Permitted Senior Secured Indebtedness and will be held by the Collateral Agent, and the Security Interest thereon maintained, for the exclusive benefit of such holders (and the Owners and any other Secured Parties will have no security interest in such sub-account).

Funds on deposit in the Bond Mandatory Prepayment Sub-Account and any additional sub-account established in the Mandatory Prepayment Account in respect of any Other Permitted Senior Secured Indebtedness will be transferred to the Series 2014 Redemption Account or the applicable redemption account established under the Indenture, any Supplemental Indenture or Other Senior Secured Documents, as applicable, for application for purposes of mandatory prepayments in accordance with the Indenture, the Bonds, any Supplemental Indenture or Other Senior Secured Documents, as applicable.

Distribution Reserve Account

The Distribution Reserve Account will be funded as described under the caption “—Revenue Account—Flow of Funds”.

Funds on deposit in the Distribution Reserve Account may be transferred to the Distribution Account on or after a Calculation Date but prior to the next Semi-Annual Date solely to the extent that the following conditions (the “Dividend Lock-Up Conditions”) are satisfied:

- (i) the Substantial Completion Date has been achieved;
- (ii) the DSCR on the most recent Calculation Date for the Calculation Period ending on the day immediately preceding such Calculation Date taken as a whole is equal to or greater than 1.15 to

1.00 and is not projected by the Company, based on reasonable assumptions confirmed by the Technical Advisor with respect to technical aspects to the extent of any technical assumptions typically and customarily reviewed by technical advisors for projects of a similar nature as the Project to be less than 1.15 to 1.00 for the immediately succeeding twelve-month period taken as a whole;

- (iii) the Series 2014 Bond DSRA and each other Debt Service Reserve Account is funded in cash in an amount that, together with the amount available for drawing under an Acceptable Letter of Credit on deposit therein, equals or exceeds the relevant DSRA Requirement;
- (iv) the Major Maintenance Reserve Account is funded in cash in an amount that, together with the amount available for drawing under an Acceptable Letter of Credit on deposit therein, equals or exceeds the Major Maintenance Reserve Account Required Balance;
- (v) no Senior Default or Senior Event of Default under any Financing Document has occurred and is continuing or would exist as a result of the making of any transfer pursuant to the Distribution Release Certificate; and
- (vi) the Company has delivered to the Collateral Agent and the Creditor Representative an appropriately completed and duly authorized and executed Distribution Release Certificate confirming the foregoing, signed by a Responsible Officer of the Company, together with, if applicable, the confirmation of the Technical Advisor described in subparagraph (ii) above.

The funds held in the Distribution Reserve Account may, at the direction of the Company, be used to fund any shortfall described in levels *first* through *ninth* under the caption “—Revenue Account—Flow of Funds”.

Distribution Account

The Distribution Account will be funded as described under the captions “—Revenue Account—Flow of Funds” and “—Distribution Reserve Account”. The Company will have the exclusive right to withdraw or otherwise dispose of funds on deposit in the Distribution Account to any other account or to such other person as directed by the Company in its sole discretion, and the Distribution Account (and any amounts on deposit therein) will *not* be pledged as security to the Secured Parties.

Operating Account

Funds will be transferred into the Operating Account (i) prior to the Substantial Completion Date, from time to time as described under the caption “—Construction Account” and (ii) on and after the Substantial Completion Date, from time to time as described in level *first* under the caption “—Revenue Account—Flow of Funds” and as described under the caption “—Major Maintenance Reserve Account”. Withdrawals from the Operating Account will not require compliance with any conditions, other than that such amounts must be applied towards (x) prior to the Substantial Completion Date, Project Costs and (y) on and after the Substantial Completion Date, O&M Expenditures, Major Maintenance Costs or Handback Requirements (as defined in the Public-Private Agreement), as applicable.

Handback Requirements Reserve Account

The Company will be permitted to open a Handback Requirements Reserve Account and execute and deliver an Authority Account Control Agreement and perform any obligations thereunder with respect thereto that meets the requirements of the Public-Private Agreement. The Company is not required to open such account on the Closing Date.

Funds as Collateral

All cash, cash equivalents, instruments, investments and other securities on deposit in the Project Accounts will be subject to the Security Interest of the Security Agreement and will be held by the Collateral Agent as collateral for the benefit of the Secured Parties as provided in the Collateral Agency Agreement.

Investment

Funds in the Project Accounts may be invested and reinvested only in Permitted Investments (at the risk and expense of the Company) in accordance with written instructions given to the Collateral Agent by the Company (or, for so long as a Senior Event of Default has occurred and is continuing, as directed by the Creditor Representative) and the Company (or, during a Senior Event of Default, the Creditor Representative) is entitled to instruct the Collateral Agent to liquidate Permitted Investments for purposes of effecting any such investment or reinvestment or for any other purpose permitted under the Collateral Agency Agreement. The Permitted Investments held in the Series 2014 Bond DSRA, any Debt Service Reserve Account with respect to Additional Parity Bonds or the Major Maintenance Reserve Account will be marked to market by the Collateral Agent not less than once every six months.

All funds in the Project Accounts (other than the Operating Account) and all Permitted Investments made in respect thereof will be held by the Collateral Agent and the interests of the Company therein will constitute part of the security subject to the pledge and security interest created by the Security Documents.

Withdrawal and Application of Funds; Priority of Transfers from Project Accounts; Senior Event of Default

- (a) Except as described under the captions “—Construction Account”, “—Debt Payment Account”, “—PSD Payment Account” and “—Distribution Reserve Account” and as described in subparagraph (d) below or as may otherwise be expressly provided under the Collateral Agency Agreement, each withdrawal or transfer of funds from the Project Accounts (other than the Operating Account) by the Collateral Agent on behalf of the Company will be made pursuant to an executed Funds Transfer Certificate, which certificate must be provided and prepared by the Company and contain a certification by the Company that such withdrawal or transfer complies with the requirements of the Collateral Agency Agreement.
- (b) Unless a shorter period is acceptable to the Collateral Agent, such Funds Transfer Certificate relating to each applicable Project Account (other than the Operating Account) must be delivered to the Collateral Agent no later than two Business Days prior to each date on which funds are proposed to be withdrawn or transferred.
- (c) Except as described in subparagraph (d) below, the Company will have the right to withdraw or cause to be transferred funds from the Operating Account, solely for the purpose of payment of Project Costs, O&M Expenditures or Major Maintenance Costs, as applicable, at any time without approval or consent of the Creditor Representative, the Collateral Agent or any other person, so long as such withdrawal is effected in accordance with the terms of the Collateral Agency Agreement.
- (d) Notwithstanding anything to the contrary contained in the Collateral Agency Agreement, upon receipt of a notice of a Senior Event of Default and during the continuance of the related Senior Event of Default, the Creditor Representative may, following the taking of an Enforcement Action, without consent of the Company, instruct the Collateral Agent in writing to apply proceeds of the Project Accounts to the payment of Senior Secured Obligations, in accordance with the terms of the Collateral Agency Agreement and in the order described under the caption “—Collateral and Remedies—Application of Proceeds”, so long as such payments are on account of amounts due under the Transaction Documents; provided, that at any time prior to the taking of an Enforcement Action, amounts in the Revenue Account will be applied in the order described under the caption “—Revenue Account”; provided, further, that the Construction Account and the

Debt Service Reserve Accounts may only be applied as described under the captions “—Construction Account” and “—Debt Service Reserve Accounts”, respectively.

- (e) Notwithstanding any other provision of the Collateral Agency Agreement, the Collateral Agent will not be obligated to monitor or verify (i) the accuracy of any Funds Transfer Certificate or Construction Account Withdrawal Certificate or other written instructions provided to the Collateral Agent for the transfer or deposit of funds with respect to any Project Account or (ii) the use of amounts withdrawn from the Project Accounts pursuant to written instructions given by the Company.

Termination of Project Accounts

Upon the satisfaction in full of the Senior Secured Obligations as confirmed in writing by the Creditor Representative, the Collateral Agency Agreement will terminate, and the Collateral Agent will, within 30 days of receipt of a request from the Company, close the Project Accounts (other than the Operating Account which will remain at the full discretion of the Company) and/or liquidate any investments credited thereto and/or transfer the funds deposited therein or credited thereto and terminate the Account Control Agreement, in each case, as directed by the Company. Thereafter, the Collateral Agent will be released from any further obligation to (a) comply with entitlement orders originated by the Creditor Representative to the extent that any of the Project Accounts (other than the Operating Account) is a “securities account” under the applicable provision of the UCC or (b) comply with instructions originated by the Creditor Representative, to the extent that any of the Project Accounts (other than the Operating Account) is a “deposit account” under the applicable provision of the UCC or (c) comply with any obligation under any Financing Document or Other Senior Secured Documents, except as specifically provided therein. Nothing contained in the provisions described in this paragraph will be construed to modify or otherwise affect the Collateral Agent’s Security Interest in the Project Accounts and the funds therein, prior to such transfer.

Securities Intermediary

- (a) The Securities Accounts will be established and maintained as securities accounts with a securities intermediary. U.S. Bank National Association (or any successor thereto) will act as the securities intermediary (in such capacity, the “Securities Intermediary”) under and for the purposes of the Collateral Agency Agreement and for so long as U.S. Bank National Association (or any successor thereto) is the Collateral Agent.
- (b) It is the intent of the Collateral Agent and the Company that the Collateral Agent (for the benefit of the Secured Parties) be the entitlement holder with respect to the Securities Accounts. In any event, the Securities Intermediary has agreed that it will comply with entitlement orders with respect to the Securities Accounts originated by the Collateral Agent without further consent by the Company or any other person. The Securities Intermediary will covenant that it will not agree with any person other than the Collateral Agent to comply with entitlement orders with respect to the Securities Accounts originated by any person or entity other than the Collateral Agent. The Securities Intermediary will agree that any financial assets credited to such Securities Accounts or any “securities entitlement” (as defined in Section 8 102(a)(17) of the UCC or, with respect to book entry securities, in the applicable Federal Book Entry Regulations) with respect thereto will not be subject to any security interest, lien, encumbrance, or right of setoff in favor of the Securities Intermediary or anyone claiming through the Securities Intermediary (other than the Collateral Agent).
- (c) Each Securities Account will remain at all times with a “securities intermediary” (within the meaning of Section 8-102(a)(14) of the UCC or, with respect to book-entry securities, in the applicable Federal Book-Entry Regulations) that is a bank organized under the laws of the United States of America or any state thereof that has offices in the State of New York and that has a total capital stock and unimpaired surplus of not less than \$500,000,000. The Securities Intermediary will give notice to the Collateral Agent and the Company of the location of the Securities Accounts and of any change thereof prior to the use or change thereof.

- (d) Any income received by the Collateral Agent with respect to the balance from time to time on deposit in each Securities Account, including any interest or capital gains on investments in overnight securities made with amounts on deposit in each Securities Account, will be credited to the applicable Securities Account. All right, title and interest in and to the cash amounts on deposit from time to time in each Securities Account together with any investments in overnight securities made from time to time will constitute part of the Collateral for the Senior Secured Obligations and will be held for the benefit of the Secured Parties and the Company and will not constitute payment of the Senior Secured Obligations (or any other obligations to which such funds are provided in the Collateral Agency Agreement to be applied) until applied thereto as provided in the Collateral Agency Agreement.
- (e) Terms used under this caption “—Securities Intermediary” that are defined in the UCC will have the meaning set forth in the UCC. Without limiting the foregoing, the term “securities intermediary” will, with respect to book-entry securities, have the meaning given to it under (i) 31 C.F.R. Part 357 (sale and issue of marketable book-entry Treasury bills, notes and bonds); (ii) 12 C.F.R. Part 615 (book-entry securities of the Farm Credit Administration and related conditions); (iii) 12 C.F.R. 987 (book-entry securities of the Financial Federal Housing Board), (iv) 12 C.F.R. Part 1511 (book-entry securities of the Resolution Funding Corporation); (v) 24 C.F.R. Part 81 (book-entry securities of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation); (vi) 31 C.F.R. Part 354 (book-entry securities of the Student Loan Marketing Association); (vii) 18 C.F.R. Part 1314 (book-entry securities of Tennessee Valley Authority); and (viii) 24 C.F.R. Part 350 (book-entry securities of Government National Mortgage Association).
- (f) To the extent that the Project Accounts are not considered “securities accounts” (within the meaning of Section 8-501(a) of the UCC), the Project Accounts will be deemed to be “deposit accounts” (as defined in Section 9-102(a)(29) of the UCC), which the Collateral Agent will maintain with the Securities Intermediary acting not as a securities intermediary but as a “bank” (within the meaning of Section 9-102(a)(8) of the UCC). The Securities Intermediary will agree to comply with any and all instructions originated by the Collateral Agent directing disposition of funds in the Project Accounts without any further consent of the Company.

Change of Deposit Account Bank

- (a) Upon ten Business Days written notice to the Creditor Representative and the Collateral Agent, the Deposit Account Bank may be changed to another bank by the Company so long as no Senior Event of Default has occurred and is continuing (or for so long as a Senior Event of Default will have occurred and be continuing, by the Creditor Representative); provided, that such bank will be organized under the laws of the United States of America or any state thereof having a combined capital and surplus of not less than \$500,000,000. If the Deposit Account Bank at any time gives notice that it no longer wishes to act as a Deposit Account Bank, or that it will no longer be subject to the terms of an Account Control Agreement, or that it will no longer act upon the instructions of the Company or the Collateral Agent in accordance with the applicable Account Control Agreement as a result of its determination that such action would result in the violation of any applicable Law, the Company will promptly (and, to the extent possible, prior to the effective date of such Termination Notice) appoint a replacement Deposit Account Bank; provided, that the Company delivers an opinion to the effect that after the appointment of such replacement Deposit Account Bank, the Collateral Agent will remain perfected in any accounts held thereunder; provided further that such bank will be organized under the laws of the United States of America or any state thereof having a combined capital and surplus of not less than \$500,000,000. The Operating Account will at all times be maintained with a single Deposit Account Bank. The Company will notify the Collateral Agent and the Creditor Representative of a Termination Notice promptly upon receipt thereof by the Company.
- (b) The new Deposit Account Bank will be required, prior to becoming the Deposit Account Bank, to
 - (i) enter into one or more Account Control Agreements, substantially in the form attached to the

Collateral Agency Agreement or in such other form as may be approved by the Creditor Representative and the Collateral Agent (such approval not to be unreasonably withheld, delayed or conditioned), with the Company and the Collateral Agent and carry out such further acts as the Creditor Representative may reasonably request in order to perfect the security interest of the Collateral Agent in the Operating Account and any other relevant Project Accounts and (ii) agree to provide the reports similar to the reports required to be provided pursuant to subparagraphs (b) and (c) under the caption “—The Collateral Agent—Books and Records; Reports” above.

Collateral and Remedies

Administration of Collateral

The Account Collateral will be held by the Collateral Agent for the benefit of the Secured Parties pursuant to the terms of the Collateral Agency Agreement and will be administered by the Collateral Agent in the manner contemplated thereby and by the other Security Documents.

Notice of Senior Event of Default

The Collateral Agent, unless a Responsible Officer of the Collateral Agent has actual knowledge thereof, will not be deemed to have any knowledge of any Senior Event of Default unless and until it receives written notice from the Company, the Creditor Representative or any other Secured Party describing such Senior Event of Default.

Enforcement of Remedies

Upon the occurrence and during the continuance of any Senior Event of Default, the Collateral Agent will, subject to any other provisions of the Collateral Agency Agreement, take such Enforcement Action with respect to such Senior Event of Default as directed by the Creditor Representative, acting in accordance with the terms of the Indenture or any Intercreditor Agreement, as applicable, and in accordance with the terms of the Security Documents in a written notice to the Collateral Agent (with a copy to the Contracting Authority) (a “Direction Notice”); provided, that in the absence of a Direction Notice, the Collateral Agent may (but will not be obligated to) take such action (with notice thereof to the Contracting Authority and the Company), or refrain from taking such action, with respect to such Senior Event of Default as it will deem advisable in the best interests of the Secured Parties and solely to the extent permitted under the Collateral Agency Agreement or pursuant to the other Security Documents. Upon receipt by the Collateral Agent of a Direction Notice, the Collateral Agent will seek to enforce the Security Documents (with notice thereof to the Contracting Authority and the Company) and to realize upon the Collateral in accordance with such Direction Notice; provided, that the Collateral Agent will not, under any circumstances, be liable to any Secured Party, the Company or any other person for following a Direction Notice.

Remedies of the Secured Parties

Unless otherwise consented to in writing by the Creditor Representative (acting in accordance with the terms of the Indenture or any Intercreditor Agreement, as applicable), no Secured Party, individually or together with any other Secured Party, will have the right, nor will it, exercise or enforce any of the rights, powers or remedies which the Collateral Agent is authorized to exercise or enforce under the Collateral Agency Agreement or any of the other Security Documents.

Application of Proceeds

- (a) Subject to paragraphs (b) and (d), below, upon the taking of any Enforcement Action, all proceeds received by the Collateral Agent in accordance with the Collateral Agency Agreement and other Security Documents pursuant to an exercise of remedies will be applied:

first, to pay the reasonable and proper fees and expenses of the Creditor Representative and the Collateral Agent under the Collateral Agency Agreement and any other Security Documents, incurred in connection with such Enforcement Action;

second, ratably, to the payment of fees, administrative costs, expenses and indemnification payments due to the Secured Parties under the Financing Documents and Other Senior Secured Documents (prior to giving effect to any payments pursuant to paragraphs (b) and (d), below);

third, to the payments then due and payable by the Company to the Issuer to fund the PABs Rebate Funds;

fourth, ratably, to all accrued and unpaid interest on all Senior Secured Obligations and regularly scheduled hedge payments under the Senior Hedging Contracts (prior to giving effect to any payments pursuant to paragraphs (b) and (d) below);

fifth, ratably, to the outstanding principal amount of the Senior Secured Obligations and termination payments or expenses under the Senior Hedging Contracts (prior to giving effect to any payments pursuant to paragraphs (b) and (d) below);

sixth, to the Issuer, all other obligations owed by the Company to the Issuer pursuant to the Senior Loan Agreement; and

seventh, to the Company, upon payment in full of the obligations described above, which will be applied at the Company's discretion.

- (b) Notwithstanding the foregoing, all amounts in the Series 2014 Bond DSRA, and proceeds thereof, will be applied solely as follows:

first, ratably, to the payment of fees, administrative costs, expenses and indemnification payments due to the Trustee under the Financing Documents and to the payments then due and payable by the Company to the PABs Rebate Funds;

second, ratably, to all accrued and unpaid interest on the Senior On-Loans in respect of Series 2014 Bonds, unless otherwise provided in the Indenture;

third, ratably, to the outstanding principal amount of the Senior On-Loans in respect of the Series 2014 Bonds, unless otherwise provided in the Indenture;

fourth, to the Issuer, all other obligations owed by the Company to the Issuer pursuant to the Senior Loan Agreement; and

fifth, to the Company, any surplus, which will be applied at the Company's discretion.

- (c) Notwithstanding the foregoing, all amounts in the Bond Mandatory Prepayment Sub-Account, and proceeds thereof, will be applied solely as follows:

first, ratably, to the payment of fees, administrative costs, expenses and indemnification payments due to the Trustee under the Financing Documents and to the payments then due and payable by the Company to the PABs Rebate Funds;

second, ratably, to all accrued and unpaid interest on the Senior On-Loans in respect of Series 2014 Bonds and any Additional Parity Bonds, unless otherwise provided in the Indenture;

third, ratably, to the outstanding principal amount of the Senior On-Loans in respect of the Series 2014 Bonds and any Additional Parity Bonds, unless otherwise provided in the Indenture;

fourth, to the Issuer, all other obligations owed by the Company to the Issuer pursuant to the Senior Loan Agreement and any Additional Parity Bond Loan Agreement; and

fifth, to the Company, any surplus, which will be applied at the Company's discretion.

- (d) Notwithstanding the foregoing, all amounts in any Debt Service Reserve Account (other than the Series 2014 Bond DSRA) and sub-account of the Mandatory Prepayment Account (other than the Bond Mandatory Prepayment Sub-Account), and proceeds thereof, will be applied solely as follows:

first, ratably, to the payment of fees, administrative costs, expenses and indemnification payments due to any trustees or agents under the relevant Other Senior Secured Documents;

second, ratably, to all accrued and unpaid interest on the relevant Senior Secured Obligations and regularly scheduled hedge payments under the relevant Senior Hedging Contracts, unless otherwise provided in the Other Senior Secured Documents;

third, ratably, to the outstanding principal amount of the relevant Senior Secured Obligations and termination payments or expenses under the relevant Senior Hedging Contracts, unless otherwise provided in the Other Senior Secured Documents; and

fourth, to the Company, any surplus, which will be applied at the Company's discretion

- (e) If at any time any Secured Party for any reason obtains any payment or distribution upon or with respect to the Senior Secured Obligations contrary to the terms of the Collateral Agency Agreement, whether as a result of the Collateral Agent's exercise of any Enforcement Action in respect of the Collateral or otherwise, such Secured Party agrees that it will have received such amounts in trust and will promptly remit such amount so received in error to the Collateral Agent to be applied in accordance with the terms of the Collateral Agency Agreement.

Miscellaneous Provisions

Amendments; Waivers

- (a) Any term, covenant, agreement or condition of the Collateral Agency Agreement or any of the other Security Documents may be amended or waived only by an instrument in writing signed by each of the Collateral Agent, the Company and the Creditor Representative; provided, that:
- (i) only the Creditor Representative may waive any rights of the Creditor Representative under any provision of the Collateral Agency Agreement, no consent to any departure by the Company from the Collateral Agency Agreement (or the Security Documents) will be effective unless in writing signed by the applicable parties specified in the Collateral Agency Agreement, and each such waiver or consent will be effective only in the specific instance and for the specific purpose for which given; and
- (ii) the consent of the Securities Intermediary will be required for any amendment to the "Securities Intermediary" section of the Collateral Agency Agreement or any other amendment that would modify the rights or obligations of the Securities Intermediary.
- (b) The waiver (whether express or implied) by the Collateral Agent of any breach of the terms or conditions of the Collateral Agency Agreement, and the consent (whether express or implied) of any Secured Party will not prejudice any remedy of the Collateral Agent or any Secured Party in respect of any continuing or other breach of the terms and conditions of the Collateral Agency Agreement, and will not be construed as a bar to any right or remedy which the Collateral Agent or any other Secured Party would otherwise have on any future occasion under the Collateral Agency Agreement.
- (c) No failure to exercise nor any delay in exercising, on the part of the Collateral Agent or any other

Secured Party, any right, power or privilege under the Collateral Agency Agreement will operate as a waiver thereof. No single or partial exercise of any right, power or privilege under the Collateral Agency Agreement will preclude any other or further exercise thereof or the exercise of any other right, power or privilege available to it. All remedies under the Collateral Agency Agreement and under the other Security Documents are cumulative and are not exclusive of any other remedies that may be available to the Collateral Agent, whether at law, in equity or otherwise.

Collateral Agent's Rights

- (a) If at any time the Collateral Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects the Collateral (including but not limited to orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of such property), the Collateral Agent is authorized to comply therewith in any manner it or legal counsel of its own choosing reasonably deems appropriate, and if the Collateral Agent complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, the Collateral Agent will not be liable to any of the parties hereto or to any other person, even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.
- (b) To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. When any account or sub-account is opened, the Collateral Agent will be entitled to such information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

Governing Law

The Collateral Agency Agreement will be governed by and construed in accordance with the substantive laws of the State of New York.

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of selected provisions of the Indenture relating to the Series 2014 Bonds, and is not a full statement of the terms of such agreement. Accordingly, the following summary is qualified in its entirety by reference to such agreement and is subject to the full text of such agreement. A copy of such agreement is available, free of charge, upon request from the Company or the Trustee. Unless otherwise stated, any reference in this APPENDIX F to any agreement will mean such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified and in effect as of the date hereof. Capitalized terms used in this APPENDIX F but not defined in this Official Statement have the meaning assigned to such terms in the Indenture.

The Issuer and the Trustee will enter into the Indenture to provide for the issuance of the Series 2014 Bonds for the purpose of providing, with respect to the Series 2014 Bonds, the Series 2014 Loan pursuant to the Senior Loan Agreement to the Company, which will be used by the Company to finance a portion of the Project Costs.

Grant of Trust Estate

The Issuer, in consideration for the purchase of the Bonds by the Owners and other good and valuable consideration, in order to secure the payment of the Bonds, and to secure the performance and observance of all the covenants and conditions set forth in the Bonds and the Indenture, will execute and deliver the Indenture and will pledge and assign or will require to be pledged and assigned, to the Trustee and to its successors and assigns and, subject to the Security Documents and any Intercreditor Agreement, for the benefit of the Owners, all of the following described property, franchises, rights and income, including any title or interest therein acquired after the date of the Indenture (collectively, the “Trust Estate”):

(a) all right, title and interest of the Issuer (except for Reserved Rights) in and to the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed), the present and continuing right of the Issuer to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed), to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer is entitled to do under such Senior Loan Agreement and any Additional Parity Bonds Loan Agreement (if executed);

(b) all moneys from time to time held by the Trustee under the Indenture in any Fund or Account other than (i) the Series 2014 Rebate Fund and (ii) any Defeasance Escrow Account;

(c) any Security Interest granted to the Collateral Agent for the benefit of the Trustee on behalf of the Owners of the Bonds under and to the extent provided in and subject to the Security Documents, any Intercreditor Agreement or otherwise, including without limitation the Collateral pledged thereunder, and the present and continuing right of the Collateral Agent on behalf of the Trustee to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Security Documents, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Collateral Agent on behalf of the Trustee is entitled to do under the Security Documents and any Intercreditor Agreement;

(d) subject to the Collateral Agency Agreement and any Intercreditor Agreement, all funds deposited from time to time and earnings thereon in the Revenue Account, the Loss Proceeds Account, the Construction Account, the Series 2014 Bond DSRA and any other Debt Service Reserve Account established in respect of any Additional Parity Bonds, the Major Maintenance Reserve Account, the Bond Mandatory Prepayment Sub-Account of the Mandatory Prepayment Account, the Distribution Reserve Account and the Handback Requirements Reserve Account (with respect to any excess over the Handback Reserve Required Balance to the extent permitted by the Public-Private Agreement), any and all other accounts established from time to time pursuant to the Collateral Agency Agreement, and any and all sub-accounts created thereunder, each held by the Collateral Agent under the Collateral Agency Agreement; and

(e) proceeds of the foregoing and any and all other property, revenues, rights or funds from time to time by delivery or by writing of any kind specifically granted, assigned or pledged as and for additional security for any of the Bonds, the Series 2014 Loan or any Additional Parity Bonds Loan in favor of the Trustee or the Collateral Agent on behalf of the Trustee, including any of the foregoing granted, assigned or pledged by the Company or any other person on behalf of the Company, and the Trustee and/or the Collateral Agent on behalf of the Trustee will be authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Time of Pledge; Delivery of Trust Estate

The creation, perfection, enforcement and priority of the pledge of the Trust Estate by the Issuer to secure or pay the Bonds as provided in the Indenture will be governed by Indiana Code 4-4-11-25, as amended, the Bond Resolution and the Indenture. The Trust Estate pledged for the payment of the Bonds, as received by or otherwise credited to the Issuer, will immediately be subject to the lien of such pledge without any physical delivery, filing or further act. The lien of such pledge will be valid, binding and enforceable as against all persons having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such persons have notice of such liens.

Amounts Received Pursuant to the Collateral Agency Agreement

All funds provided pursuant to the Collateral Agency Agreement for deposit into any Fund or Account of the Indenture will be available together with other moneys then on deposit in such Funds and Accounts to be used for the applicable purposes as set forth in the Indenture.

Bonds Secured on Equal and Proportionate Basis

The Trust Estate will be held by the Trustee for the equal and proportionate benefit of the Owners and any of them, without preference, priority or distinction as to lien or otherwise.

Limited Obligations

The Bonds will be special and limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate, including the payments to be made by the Company to the Issuer under the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement. The Series 2014 Bonds will not be payable from taxes or appropriations made by the General Assembly of the State. The Bonds will not constitute an indebtedness or a pledge of the faith and credit of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The special limited obligation of the Issuer to pay the amount of the principal of, premium, if any, and interest on the Bonds will not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Issuer has no taxing power. The Owners or beneficial owners of the Bonds will have, individually or collectively, no right to have taxes levied or compel appropriations by the General Assembly of the State or any political subdivision of the State for the payment of any or all of the amount of such principal of, premium, if any, and interest on the Bonds.

Method and Place of Payment

The Trustee will act as paying agent for the purpose of effecting payment of the principal of, redemption premium, if any, and interest on the Bonds. The principal of, redemption premium, if any, and interest on the Bonds will be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and the redemption premium, if any, on all Bonds will be payable by check or draft or by such other method as mutually agreed in writing between the Owner of the Bond and the Trustee at maturity or upon earlier redemption to the Owners in whose names such Bonds are registered on the bond register maintained by the Trustee at the maturity date or redemption date thereof, upon the presentation and surrender of such Bond at the Designated Payment Office of the Trustee. The interest payable on each Bond on any Interest Payment Date will be paid (A) by check or draft sent on or prior to the appropriate date of payment by the Trustee to the address of the Owner appearing in the registration books on the

Record Date or (B) by such other method as mutually agreed in writing between the Owner of the Bond and the Trustee.

Registration of Bonds; Transfer and Exchange of Bonds

Records for the registration and transfer of the Bonds will be kept by the Trustee, acting as the registrar for the Bonds. The principal of and interest on and Redemption Price of any Bond will be payable only to or upon the order of the Owners or their legal representatives (except as otherwise provided in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest).

Upon surrender for transfer of any Bond at the Designated Payment Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owners or their attorney duly authorized in writing, the Trustee will enter such transfer on the registration records and will authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of a like maturity, aggregate principal amount and interest rate, bearing a number or numbers not previously assigned. Fully registered Bonds may be exchanged at the Designated Payment Office of the Trustee for an equal aggregate principal amount of Bonds of the same maturity and interest rate but of other Authorized Denominations. The Trustee will authenticate and deliver Bonds, which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned. All Bonds issued upon any transfer or exchange of Bonds will be the valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under the Indenture, as the Bonds transferred or exchanged. The Trustee may require the payment by the Owner of any Bond requesting exchange or transfer of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

The Trustee will not be required to transfer or exchange (a) all or any portion of any Bond during the period beginning at the opening of business 15 days before the day of the mailing by the Trustee of notice calling any of the Bonds for prior redemption and ending at the close of business on the day of such mailing or (b) all or any portion of a Bond after the mailing of notice calling such Bond or any portion thereof for prior redemption.

Except as otherwise provided in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Bond will be registered will be deemed and regarded as the absolute owner thereof for all purposes under the Indenture, the Bonds and the Security Documents, and payment of or on account of the principal of and interest on or Redemption Price of any Bond will be made only to or upon the written order of the Owners thereof or their legal representatives, but such registration may be changed as provided in the Indenture. All such payments will be valid and effectual to satisfy and discharge such Bond to the extent of the sum or sums paid.

Establishment of Funds and Accounts

The following Funds and Accounts will be created and established under the Indenture:

- (a) The I-69 Section 5 Series 2014 Debt Service Fund (the “Series 2014 Debt Service Fund”), and within the Series 2014 Debt Service Fund, three accounts designated (i) the “Series 2014 Interest Account” (the “Series 2014 Interest Account”), (ii) the “Series 2014 Principal Account” (the “Series 2014 Principal Account”) and (iii) the “Series 2014 Redemption Account” (the “Series 2014 Redemption Account”); and
- (b) The I-69 Section 5 Series 2014 Rebate Fund (the “Series 2014 Rebate Fund”).

Notwithstanding anything in the Indenture to the contrary, the Trustee may from time to time establish and maintain additional funds, accounts or sub-accounts necessary or useful in connection with any other provision of the Indenture or any Supplemental Indenture or to the extent deemed necessary by the Trustee.

Series 2014 Debt Service Fund

- (a) There will be deposited into the appropriate Account of the Series 2014 Debt Service Fund: (i) amounts remitted or transferred to such Account from the Debt Payment Account pursuant to the Collateral Agency

Agreement; (ii) any moneys paid to the Trustee pursuant to the Indenture with respect to the Redemption Price of the Series 2014 Bonds; (iii) any amounts remitted or moneys transferred to such Account from the Mandatory Prepayment Account pursuant to the Collateral Agency Agreement; (iv) any amounts remitted or moneys transferred to such Account from the Construction Account pursuant to the Collateral Agency Agreement; (v) any moneys deposited into such Account pursuant to the Indenture and the Collateral Agency Agreement; and (vi) all other moneys received by the Trustee that are accompanied by directions that such moneys will be deposited into such Account.

(b) If on any Interest Payment Date the funds on deposit in the Series 2014 Interest Account are not sufficient to pay the interest (including the interest component of the Redemption Price due in connection with any mandatory redemption payment on any Bond) due on such date on the Bonds in full on such Interest Payment Date, the Trustee will transfer moneys from the Series 2014 Principal Account sufficient to make such payment. If on any date on which principal of and interest on the Bonds is due (including, but is not limited to, the maturity date of any Bond, each Interest Payment Date and the date of any mandatory redemption payment on any Bond) there exists both (i) funds on deposit in the Series 2014 Interest Account in excess of the amount necessary to pay the Interest Payment due on such date, and (ii) insufficient funds on deposit in the Series 2014 Principal Account to make the principal payment due on such date in full, the Trustee will transfer all or such portion of such excess funds on deposit in the Series 2014 Interest Account to the Series 2014 Principal Account as necessary to provide for such principal payment in full.

(c) Moneys in each Account of the Series 2014 Debt Service Fund will be used solely for the payment (within each Account) of the principal of and interest on and the Redemption Price of the Series 2014 Bonds; provided, that (i) moneys paid by the Issuer pursuant to the Indenture will be used to pay the Redemption Price of the Series 2014 Bonds and (ii) moneys held in such Account of the Series 2014 Debt Service Fund following an acceleration of the Series 2014 Bonds upon an Indenture Event of Default will be used as provided in “—Use of Moneys Received from Exercise of Remedies” below and in the Collateral Agency Agreement.

Series 2014 Rebate Fund

The Series 2014 Rebate Fund will be created under the Indenture for the sole benefit of the United States of America and will not be subject to the claim of any other person, including without limitation, the Owners. The Series 2014 Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto. There will be deposited into the Series 2014 Rebate Fund all amounts transferred to such Fund pursuant to the Federal Tax Certificate and the Collateral Agency Agreement. The money deposited in the Series 2014 Rebate Fund, together with all investments thereof and investment income therefrom, will be held in trust and applied solely as provided in the Federal Tax Certificate. The Series 2014 Rebate Fund is not a portion of the Trust Estate and is not subject to any lien under the Indenture. Notwithstanding the foregoing, the Trustee with respect to the Series 2014 Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it under the Indenture.

Moneys to be Held in Trust

The Series 2014 Debt Service Fund and any other Fund or Account created under the Indenture (excluding the Series 2014 Rebate Fund and any Defeasance Escrow Account), will be held by the Trustee, for the benefit of the Owners of the Bonds as specified in the Indenture. The Series 2014 Rebate Fund will be held by the Trustee for the purpose of making payments to the United States pursuant to the Indenture. Any Defeasance Escrow Account will be held solely for the benefit of the Owners of the Bonds to be paid therefrom as provided in the agreement governing such Defeasance Escrow Account.

Investment of Moneys

(a) All moneys held as part of any Fund or Account will be deposited or invested and reinvested by the Trustee, at the written direction of the Company, in Permitted Investments; provided, however, that moneys in the Series 2014 Debt Service Fund will be invested solely in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case

maturing within one year from the date of acquisition thereof; and provided further, however, that moneys in any Defeasance Escrow Account may only be invested in Defeasance Securities.

(b) Earnings from the investment of moneys held in any Fund or Account and losses from the investment of moneys held in any Fund or Account will be charged against the Fund or Account in which they were realized.

(c) The Trustee will sell and reduce to cash a sufficient amount of the investments held in any Fund or Account whenever the cash balance therein is insufficient to make any payment to be made therefrom and the Trustee will not be liable or responsible for any loss or tax resulting from such sale.

(d) The Issuer and the Company (by its execution of the Senior Loan Agreement) acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Company the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Company specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer and the Company periodic cash transaction statements which will include detail for all investment transactions made by the Trustee hereunder.

Monthly Reports to Collateral Agent

The Trustee will agree to provide a monthly report to the Collateral Agent and the Company four Business Days prior to each Transfer Date setting forth, among other things, the balance for each Fund and Account, including any sub-accounts, established and created pursuant to the Indenture.

Covenants of the Issuer

The Issuer will make representations, warranties and covenants under the Indenture, including, but not limited to the following:

(a) The Issuer will not, except as specifically permitted pursuant to the Indenture or pursuant to any Security Document, pledge, grant, create or permit to exist in any manner any Security Interest on, or rights with respect to, the Trust Estate, except for a contract or agreement under which the financial obligations of the Issuer and the rights of any person to require the Issuer to make any payment are (i) limited to moneys in the Funds and Accounts that will be used pursuant to such contract or agreement for the purposes for which moneys in such Funds and Accounts may be used pursuant to the Indenture; and (ii) subordinate to the rights of the Owners of the Bonds under the Indenture.

(b) The Issuer will not take any action or omit to take any action with respect to the Series 2014 Bonds or the Additional Parity Bonds, if any, the proceeds of the Series 2014 Bonds or the Additional Parity Bonds, if any, the Trust Estate, the Project or any other funds or property of the Issuer, and it will not permit, to the extent of its control, any other person to take any action or omit to take any action with respect to the Series 2014 Bonds or the Additional Parity Bonds, if any, the Trust Estate, the Project or any other funds or property of the Issuer, in each case, if such action or omission would cause interest on any of the Series 2014 Bonds or the Additional Parity Bonds, if any, to be included in gross income for federal income tax purposes or to no longer be exempt from income taxation in the State. In furtherance of this covenant, the Issuer agrees to comply with the procedures set forth in the applicable Federal Tax Certificate for the Series 2014 Bonds or the Additional Parity Bonds, if any. The covenants described in this item (b) will remain in full force and effect notwithstanding the payment in full or defeasance of the Series 2014 Bonds or the Additional Parity Bonds, if any, until the date on which all of the Issuer obligations in fulfilling such covenants have been met.

(c) The Issuer will not create, incur, assume or permit to exist any indebtedness of the Issuer with respect to the Trust Estate pledged under the Indenture, other than the Bonds, unless the Company will direct the Issuer to issue Additional Parity Bonds pursuant to, and to the extent permitted by, the Indenture.

Indenture Events of Default

Any of the following will constitute an Indenture Event of Default under the Indenture with respect to all of the Outstanding Bonds:

- (a) failure to pay any portion of the principal or premium (if any) of any Outstanding Bond when due and payable; provided, that where such failure to pay is as a result of a technical or an administrative error, there will be a cure period of three Business Days after notice of non-payment is received by the Company from the Trustee to cure such failure to pay;
- (b) failure to pay any portion of interest on any Outstanding Bond within five Business Days after such interest payment is due and payable;
- (c) failure by the Issuer to cure any noncompliance by the Issuer with any other provision of the Indenture within 60 days after receiving written notice of such noncompliance from the Trustee or the Collateral Agent (with a copy to the Company and the Collateral Agent or the Trustee, as applicable) with respect to the Bonds;
- (d) a Senior Loan Agreement Default will have occurred and be continuing; or
- (e) the occurrence and continuance, with respect to the Issuer, of a Bankruptcy Event.

Remedies Following and During the Continuance of an Indenture Event of Default

(a) Upon the occurrence and during the continuance of an Indenture Event of Default, any Owner or the Issuer may deliver to the Trustee a written notice, with a copy to the Issuer, the Collateral Agent and the Company that an Indenture Event of Default has occurred and is continuing. The Trustee will not be deemed to have any knowledge of the occurrence of an Indenture Event of Default, except with respect to an event of default as described in paragraphs (a) or (b) under the caption “—Indenture Events of Default” above, unless and until it has received such a notice from the relevant party.

(b) At any time during which an Indenture Event of Default has occurred and is continuing commencing on the date of delivery to the Trustee of the notice described above (except with respect to an Indenture Event of Default described in paragraphs (a) or (b) under the caption “—Indenture Events of Default” above, for which no notice is required), the Majority Holders will have the right to give the Trustee one or more enforcement directions directing the Trustee to take on behalf of the Owners of the Bonds or to vote in favor of the taking on behalf of the Secured Parties, subject to the Collateral Agency Agreement, the other Security Documents, any Intercreditor Agreement and the immediately succeeding paragraph, whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Owners of the Bonds.

(c) Upon the occurrence and during the continuance of an Indenture Event of Default, if so instructed by the Majority Holders, the Trustee will declare all Bonds, all interest accrued and unpaid thereon, and all other amounts payable in respect of the Bonds to be due and payable, whereupon the same will become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are waived by the Issuer; provided, that the Bonds may be accelerated as described in this paragraph (c) only to the extent the underlying Series 2014 Loan under the Senior Loan Agreement (or any other loan pursuant to any Additional Parity Bonds Loan Agreement) is also accelerated. Upon the occurrence and during the continuance of a Senior Loan Agreement Default, the Issuer agrees that the Trustee may enforce the Issuer’s rights and exercise on behalf of the Issuer each of the remedies provided in the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement.

(d) The Majority Holders may, by written notice to the Trustee, on behalf of all of the Owners, rescind any acceleration and its consequences, if the rescission would not conflict with any judgment or decree and if all existing Indenture Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived as described under the caption “—Waivers of Events of Default” below and the Issuer has paid or deposited, or caused to be paid or deposited, with the Trustee a sum

sufficient to pay all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel. In case of any such rescission, then and in every such case the Issuer, the Trustee and the Owners will be restored to their former positions and rights.

(e) All rights and actions and claims under the Indenture may be prosecuted and enforced by the Trustee on behalf of the Owners of the Bonds. In the case of pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization or other similar judicial proceeding relative to the Issuer or the Trust Estate, the Trustee, subject to the Collateral Agency Agreement, will be entitled to file and prove a claim for the amount of the Issuer's and the Company's obligations to the Owners of the Bonds owing and unpaid and to file such other papers or documents as may be necessary in order to have the claims of the Owners allowed in such judicial proceeding and, to the extent permitted by Law, to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same in accordance with the terms of the Indenture and the Collateral Agency Agreement.

Use of Moneys Received from Exercise of Remedies

After an acceleration pursuant to the Indenture (as described under the caption “—Remedies Following and During the Continuance of an Indenture Event of Default”), moneys received by the Trustee from the Collateral Agent pursuant to the Collateral Agency Agreement, the Indenture and the other Security Documents in respect of the Issuer's obligations under the Indenture will be applied first to pay the reasonable and proper fees and expenses (including the reasonable fees and expenses of counsel and any other advisors) of and indemnification payments owing to the Trustee and the Collateral Agent pursuant to the Financing Documents, including those incurred in connection with the exercise of remedies following such Indenture Event of Default, and thereafter remaining amounts will be applied promptly by the Trustee as follows:

first, to the payments then due and payable by the Company to the Series 2014 Rebate Fund pursuant to the Federal Tax Certificate;

second, ratably, to all accrued and unpaid interest on the Bonds;

third, ratably, to the outstanding principal amount of the Bonds;

fourth, to the Issuer, all other obligations owed by the Company to the Issuer pursuant to the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement; and

fifth, upon payment in full of the obligations described in the *first*, *second*, *third* and *fourth* paragraphs above, to the Company, which will be applied at the Company's discretion.

Limitations on Rights of Owners Acting Individually

Subject to the Collateral Agency Agreement, no Owner will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any remedy under the Indenture or for the enforcement of the terms of the Indenture, unless an Indenture Event of Default under the Indenture has occurred and is continuing and the Owner has made a written request to the Trustee, and has given the Trustee 60 days, to take such action in its capacity as Trustee. Nothing described in this paragraph will affect or impair the right of the Owner to enforce the payment of the principal of and interest on or Redemption Price or Make-Whole Redemption Price of any Bond at and after the date such payment is due, subject, however, to the limitations on remedies set forth in the Indenture and the Collateral Agency Agreement. In addition, any action by any Owner taken with respect to the Trust Estate will only be taken in accordance with the provisions of the Indenture, described above under the caption “—Remedies Following and During the Continuance of an Indenture Event of Default”, and the Collateral Agency Agreement.

Waivers of Indenture Events of Default

The Trustee, notwithstanding anything else to the contrary contained in the Indenture, will waive any Indenture Event of Default upon the written direction of the Majority Holders; provided, that any Indenture Event of Default in the payment of the principal of or interest on, or the Redemption Price or Make-Whole Redemption Price

of, any Bond when due will not be waived (except as contemplated in paragraph (d) of “—Remedies Following and During the Continuance of an Indenture Event of Default” above) without the consent of the Owners of 100% of the Bonds, unless, prior to such waiver, all such amounts (with interest on amounts past due on any Bond at the interest rate on such Bond) and all expenses of the Trustee (with interest on amounts past due with respect to any expenses of the Trustee at a rate per year equal to the highest yield on any series of Outstanding Bonds) in connection with such Indenture Event of Default have been paid or provided for. In case of any such waiver, then and in every such case the Issuer, the Trustee and the Owners will be restored to their former positions and rights under the Indenture, but no such waiver will extend to any subsequent or other Indenture Event of Default or impair any right consequent thereon.

Resignation or Replacement of Trustee

(a) The present or any future Trustee may resign by giving written notice to the Issuer and the Collateral Agent (with a copy to the Company) not less than 60 days before such resignation is to take effect. Such resignation will take effect only upon the appointment of and acceptance by a successor qualified as provided in paragraph (c) below. If no successor is appointed within 60 days following the date designated in the notice for the Trustee’s resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor. So long as an Indenture Event of Default has not occurred and is then continuing, the present or any future Trustee may be removed at any time by the Issuer in the event the Issuer reasonably determines that the Trustee is not duly performing its obligations under the Indenture or that such removal is in the best interests of the Issuer or the Owners.

(b) In case the present or any future Trustee will at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Issuer, with the written consent of the Company (such consent not to be unreasonably withheld, delayed or conditioned). Upon making any such appointment, the Issuer will forthwith give notice thereof to each Owner, which notice may be given concurrently with the notice of resignation given by any resigning Trustee.

(c) Every successor Trustee will be a bank or trust company in good standing, qualified to do business in the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act under the Indenture and having a capital and surplus of not less than \$500,000,000. Any successor Trustee appointed under the Indenture will execute, acknowledge and deliver to the Issuer (with a copy to the Company and the Collateral Agent) an instrument accepting such appointment under the Indenture, and thereupon such successor will, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor as further provided in the Indenture.

Amendments or Supplemental Indentures Not Requiring Consent of Owners

The Issuer and the Trustee may, without the consent of, or notice to, the Owners, but with the written consent of the Company, amend, change or modify the Indenture or the Bonds or enter into a Supplemental Indenture for any one or more or all of the following purposes:

(a) to provide for the issuance by the Issuer of the Additional Parity Bonds in accordance with the provisions described under the caption “Additional Parity Bonds” below;

(b) to add additional covenants to the covenants and agreements of the Issuer set forth in the Indenture;

(c) to add additional revenues, properties or collateral to the Trust Estate;

(d) to cure any ambiguity, or to cure, correct or supplement any defect, omission or inconsistent provision contained in the Indenture, provided, that such action will not have a material adverse effect on the Owners of the Bonds;

(e) to amend any existing provision in the Indenture or to add additional provisions which, in the

opinion of Bond Counsel, are necessary or advisable: (i) to qualify, or to preserve the qualification of, the interest on any Bonds for exclusion from gross income for federal income tax purposes, (ii) to qualify or to preserve the exemption of the interest on any Bonds from income taxation in the State; (iii) to qualify, or to preserve the qualification of, the Indenture or any Supplemental Indenture under the federal Trust Indenture Act of 1939; or (iv) to qualify, or to preserve the qualification of, any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States and under any federal law of the United States;

(f) to amend any provision in the Indenture relating to the Series 2014 Rebate Fund if, in the opinion of Bond Counsel, such amendment does not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes and the exemption of the interest on any Bonds from income taxation in the State;

(g) to provide for or eliminate book-entry registration of any of the Bonds;

(h) to obtain or maintain a rating (but not a particular rating level) of the Bonds by a Nationally Recognized Rating Agency;

(i) to facilitate the receipt of moneys;

(j) to establish additional funds, accounts or sub-accounts necessary or useful in connection with any other provision under this caption “—Amendments or Supplemental Indentures Not Requiring Consent of Owners”; or

(k) in connection with any other change which, in the judgment of the Trustee (who may for such purposes conclusively rely entirely upon a legal opinion with respect thereto of counsel selected by the Trustee, which legal counsel may rely on a certificate of an investment banker or financial advisor with respect to financial matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming the Indenture to the terms and provisions of the Public-Private Agreement or any other Financing Document.

Amendments or Supplemental Indentures Requiring Consent of Owners

The Issuer and the Trustee may amend, change or modify the Indenture or the Bonds or enter into a Supplemental Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or modifying the rights of the Owners in any way under the Indenture (other than as contemplated under the caption “—Amendments or Supplemental Indentures Not Requiring Consent of Owners” above) with the written consent of the Owners of a majority in the aggregate principal amount of the then Outstanding Bonds or of any series of Bonds affected by the proposed amendment and with the written consent of the Company; provided, that no amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture modifying the Indenture may be entered into without the written consent of the Owner of each Bond affected thereby if it would result in:

(a) a reduction of the interest rate, principal of or interest on or Redemption Price or Make-Whole Redemption Price payable on any Bond, a change in the maturity date of any Bond, a change in any Interest Payment Date for any Bond or a change in the redemption provisions applicable to any Bond;

(b) the deprivation of an Owner of the Security Interest on the Trust Estate granted by the Indenture or the Security Documents;

(c) the creation of a priority right in the Trust Estate of another Bond over the right of the affected Bond, except as permitted under the Indenture; or

(d) a reduction in the percentage of the aggregate Outstanding Bonds required for consent to any Supplemental Indenture or the parties whose consent is required.

Conditions to Effectiveness of Amendments or Supplemental Indentures

(a) No amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture will be effective until (i) it has been executed by the Issuer and the Trustee and, when applicable, consented to by the Company and (ii) Bond Counsel has delivered a written opinion to the effect that the amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture complies with the applicable provisions of the Indenture and will not adversely affect the excludability of the interest on any series of Outstanding Bonds from gross income for federal income tax purposes and the exemption of the interest on any series of Outstanding Bonds from income taxation in the State where the interest on such Bonds was excludable from gross income for federal income tax purposes and exempt from income taxation in the State on the original date of issuance of such Bonds.

(b) No amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture entered into pursuant to the caption “—Amendments or Supplemental Indentures Requiring Consent of Owners” above will be effective, until, in addition to the conditions set forth in paragraph (a) of this section, (i) a notice has been mailed to each Owner, which notice describes the nature of the proposed amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture and states that copies of it are on file at the office of the Trustee for inspection by the Owners and (ii) subject to the provisions of any amendment, change or modification of this Indenture, the Bonds or any Supplemental Indenture, Owners of the required percentage of the Bonds have consented to the amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture.

(c) Anything in the Indenture to the contrary notwithstanding, if an Owner does not respond (in any way) to a request with respect to any amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture requiring consent of the Majority Holders, but not requiring consent from greater than the Majority Holders, pursuant to the caption “—Amendments or Supplemental Indentures Requiring Consent of Owners” above, within 20 Business Days of delivery of such request, then any Bonds registered to such Owner will not be counted for the purpose of calculating the consent of the Majority Holders. For the avoidance of doubt, this provision of the Indenture will not apply to paragraphs (a)-(d) of the caption “—Amendments or Supplemental Indentures Requiring Consent of Owners”, above.

Consent of the Company

Anything in the Indenture to the contrary notwithstanding, an amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture pursuant to the terms of the Indenture will not become effective unless and until the Company will have consented to the execution and delivery of such amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture. In this regard, the Trustee will cause notice of the proposed execution of any such amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture, together with a copy of the proposed amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture to be mailed to the Company at least 15 Business Days prior to the proposed date of execution and delivery of any such amendment, change or modification of the Indenture, the Bonds or any Supplemental Indenture.

Amendments to Senior Loan Agreement Not Requiring Consent of Owners

The Issuer is authorized by the Indenture and may upon receipt of (i) an opinion of Bond Counsel to the effect that the proposed amendment will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State, and (ii) the written consent of the Company, consent to any amendment, change or modification of the Senior Loan Agreement, without the consent of, or notice to, the Owners, for any one or more or all of the following purposes:

(a) to add additional covenants to the covenants and agreements of the Company set forth in the Senior Loan Agreement;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in the Senior Loan Agreement;

(c) to amend any existing provision of the Senior Loan Agreement or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify or to preserve the qualification of, the interest on any Bonds for exclusion from gross income for federal income tax purposes, (ii) to qualify or to preserve the exemption of the interest on any Bonds from income taxation in the State, or (iii) to qualify, or preserve the qualification of, any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States;

(d) to facilitate the receipt of moneys;

(e) to establish additional funds, accounts or sub-accounts necessary or useful in connection with any other provision under this caption “—Amendments to Senior Loan Agreement Not Requiring Consent of Owners”; or

(f) in connection with any other change which, in the judgment of the Trustee (who may for such purposes conclusively rely entirely upon a legal opinion with respect thereto of counsel selected by the Trustee, which legal counsel may rely on a certificate of an investment banker or financial advisor with respect to financial matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming the Senior Loan Agreement to the terms and provisions of the Public-Private Agreement or any Financing Document.

Amendments to Senior Loan Agreement Requiring Consent of Owners

Except for the amendments, changes or modifications as described under the caption “—Amendments to Senior Loan Agreement Not Requiring Consent of Owners” above, the Issuer may consent to any other amendment, change or modification of the Senior Loan Agreement with the prior written consent of the Majority Holders and with the written consent of the Company; provided, that no amendment, change or modification of the Senior Loan Agreement may be entered into unless the prior written consent of the Owner of each Bond affected thereby and the Company has been obtained if it would result in:

(a) a reduction of the interest rate, principal of or interest on the Series 2014 Loan, a change in the maturity date of the Series 2014 Loan, a change in the Interest Payment Date for the Series 2014 Loan or a change in the prepayment provisions applicable to the Series 2014 Loan; or

(b) the deprivation of the Trustee of the Security Interest granted by the Security Documents.

The Trustee will, upon notice of the same from the Issuer and upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in the Indenture with respect to Supplemental Indentures as described under the caption “—Conditions to Effectiveness of Amendments or Supplemental Indentures” above; provided, that prior to the delivery of such notice or request, the Trustee may require that an opinion of Bond Counsel be furnished to the effect that such amendment, change or modification complies with the provisions of the Indenture and will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State. Such notice will briefly set forth the nature of such proposed amendment, change or modification and will state that copies of the instrument embodying the same are on file at the Designated Payment Office of the Trustee for inspection by all Owners.

Additional Parity Bonds Loan Agreement

In the event that the Senior Loan Agreement is amended pursuant to the Indenture prior to execution of any Additional Parity Bonds Loan Agreement, the Additional Parity Bonds Loan Agreement will be deemed to reflect such changes mutatis mutandis.

Actions of Trustee Requiring Owner Consent Pursuant to the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement

In the event that the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed) requires certain actions by the Trustee at the direction of a designated portion or percentage of the Owners of the applicable Bonds, the Trustee will agree as follows:

(a) if the Company requests consent of the Trustee to be provided at the direction of a designated portion or percentage of the Owners of the applicable Bonds, the Trustee will, upon notice of the same from the Company and upon being satisfactorily indemnified with respect to expenses, cause notice of such requested consent or action to be given in the same manner as provided under the caption “—Conditions to Effectiveness of Amendments or Supplemental Indentures” above with respect to amendments, changes or modifications of the Indenture, the Bonds or any Supplemental Indenture; provided, that prior to the delivery of such notice or request, the Trustee may require that an opinion of Bond Counsel be furnished to the effect that such consent or action complies with the provisions of the Indenture and will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State. Such notice will briefly set forth the nature of such requested consent or action and will state that any copies of such request from the Company are on file at the Designated Payment Office of the Trustee for inspection by all Owners; and/or

(b) upon direction from Owners of not less than the required portion or percentage in aggregate principal amount of the Outstanding Bonds, the Trustee will, upon being satisfactorily indemnified with respect to expenses, take any such directed action in accordance with the Senior Loan Agreement or any Additional Parity Bonds Loan Agreement (if executed); provided, that prior to the delivery of such notice or request, the Trustee may require that an opinion of Bond Counsel be furnished to the effect that such consent or action complies with the provisions of the Indenture and will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State.

Direction of Trustee at the Request of the Collateral Agent or Trustee Not Requiring Consent of Owners

In the event the Collateral Agent asks for the direction of the Trustee or the Trustee requests any response regarding any consent, modification or other matter pursuant to any Financing Document and such consent, modification or other matter is not provided for under the Indenture, the Trustee will be authorized by the Indenture and may, upon receipt of (i) an opinion of Bond Counsel to the effect that the proposed consent, modification or other matter will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State, and (ii) the written consent of the Company, provide such direction or response, without the consent of, or notice to, the Owners, for any one or more of the following purposes:

(a) to add additional covenants to the covenants and agreements of the Company set forth in any Financing Document;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in any Financing Document;

(c) to amend any existing provision of any Financing Document or to add additional provisions which, in the opinion of Bond Counsel, are necessary or advisable (i) to qualify or to preserve the qualification of the interest on any Bonds for exclusion from gross income for federal income tax purposes, (ii) to qualify or preserve the exemption of the interest on any Bonds from income taxation in the State, or (iii) to qualify or preserve the qualification of any Bonds for an exemption from registration or other limitations under the laws of any state or territory of the United States;

(d) to facilitate the receipt of moneys;

(e) to establish additional funds, accounts or sub-accounts necessary or useful in connection with any other paragraph under this caption “—Direction of Trustee at the Request of the Collateral Agent or Trustee Not Requiring Consent of Owners”; or

(f) in connection with any other change, which, in the judgment of the Trustee (who may for such purposes conclusively rely entirely upon a legal opinion with respect thereto of counsel selected by the Trustee, which legal counsel may rely on a certificate of an investment banker or financial advisor with respect to financial matters), does not materially adversely affect the rights of the Owners, including, without limitation, conforming any Financing Document to the terms and provisions of the Public-Private Agreement or any other Financing Document.

Direction of Trustee at the Request of the Collateral Agent or Trustee Requiring Consent of Owners

(a) In the event the Collateral Agent asks for the direction of the Trustee or the Trustee requests any response regarding any consent, modification or other matter pursuant to any Financing Document and such consent, modification or other matter is not provided for in the Indenture and the purpose of such direction or response is not provided for under the caption “—Direction of Trustee at the Request of the Collateral Agent or Trustee Not Requiring Consent of Owners”, the Trustee may provide such direction or response with the prior written consent of the Majority Holders and with the written consent of the Company; provided, however, that no such direction or response may be provided if the effect thereof would deprive the Trustee of the Security Interest granted by the Security Documents, unless the prior written consent of the Owner of each Bond affected thereby and the Company has been obtained.

(b) The Trustee will, upon notice of the same from the Collateral Agent, if relevant, and upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed consent, modification or other matter to be given in the same manner as provided by the Indenture with respect to Supplemental Indentures mutatis mutandis; provided, that prior to the delivery of such notice, the Trustee may require that an opinion of Bond Counsel be furnished to the effect that such consent, modification or other matter complies with the provisions of the Indenture and will not adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or the exemption of the interest on the Bonds from income taxation in the State. Such notice will briefly set forth the nature of such proposed consent, modification or other matter and will state that copies of the instrument embodying the same are on file at the designated payment office of the Trustee for inspection by all Owners.

Discharge of Indenture

If 100% of the principal of and interest on and Redemption Price or Make-Whole Redemption Price due, or to become due, on all the Bonds, the fees and expenses due to the Trustee and all other amounts payable under the Indenture have been paid, or provision will have been made for the payment thereof in accordance with “Defeasance of Bonds” below and the opinion of Bond Counsel required by “Opinion of Bond Counsel” below has been delivered, then, (a) the right, title and interest of the Trustee in and to the Trust Estate will terminate and be discharged (referred to herein as the “discharge” of the Indenture); (b) the Trustee will transfer and convey to or to the order of the Issuer all property that was part of the Trust Estate, including but not limited to any moneys held in any Fund or Account under the Indenture, except any Defeasance Escrow Account created pursuant to “Defeasance of Bonds” below (which Defeasance Escrow Account will continue to be held in accordance with the agreement governing the administration thereof and consistent with other provisions of the Indenture; and (c) the Trustee will execute any instrument requested by the Issuer to evidence such discharge, transfer and conveyance. Upon the discharge of the Indenture pursuant to the terms thereof and the delivery of a confirmation by the Issuer to the Trustee that no moneys are then owed by the Company to the Issuer pursuant to the Senior Loan Agreement, all property that was part of the Trust Estate, including, but not limited to, any moneys held in any Fund or Account hereunder, except any Defeasance Escrow Account created under the caption “—Defeasance of Bonds” below will be paid to the Company.

Defeasance of Bonds

(a) All or any portion of the Outstanding Bonds will be deemed to have been paid (referred to herein as “defeased”) prior to their maturity or redemption if:

(i) the defeased Bonds are to be redeemed prior to their maturity, the Issuer has irrevocably instructed the Trustee to give notice of redemption of such Bonds in accordance with the Indenture;

(ii) there has been deposited in trust in a Defeasance Escrow Account either moneys in an amount which will be sufficient, or Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited into or held in the Defeasance Escrow Account, will be sufficient to pay when due the principal of and interest on or Redemption Price or Make-Whole Redemption Price, as applicable, due and to become due on the defeased Bonds on and prior to the redemption date or maturity date thereof, as the case may be;

(iii) a verification agent, acceptable to the Issuer, has delivered a verification report verifying the deposit described in paragraph (ii) above; and

(iv) the opinion of Bond Counsel described in “—Opinion of Bond Counsel” below has been delivered.

(b) The Defeasance Securities and moneys deposited in a Defeasance Escrow Account pursuant to this section and the principal and interest payments on such Defeasance Securities will not be withdrawn or used for any purpose other than, and will be held in trust solely for, the payment of the principal of and interest on and Redemption Price or Make-Whole Redemption Price of the defeased Bonds; provided, however, that (i) any moneys received from principal and interest payments on such Defeasance Securities that are not required to pay the principal of and interest on or Redemption Price or Make-Whole Redemption Price of the defeased Bonds on the date of receipt will, to the extent practicable, be reinvested in Defeasance Securities maturing at the times and in amounts sufficient to pay when due the principal of and interest on and Redemption Price or Make-Whole Redemption Price to become due on the defeased Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (ii) any moneys or Defeasance Securities may be withdrawn from a Defeasance Escrow Account if (A) the moneys and Defeasance Securities that are on deposit in the Defeasance Escrow Account, including any moneys or Defeasance Securities that are substituted for the moneys or Defeasance Securities that are withdrawn from the Defeasance Escrow Account, satisfy the conditions stated in paragraph (a)(ii) above and (B) a verification report and Bond Counsel opinion are delivered that comply with paragraphs (a)(iii) and (a)(iv) above.

(c) Any Bonds that are defeased as provided under this caption “—Defeasance of Bonds” will no longer be secured by or entitled to any right, title or interest in or to the Trust Estate, and the principal of and interest on and Redemption Price or Make-Whole Redemption Price thereof will be paid solely from the Defeasance Securities and money held in the Defeasance Escrow Account.

Opinion of Bond Counsel

Prior to any discharge of the Indenture pursuant to the caption “—Discharge of Indenture” or the defeasance of any Bonds pursuant to the caption “—Defeasance of Bonds” above, Bond Counsel must have delivered a written opinion to the effect that all requirements of the Indenture for such discharge or defeasance have been complied with and that such discharge or defeasance will not adversely affect the tax-exempt status of interest on any series of Bonds where the interest on such Bonds was excludable from gross income for federal income tax purposes or exempt from income taxation in the State on the original date of issuance of such Bonds.

Additional Parity Bonds

Subject to the restrictions set forth in the Indenture, upon request by the Company, the Issuer may issue Additional Parity Bonds, which will be ratably and equally secured by the Trust Estate (other than the Series 2014 Bond DRSA), upon execution of a Supplemental Indenture without consent of the Owners of the Bonds. Except to the extent inconsistent with the express terms of the Additional Parity Bonds issued and the related Supplemental Indenture executed pursuant to the Indenture, all of the provisions, terms, covenants and conditions of the Indenture will be applicable to any Additional Parity Bonds issued pursuant to the Indenture. The Additional Parity Bonds may be issued if any of the following sets of conditions in paragraphs (a), (b), (c) or (d) below are met:

(a) **General Issuance of Additional Parity Bonds.** Additional Parity Bonds may be issued if prior to the issuance of such Additional Parity Bonds, the Company will deliver to the Trustee the following:

(i) a certification from the Company stating that (A) the DSCR for at least one 12-month period in the immediately prior 24-month period was at least 1.20:1.00 during such 12-month period and (B) the DSCR for each 12-month period (beginning on the first day of the first month after the issuance of the Additional Parity Bonds), is forecast to be at least 1.20:1.00 for each year of the remaining term of the Additional Parity Bonds and any remaining Outstanding Bonds after the issuance of the Additional Parity Bonds;

(ii) if the aggregate principal amount of Additional Parity Bonds issued under this paragraph (a) (plus the aggregate principal amount of any Other Permitted Senior Secured Indebtedness incurred pursuant to the caption “—General Issuance of Additional Parity Bonds” is greater than \$15,000,000, a Nationally Recognized Rating Agency then rating the Bonds will reaffirm the rating on the then Outstanding Bonds at a level no lower than the then-applicable rating of such Outstanding Bonds, after giving effect to the issuance of such Additional Parity Bonds; and

(iii) a Base Case Financial Model as updated for the Additional Parity Bonds, upon which the projected DSCR certified as described in paragraph (i) above will be based (A) containing current projections as of the time of the issuance of such Additional Parity Bonds and (B) which the Company has reviewed and certified to be correct and accurate in all material respects, based upon assumptions that the Company believes are reasonable.

(b) **Completion Bonds.** Additional Parity Bonds may be issued if necessary to complete construction of the Project or to meet the requirements of the Public-Private Agreement after expenditure of all proceeds of the Series 2014 Bonds and all Equity Contributions required under the Equity Contribution Agreement, in an aggregate principal amount not to exceed 10% of the original principal amount of the Series 2014 Bonds; if either (A) the Company certifies to the Collateral Agent that (x) the issuance of such Additional Parity Bonds is necessary for completion of construction of the Project and (y) the proceeds of such Additional Parity Bonds, together with other funds available to complete the Project, are expected to be sufficient to complete the construction of the Project, which clause (y) the Technical Advisor will confirm in writing, or (B) the Company certifies to the Collateral Agent, and the Technical Advisor will confirm in writing, that the issuance of such Additional Parity Bonds is necessary to meet the requirements of the Public-Private Agreement.

(c) **Refunding Bonds.** Additional Parity Bonds may be issued for the purpose of refinancing, replacing, refunding or defeasing any Outstanding Bonds so long as (i) the debt service payable in each bond year on all Outstanding Bonds after the issuance of such Additional Parity Bonds (excluding any Bonds that will be refinanced, replaced, refunded or defeased with a portion of the proceeds of such Additional Parity Bonds) does not exceed the debt service payable on all Outstanding Bonds prior to the issuance of such Additional Parity Bonds in each bond year through final maturity of the Outstanding Bonds prior to such refinancing, replacement, refunding or defeasance and (ii) all necessary instruments and arrangements will have been made (or concurrently made with the issuance of such Additional Parity Bonds), in order to give effect to such refinancing, replacement, refunding or defeasance.

(d) **Public-Private Agreement Requirements.** Additional Parity Bonds may be issued if:

(i) such Additional Parity Bonds are necessary to fund the costs (A) of meeting the requirements of the Public-Private Agreement or (B) of capital expenditures resulting from applicable Law, in either case, after expenditure of all proceeds of the Series 2014 Bonds and all Equity Contributions required under the Equity Contribution Agreement and the application of all funds in the Construction Account, the Major Maintenance Reserve Account and the Loss Proceeds Account (in each case, to the extent available for such purposes), in an aggregate principal amount not to exceed the amount of funds necessary therefor and related reserves and Costs of Issuance for such Additional Parity Bonds; and

(ii) a Nationally Recognized Rating Agency then rating the Bonds prior to the issuance of such Additional Parity Bonds will reaffirm the rating on the Bonds at a level no lower than the then-

applicable rating of the Bonds, after giving effect to the issuance of such Additional Parity Bonds.

(e) ***Certain Variable Rate Bonds.*** Any series of Additional Parity Bonds that does not bear interest at a fixed rate may be issued, so long as such series of Bonds: (A) meets the conditions set forth in paragraphs (a), (b), (c) or (d) above; and (B) after giving pro forma effect to the incurrence thereof and (if necessary) the execution of transactions under any Senior Hedging Contracts in connection therewith, not more than 15% of the aggregate principal amount of all Senior Secured Obligations having a maturity of more than five years hence bears interest at an unhedged floating rate of interest.

All Additional Parity Bonds must be issued on the same terms and conditions then applicable to the then Outstanding Bonds, unless otherwise approved by the Issuer and the Company, except that the interest rate on such Additional Parity Bonds and the amortization applicable to any such Additional Parity Bonds would be subject to then-current market conditions and on terms acceptable to the Company. Any series of Additional Parity Bonds may bear interest which is not excludable from gross income for federal income tax purposes or is not exempt from income taxation in the State.

To the extent that any or all of the Series 2014 Bonds (or any Additional Parity Bonds) are outstanding at the time the Additional Parity Bonds are proposed to be issued, the additional financing documents entered into in connection therewith will not prohibit the Company from incurring new indebtedness to refinance such Bonds (at least to the extent permitted under the Indenture and under the Senior Loan Agreement).

Prior to the issuance of any Additional Parity Bonds, the Company must deliver to the Trustee and the Collateral Agent executed counterparts of all financing documents related to the Additional Parity Bonds, including, without limitation, (i) a certificate of the Company, signed by a Company Representative, dated the date of issuance of such proposed Additional Parity Bonds, stating that no Potential Indenture Event of Default or Indenture Event of Default has occurred and is continuing or will result from the issuance of such Additional Parity Bonds, (ii) a certified copy of the executed counterpart of the Additional Parity Bonds Loan Agreement, under which the Issuer agrees to loan the proceeds of the Additional Parity Bonds to the Company, (iii) an original executed counterpart of the Supplemental Indenture under which the Additional Parity Bonds have been issued, and (iv) such other customary certifications and documents as may reasonably be required by the Trustee or the Collateral Agent.

Any issuance of Additional Parity Bonds is subject to the further condition that it must comply with the Refinancing requirements set forth in the Public-Private Agreement.

Applicable Law

The laws of the State will be applied in the interpretation, execution and enforcement of the Indenture.

APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LOAN AGREEMENT

The following is a summary of selected provisions of the Senior Loan Agreement, and is not a full statement of the terms of such agreement. Accordingly, the following summary is qualified in its entirety by reference to such agreement and is subject to the full text of such agreement. A copy of such agreement is available, free of charge, upon request from the Company or the Trustee. Unless otherwise stated, any reference in this APPENDIX G to any agreement will mean such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified and in effect as of the date hereof. Capitalized terms used in this APPENDIX G but not defined in this Official Statement have the meaning assigned to such terms in the Senior Loan Agreement.

The Company and the Issuer will enter into the Senior Loan Agreement, pursuant to which the proceeds of the issuance of the Series 2014 Bonds will be loaned to the Company on the date of issuance of the Series 2014 Bonds, subject to the terms and conditions of the Senior Loan Agreement. The net proceeds received from the sale of the Series 2014 Bonds will be deposited directly into the PABs Proceeds Sub-Account of the Construction Account. The Company will use the proceeds of the Series 2014 Loan (a) to pay a portion of the Project Costs and (b) if applicable, to fund the Series 2014 Bond DSRA. In order to secure the repayment of the Series 2014 Bonds, all of the Issuer's right, title and interest in and to the Senior Loan Agreement (except for Reserved Rights) will be assigned to, and are subject to a security interest in favor of, the Trustee in accordance with the Indenture.

Compliance with the Indenture

In accordance with any applicable provisions of the Indenture, at the request of the Company, the Issuer will take any action directed by the Company to the extent required under, or permitted by, the provisions of the Indenture or the Senior Loan Agreement. The Company will take all action required to be taken by the Company in the Indenture as if the Company were a party to the Indenture.

Amounts Payable

The Company will repay the Series 2014 Loan, as follows: on or before any Interest Payment Date for the Series 2014 Bonds or any other date that any payment of interest, principal or Redemption Price on the Series 2014 Bonds is required to be made in respect of the Series 2014 Bonds pursuant to the Indenture (which payments for principal and interest will be in the respective amounts set forth on the debt service schedule attached to the Senior Loan Agreement and as amended from time to time pursuant to the Indenture), until the payment of interest, principal, or Redemption Price on the Series 2014 Bonds has been fully paid or provision for the payment thereof has been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the applicable Account of the Series 2014 Debt Service Fund, will enable the Trustee to pay to the Owners of the Series 2014 Bonds the amount due and payable on such date as interest, principal or Redemption Price on the Series 2014 Bonds as provided in the Indenture. All payments made by the Company will be made free and clear of (and grossed up for) any tax or stamp duty. The Company will also pay to the Issuer the Issuer's reasonable costs, fees and expenses directly related to the issuance of the Series 2014 Bonds, including the reasonable fees and expenses of its counsel.

Obligations of Company Unconditional

The obligations of the Company to make payments as required under the caption “—Amounts Payable” above and to observe and perform all covenants under the Senior Loan Agreement will be absolute and unconditional.

Prepayment and Redemption

The Company will have the option to prepay its obligations under the Senior Loan Agreement and in the amounts as necessary to cause the Issuer to redeem the Series 2014 Bonds in accordance with the terms of the Indenture and the Series 2014 Bonds, as further described under the caption “THE SERIES 2014 BONDS—

Redemption of Series 2014 Bonds Prior to Maturity”. The Issuer, at the request of the Company, if applicable, will take all steps (other than the payment of funds necessary to effect such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the Outstanding Series 2014 Bonds, as may be specified by the Company and required by the Indenture, on the date established for such redemption. Upon any such redemption in full and payment of all amounts as required by the Indenture, the Senior Loan Agreement will terminate as provided therein.

Company to Provide Funds

If proceeds derived from the Series 2014 Loan, and any other available (or to be available) funds are not sufficient to finance the Project Costs on the Closing Date, the Company will not be entitled to any reimbursement from the Issuer or the Trustee for the payment of such excess costs nor will the Company be entitled to any abatement, diminution or postponement of its payment obligations under the Senior Loan Agreement.

Covenants of the Company

Covenants made by the Company under the Senior Loan Agreement include, but are not limited to, the following:

Abandonment of the Project

The Company will not, unless required or permitted under the Public-Private Agreement, abandon all or a material portion of the Project, which abandonment will be deemed to have occurred if the Company, without reasonable cause, (a) expressly declares in writing that it will not resume Work on the Project (or such material portion) or (b) fails to pursue the construction of the Project (or such material portion) or operate the Project (or such material portion) for 90 consecutive days (which 90 day period will be in addition to any *force majeure* period or suspension due to a Relief Event, in each case under the Public-Private Agreement).

Conduct of Business and Maintenance of Existence

Throughout the term of the Senior Loan Agreement, the Company will engage solely in the business of financing, developing, designing, constructing, insuring, managing, operating, maintaining, repairing and performing rehabilitation work on the Project and activities relevant and incidental thereto and will maintain (a) its legal existence as a limited liability company and good standing (under the laws of the jurisdiction of its organization), (b) its authorization to do business in the State and qualification to do business in every jurisdiction where such qualification is material to the conduct of its business, and (c) its material rights, franchises, privileges and consents necessary for the maintenance of its existence. The Company will use commercially reasonable efforts to continue to be disregarded and not treated as a separate entity for federal and State income tax purposes and will not make or consent to any tax election or filing for it to be treated as other than such a disregarded entity.

Operation and Maintenance of Project

The Company will operate and maintain the Project and all property material to the conduct of its business in good working order and condition (ordinary wear and tear excepted) (or cause the same to be operated and maintained) in accordance with the Public-Private Agreement.

Insurance Policies

The Company will maintain insurance policies required to be maintained by the Company in accordance with the Transaction Documents and will cause the Design-Build Contractor to maintain the insurance policies required to be maintained by the Design-Build Contractor to satisfy the requirements of the Public-Private Agreement. Such policies will (to the extent permitted by the Public-Private Agreement) name the Company or the Collateral Agent on behalf of the Secured Parties, as payee as their interests may appear (pending any existing contractual overrides). The Company will not take, or fail to take, any action, which would result in any Insurance Policy obtained by the Company lapsing, becoming cancelled or otherwise being rendered void, voidable or

ineffective and will not cancel or vary any Insurance Policy required to be maintained by it in either case unless (i) the Public-Private Agreement requires or permits otherwise or (ii) such Insurance Policy is (prior to its cessation) replaced by an Insurance Policy that satisfies the insurance requirements set forth in the Public-Private Agreement. The Company will apply all insurance proceeds only as permitted under the Public-Private Agreement to the extent provided therein.

Accounts and Reporting

(a) The Company will keep proper records and books of accounts in accordance with generally accepted accounting principles. Such records and books will, to the extent permitted by Law, be subject to the inspection of the Trustee or its representative upon reasonable notice and at reasonable times during business hours; provided, that absent an Event of Default, the Company will not be responsible for the cost of any such inspection in excess of once each year.

(b) The Company will retain independent auditors of nationally recognized standing to audit its annual financial statements.

(c) The Company will deliver the following information to the Trustee:

(i) annual audited financial statements of the Company (including a balance sheet, income statement and statement of cash flows, setting forth in comparative form the respective audited figures as of the end of and for the previous fiscal year, if available) within 120 days after the end of each Company Fiscal Year reported on by an independent public accountant of nationally recognized standing, which statements will be complete and correct in all material respects and will be prepared in reasonable detail and in accordance with generally accepted accounting principles;

(ii) certified unaudited quarterly financial statements of the Company (including a balance sheet, income statement and statement of cash flows, setting forth in comparative form the respective unaudited figures as of the end of the applicable fiscal quarter and for the corresponding quarter in the previous fiscal year, if available) within 60 days after the end of each Company Fiscal Quarter, which statements will be complete and correct in all material respects and will be prepared in reasonable detail and in accordance with generally accepted accounting principles;

(iii) simultaneously with delivery of the financial statements in paragraphs (i) and (ii) above, a certificate of an authorized officer of the Company stating that no Event of Default has occurred and is continuing (or statements of the nature thereof and steps to be taken if one exists);

(iv) concurrently with the delivery of the Company's annual audited financial statements described in paragraph (i) above, a certificate from the Company's independent auditor confirming no knowledge of any Event of Default based solely on their review of such financial statements (which certificate may be limited to the extent required by accounting rules or guidelines), except as specified in such certificate;

(v) a copy of the annual operating budget of the Company in advance of each Company Fiscal Year;

(vi) on a monthly basis prior to Final Acceptance (as defined in the Public-Private Agreement), a construction progress report with respect to the prior month, which will include a report with respect to any O&M During Construction (as defined in the Public-Private Agreement);

(vii) notice and details of any Potential Event of Default or Event of Default or any "event of default" (however defined) under any Material Project Contract;

(viii) details of any material penalties or damages due from the Company under any Material Project Contract and of any material litigation, pending or threatened in writing, by or before any arbitrator

or governmental authority;

(ix) copies of all notices received or delivered by the Company of: (A) default or termination with respect to any Material Project Contract; (B) any material insurance claims in excess of \$5,000,000; (C) the occurrence of any Force Majeure Event (as defined in the Public-Private Agreement), or any *force majeure*, delay, suspension, abandonment, termination or relief event, however defined, under any Material Project Contract; (D) any new or historical Release of Hazardous Materials (other than previously disclosed in writing by the Company) that could reasonably be expected to cause or does cause a Material Adverse Effect; (E) any Governmental Approval to be obtained by the Company that will not be granted or renewed at all, or in time to allow continued operation of the Project, or will be granted or renewed on terms materially more burdensome than proposed, or will be terminated, revoked or suspended, and that could be reasonably expected to have a Material Adverse Effect; (F) any casualty, damage or loss to the Project in excess of \$5,000,000; (G) all Relief Events in accordance with the time frames set forth in the Public-Private Agreement; (H) the accumulation of Noncompliance Points in excess of 75% of the thresholds set forth in Exhibit 12 to the Public-Private Agreement; and (I) any material defect in the Project with a cost to correct in excess of \$5,000,000 (with a copy to the Technical Advisor);

(ix) any information required to be delivered by the Company pursuant to the Borrower Continuing Disclosure Agreement entered into with respect to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and

(x) Copies of all material reports of the Technical Advisor received by the Company (including, without limitation, monthly construction reports of the Technical Advisor to the extent provided by the Technical Advisor).

(d) The Company will deliver to the Dissemination Agent, in an electronic format as prescribed by the MSRB, for delivery to the MSRB via EMMA (or such other system as will be established by the MSRB): (i) Any information required in paragraph (c) above and (ii) Any information required to be delivered by the Company pursuant to the Borrower Continuing Disclosure Agreement with respect to Rule 15c2-12.

Project Accounts

The Company will establish and maintain each fund or account, including the Project Accounts and the Authority Accounts and other accounts required from time to time by the Public-Private Agreement and the Financing Documents and will not maintain or permit to be maintained any accounts other than as permitted and contemplated in the Collateral Agency Agreement, the Indenture, any other Financing Document or the Public-Private Agreement.

Compliance with Laws

The Company will comply with all applicable Laws, as and when required, except where any such failure to comply could not reasonably be expected to result in a Material Adverse Effect.

Use of Proceeds; Tax Covenant

The Company will use the proceeds of the Series 2014 Bonds (and the Series 2014 Loan) (a) to pay the Project Costs and (b) if applicable to fund the Series 2014 Bond DSRA. The Company further covenants, represents and warrants that the procedures set forth in the Federal Tax Certificate implementing the foregoing will be complied with to the extent necessary to comply with such covenant.

The Company will covenant for the benefit of the Issuer and the Owners of the Series 2014 Bonds that it will not take any action or omit to take any action with respect to the Series 2014 Bonds, the proceeds thereof, any other funds of the Company or any of the facilities financed with the proceeds of the Series 2014 Bonds if such action or omission (a) would cause the interest on the Series 2014 Bonds to lose its excludability from gross income for federal income tax purposes under Section 103 of the Code, or (b) would cause interest on the Series 2014 Bonds

to lose its exemption from income taxation in the State.

Further Assurances and Corrective Instruments

After receipt of the reasonable request of the Trustee, the Issuer and the Company agree, from time to time, to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any supplements and further instruments as may reasonably be required for carrying out the expressed intentions of the Senior Loan Agreement and as may be necessary or desirable for establishing, maintaining, assuring, conveying, granting, assigning, securing, and confirming the Security Interests (whether now existing or hereafter arising) granted by or on behalf of the Company to the Collateral Agent for the benefit of the Secured Parties, pursuant to the Security Documents, or intended so to be granted pursuant to the Security Documents, or which the Company may become bound to grant.

Issuer and Company Representatives

Whenever under the provisions of the Senior Loan Agreement the approval of the Issuer or the Company is required or the Issuer or the Company is required to take some action at the request of the other, such approval or such request will be given for the Issuer by an Issuer Representative and for the Company by a Company Representative and the Trustee and/or the Collateral Agent, as applicable, will be permitted to rely on, and will be protected in acting upon such approval.

Recording and Filing; Other Instruments

The Company will file and refile and record and re-record or will cause to be filed and re-filed and recorded and re-recorded all instruments required to be filed and re-filed and recorded or re-recorded and will continue or cause to be continued the Security Interests created by the Security Documents of such instruments for so long as any of the Series 2014 Bonds will be Outstanding. The Issuer will execute and deliver all instruments and will furnish all information and evidence deemed necessary or advisable in order to enable the Company to fulfill its obligations as provided in the Senior Loan Agreement and the Security Documents.

Approvals; Governmental Authorizations

The Company will obtain on a reasonably timely basis and maintain in full force and effect, and comply with, in each case in all material respects, or in the case of such Governmental Approvals as are required to be obtained by third parties, to the extent possible, use reasonable efforts to cause such third parties to obtain and thereafter maintain in full force and effect, all required Governmental Approvals, except where the failure to obtain or maintain any such Governmental Approval (a) is permitted by the Public-Private Agreement, including any provision affording the Company any relief or cure period, or (b) could not reasonably be expected to have a Material Adverse Effect (taking into consideration any provision affording the Company any relief or cure period).

Taxes

The Company will timely pay and discharge all liabilities for Taxes prior to the date on which penalties, fines or interest attach thereto, provided, that the Company may permit any such Tax to remain unpaid if (a)(i) it is being contested in good faith and (ii) adequate reserves have been provided and are maintained in accordance with generally accepted accounting principles or (b) the failure to pay could not reasonably be expected to have a Material Adverse Effect.

Business Activities

The Company will not engage at any time in any business other than the development, construction and operation of the Project and any activities reasonably relevant and incidental thereto.

Limitation on Fundamental Changes; Sale of Assets, Etc.

The Company will not:

(a) enter into any transaction to merge or consolidate, or liquidate, wind up or dissolve itself, or suffer any liquidation or dissolution, or convey, sell, lease, assign, transfer or otherwise dispose of all or substantially all of its property or assets;

(b) amend or modify its organizational documentation (including the Operating Agreement) in a manner that is materially adverse to the Secured Parties;

(c) sell, lease, assign, transfer or otherwise dispose of property or assets in excess of \$1,000,000 per year, except:

(i) sales or other dispositions in the ordinary course of business or contemplated by or permitted under the Public-Private Agreement and the other Material Project Contracts;

(ii) sales or other dispositions of damaged, obsolete, worn out or defective parts or equipment;

(iii) sales or other dispositions of surplus property not required for the construction or operation of the Project;

(iv) sales, transfers or other dispositions of Permitted Investments and amounts invested in Eligible Investments held in the Authority Accounts; and

(v) sales that would constitute Permitted Indebtedness;

(d) declare and pay dividends or make any other distribution in contravention of the Financing Documents; or

(e) except as permitted by the Public-Private Agreement and the Financing Documents, enter into any partnership, joint venture, profit-sharing or similar arrangement whereby the Company's income or profits are shared with any person (except as contemplated in the Company's organizational documents) or form any subsidiaries.

Arm's-Length Transactions

The Company will not enter into any material transaction or agreement with any Affiliate, unless such transaction or agreement is entered into on fair and commercially reasonable terms that are no less favorable to the Company than the Company could reasonably obtain in a comparable arm's-length transaction with a person that is not an Affiliate.

Limitation on Indebtedness

The Company will not create, incur, issue, assume or otherwise become liable for any Indebtedness other than Permitted Indebtedness.

Permitted Investments

The Company will not make or direct the Trustee or the Collateral Agent to make any investments other than Permitted Investments and Eligible Investments held in the Authority Accounts, and under no circumstances will the Trustee be required to make a determination as to whether an investment is a Permitted Investment.

Reporting on Variances in Operations and Maintenance Expenditures

Not later than 60 days after the end of each Company Fiscal Quarter occurring after the Substantial Completion Date, the Company will deliver to the Trustee and the Issuer a report showing the operating data for the Project for the previous quarter, including total Project Revenues and total O&M Expenditures incurred. Not later than 60 days after the end of each Company Fiscal Year occurring after the Substantial Completion Date, the Company will deliver to the Trustee and the Issuer a report showing (a) the variances (calculated on a quarterly basis comparing against the corresponding quarter for the previous Company Fiscal Year) for such periods between the actual Project Revenues and the budgeted Project Revenues and the actual O&M Expenditures incurred and the budgeted O&M Expenditures, together with a brief narrative explanation of the reasons for any such variance of 10% or more, and (b) an estimate of the operating costs for the next Company Fiscal Year.

Change in Name, Place of Business or Fiscal Year

The Company will not, at any time, change its name, jurisdiction of formation or its principal place of business, or its Company Fiscal Year, without prior written notice to the Collateral Agent, the Issuer and the Trustee.

Negative Pledge

The Company will not create, incur, assume or permit to exist any Security Interest upon any of its assets, except Permitted Security Interests.

Access to the Project

The Company will give the Trustee and its consultants and representatives access to the Project site, at reasonable times and as often as may reasonably be requested, and, upon reasonable prior notice (of at least five Business Days) to the Company, in each case during official business hours and in a manner that cannot reasonably be expected to be contrary to the safety and security of the Project site, or materially to interfere with or disrupt the performance by the Company or any other party of its obligations with respect to the construction and operation of the Project. The Company will pay the reasonable cost of any such inspection, but only after receiving invoices or other evidence of the amount of such costs; provided, that so long as no Event of Default will have occurred and be continuing, the Company will not be responsible for the cost of any such inspection in excess of once each year. Upon the occurrence and during the continuance of an Event of Default, if the Trustee requests that any of its consultants or representatives be permitted to make such visit, the reasonable costs of the Trustee and its consultants and representatives in connection with such visit will be paid by the Company at its sole expense, but only after receiving invoices or other evidence of the amount of such costs.

Nationally Recognized Rating Agencies

The Company will use commercially reasonable efforts to cooperate with each Nationally Recognized Rating Agency rating the Series 2014 Bonds and, if applicable, any Additional Parity Bonds, in connection with any review which may be undertaken by such Nationally Recognized Rating Agency. The Company will deliver to the Issuer and the Trustee copies of any reports or ratings on the Series 2014 Bonds or, if applicable, any Additional Parity Bonds, from any Nationally Recognized Rating Agency rating the Series 2014 Bonds and, if applicable, any Additional Parity Bonds at the request of the Company. The Company will also enter into and comply with reasonable and customary "rating surveillance" agreements with any Nationally Recognized Rating Agency rating the Series 2014 Bonds and, if applicable, any Additional Parity Bonds, at the request of the Company.

Material Project Contracts

(a) The Company will (i) perform in all material respects all its covenants and obligations under each Material Project Contract and (ii) enforce against each of the other parties thereto the Company's rights and each of such parties' covenants and obligations thereunder, except in case of (i) or (ii), to the extent that failure to perform or enforce could not reasonably be expected to have a Material Adverse Effect.

(b) The Company will perform all work in accordance with each applicable Material Project Contract, except where failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) The Company will not (i) enter into any new Material Project Contract other than in the ordinary course without the prior written consent of the Trustee, as directed by the Owners of a majority of the aggregate principal amount of Outstanding Series 2014 Bonds and any Outstanding Additional Parity Bonds pursuant to the provisions of the Indenture or (ii) amend or waive in any material respect, or terminate, a Material Project Contract without the prior written consent of the Trustee, as directed by the Owners of a majority of the aggregate principal amount of Outstanding Series 2014 Bonds and any Outstanding Additional Parity Bonds pursuant to the provisions of the Indenture; provided, that, without such consent, (A) the Company and the Contracting Authority may enter into change orders or directive letters pursuant to the Public-Private Agreement, (B) the Company and the Design-Build Contractor may enter into other change orders or directive letters under the Design-Build Contract required for compliance with the Public-Private Agreement or applicable Law, (C) the Company and Design-Build Contractor may enter into change orders or directive letters under the Design-Build Contract if such change will not, in the aggregate, with all prior change orders or directive letters pursuant to this paragraph (C), require payment by the Company to exceed in the aggregate \$20,000,000, provided, that change orders or directive letters that result in exceeding this \$20,000,000 threshold will be permitted without the consent of the Owners if the prior written approval of the Technical Advisor is obtained and the Technical Advisor certifies that it believes that, in its reasonable belief, (I) each such change order and directive letter is necessary and appropriate in light of the then-current development of the Project, (II) the remaining proceeds of the Outstanding Series 2014 Bonds *plus* the proceeds of any Other Permitted Senior Secured Obligations *plus* the remaining Equity Contributions committed to be made under the Equity Contribution Agreement *plus* the remaining Milestone Payments payable to the Company *plus* the amount set forth in the Project Accounts *plus* all other available funds that have been committed to fund Project Costs by creditworthy financiers are sufficient to enable the Company to achieve the Substantial Completion Date of the Project after giving *pro forma* effect to such change order or directive letter and (III) the Substantial Completion Date will occur on or prior to the Long Stop Date, and (D) the Company may amend, waive or (other than the Public-Private Agreement) terminate any Material Project Contract, if such amendment, waiver or termination could not reasonably be expected to have a Material Adverse Effect; provided, however, if the Material Project Contract to be terminated is the Design-Build Contract during the Construction Period, the Company may terminate the Design-Build Contract if the Design-Build Contract is replaced within 180 days with an agreement between the Company and another counterparty: (Y) that is approved by the Trustee, as directed by the Owners of a majority of the aggregate principal amount of Outstanding Series 2014 Bonds and any Outstanding Additional Parity Bonds pursuant to the terms of the Indenture; or (Z) that has (taking into consideration any guarantors) similar or greater creditworthiness and experience as the counterparty being so replaced (taking into consideration any guarantors) that provides projected economic benefits for the Project that are, in light of the material risks and liabilities of such replacement contract, taken as a whole, at least as favorable as the benefits under the existing contract, in light of the material risks and liabilities of such existing contract.

Direct Agreements

The Company will enter into direct agreements for the Public-Private Agreement and the Design-Build Contract and use commercially reasonable efforts to enter into direct agreements in respect of each other Material Project Contract.

Intercreditor Agreements

The Company will ensure that, prior to the issuance after the Closing Date of any Senior Secured Obligations other than the Series 2014 Bonds and the Additional Parity Bonds, the provider of such Senior Secured Obligations will have entered into an intercreditor agreement substantially in the form attached to the Senior Loan Agreement.

Hedging

The Company will not engage in any transaction involving interest rate, currency, commodity, equity, credit or other swaps, options, futures, caps, collars, floors, swaptions, puts, calls or similar contracts or derivative transactions, except with respect to Permitted Indebtedness.

The Company will not permit the aggregate notional amount of the transactions under the Senior Hedging Contracts in respect of any settlement date to exceed, for a period of 30 or more consecutive days, 105% of the projected aggregate outstanding principal amount on such settlement date of all Other Permitted Senior Secured Indebtedness bearing interest at a floating rate.

Prior to or concurrently with the incurrence of any Senior Secured Obligations bearing interest at a floating rate of interest, the Company will (if necessary) enter into transactions under Senior Hedging Contracts such that, after giving pro forma effect to the incurrence of such Senior Secured Obligations and the execution of the transactions under such Senior Hedging Contracts, not more than 15% of the aggregate principal amount of all Senior Secured Obligations having a maturity of more than five years hence bears interest at an unhedged floating rate of interest.

Events of Default Defined

The following events will constitute “Events of Default” under the Senior Loan Agreement (subject to cure periods and other qualifiers):

(a) Failure by the Company to pay: (i) any amount required to be paid under the Senior Loan Agreement as described under the caption “—Amounts Payable” above, that results in the failure to pay principal of the Series 2014 Bonds, provided, that where such failure to pay is as a result of a technical or an administrative error, the Company will have three Business Days after notice of non-payment is received by the Company from the Trustee to cure such failure to pay; (ii) any amount required to be paid under the Senior Loan Agreement as described under the caption “—Amounts Payable” above, that results in the failure to pay interest on the Series 2014 Bonds, if such failure is not remedied within five Business Days after the applicable due date; or (iii) other amounts pursuant to the Financing Documents, if such failure is not remedied within 30 days after the later of the applicable due date or the date the Company receives notice from the Trustee of such failure to pay;

(b) Any representation or warranty made by the Company in any Financing Document to which it is a party or in any certificate or other document delivered by it in connection therewith proves to have been incorrect when made and a Material Adverse Event could reasonably be expected to result therefrom, unless the facts or circumstances underlying such misrepresentation are capable of being remedied and thereafter are remedied within 30 days after the date on which the Company receives written notice from the Trustee that such representation or warranty proved to have been incorrect at the time made or deemed made;

(c) Failure by the Company to comply in any material respect with any covenant or agreement under the Financing Documents (other than as set forth in paragraph (a) above or (m) below), unless such failure is capable of being remedied and is remedied within 60 days after receipt by the Company of written notice from the Trustee (or such longer period reasonably necessary to remedy such failure as long as corrective action is instituted within such 60-day period and is diligently pursued until such failure is remedied during such longer period, in any event not to exceed 180 days after the end of such 60-day period);

(d) Any Company Default (under the Public-Private Agreement) has occurred and is continuing after the end of any applicable cure period available to the Company pursuant to the Public-Private Agreement, which gives the Contracting Authority the right to terminate the Public-Private Agreement, which has not been waived by the Contracting Authority, provided, that the Company will be entitled to an extension of such time (such extension not to exceed 180 days after the end of any applicable cure period available to the Company pursuant to the Public-Private Agreement) if corrective action is instituted by the Company within the applicable period and diligently pursued until such failure is corrected and so long as the Company has been granted a concurrent extension by the Contracting Authority and such extension will not materially adversely impact the rights of the Secured Parties under the Lenders’ Direct Agreement (including with respect to any applicable cure period);

(e) The Public-Private Agreement otherwise has expired or been terminated pursuant to its terms due to the occurrence of a Company Default (under the Public-Private Agreement) or an IFA Default or the Public-Private Agreement ceases to be valid and binding and in full force and effect;

(f) Any Material Project Contract (other than the Public-Private Agreement) is terminated or becomes void, voidable or unenforceable prior to the expiration of its term in accordance therewith and such event could reasonably be expected to have a Material Adverse Effect and the Company has not entered into a replacement contract within 30 days (or, with respect to the Design-Build Contract, 180 days) following delivery of written notice thereof to the Company (or such longer period, not to exceed 180 days after such 30-day period, or, with respect to the Design-Build Contract, not to exceed 60 days after such 180-day period), as reasonably necessary to effect such replacement, so long as the Company is diligently pursuing such replacement), which replacement contract is permissible under the terms of the Public-Private Agreement;

(g) Failure by the Company to perform or observe any material term or obligation in any Material Project Contract (other than the Public-Private Agreement) to which it is a party within the time frames prescribed by such Material Project Contract (including any applicable cure period available to the Company pursuant thereto) and such failure could reasonably be expected to have a Material Adverse Effect and will not have been cured within the cure period provided in such Material Project Contract; provided, that if such cure cannot reasonably be made within the applicable period, the Company will be entitled to an extension of such time not to exceed 180 days after the expiration of the applicable cure period pursuant to such Material Project Contract to cure such failure;

(h) (i) The occurrence of a Bankruptcy Event with respect to the Issuer or the Company or, (ii) the occurrence of a Bankruptcy Event during the Construction Period with respect to the Design-Build Contractor if the Design-Build Contractor is not replaced within 180 days after such Bankruptcy Event;

(i) An Indenture Event of Default;

(j) A “Senior Event of Default” (or any analogous event) occurs under any Other Senior Secured Document governing Other Permitted Senior Secured Indebtedness having outstanding commitments and indebtedness in excess of \$10,000,000;

(k) A final non-appealable judgment that involves the payment of money in excess of \$10,000,000 will have been entered against the Company and the same will remain unsatisfied without any procurement of a stay of execution for a period of 30 consecutive days;

(l) Any Financing Document (other than a Security Document) ceases to be in full force and effect, unless such Financing Document is replaced by a substantially similar document within 30 days after receipt by the Company of written notice from the Trustee or such longer period not to exceed 180 days after the end of such 30-day period as reasonably necessary to effect a replacement;

(m) Any Security Document ceases, except in accordance with its terms or as expressly permitted under the Financing Documents, to be effective to grant a perfected Security Interest on any material portion of the Collateral described therein, other than as a result of any action or inaction of the Trustee, the Collateral Agent or any other Secured Party;

(n) The Company fails to comply with the covenant described in the paragraph under the caption “—Covenants of the Company—Abandonment of the Project” above;

(o) Any Equity Contribution is not made as and when required in accordance with the Equity Contribution Agreement;

(p) Any Equity Letter of Credit supporting remaining equity commitments expires or otherwise ceases to be valid or effective at any time that the Sponsor on whose behalf such Equity Letter of Credit was issued has any remaining commitments under the Equity Contribution Agreement and such Equity Letter of Credit is not drawn in full or replaced prior to the expiration thereof;

(q) The PSP Guaranty (i) terminates or otherwise ceases to be valid or effective, (ii) becomes invalid, impaired or unenforceable or (iii) is asserted by PSP Investments to be invalid, impaired or unenforceable or is otherwise disaffirmed or repudiated by PSP Investments, in each case, at any time Infra-PSP has remaining commitments under the Equity Contribution Agreement;

(r) The occurrence of a Change of Control (i) prior to the second anniversary of the Substantial Completion Date unless consented to by the Contracting Authority or (ii) thereafter in violation of the Public-Private Agreement that has not been waived or consented to by the Contracting Authority;

(s) Failure to achieve the Substantial Completion Date by the Bondholder Long Stop Date; and

(t) Any Insurance Policy required to be maintained by the Company under the Senior Loan Agreement is not, or ceases to be, in full force and effect at any time when it is required to be in effect and such failure continues for a period of five Business Days, unless (i) the Public-Private Agreement requires or permits otherwise or (ii) such Insurance Policy is (prior to its cessation) replaced by an Insurance Policy that satisfies the insurance requirements set forth in the Public-Private Agreement.

Remedies on Event of Default

Whenever any Event of Default referred to under the caption “—Events of Default Defined” above will have occurred and be continuing, the Trustee (with the written direction of the Owners of a majority of the aggregate principal amount of Outstanding Series 2014 Bonds and any Outstanding Additional Parity Bonds in accordance with the Indenture) will have the right to, in conjunction with its available remedies under the Indenture, take one or any combination of the following remedial steps, by notice to the Company and the Collateral Agent:

(a) declare that all or any part of any amount outstanding under the Senior Loan Agreement is (1) immediately due and payable, and/or (2) payable on demand by the Trustee, and any such notice will take effect in accordance with its terms but only if all amounts payable with respect to the Outstanding Series 2014 Bonds and Additional Parity Bonds are being accelerated pursuant to the provisions of the Indenture, or if all of the Outstanding Series 2014 Bonds and Additional Parity Bonds are being defeased pursuant to the provisions of the Indenture or otherwise paid in full; provided, that in the case of an Event of Default with respect to the bankruptcy of the Company, all amounts outstanding under the Senior Loan Agreement will become due and payable without any action or notice;

(b) pursuant to the terms of any of the Security Documents, direct the Collateral Agent to take or cause to be taken (or vote in favor of the taking or causing to be taken in accordance with any Intercreditor Agreement) any and all actions necessary or desirable to implement any available remedies with respect to the Collateral under any of the Security Documents;

(c) have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Company during regular business hours of the Company and following prior reasonable notice; or

(d) take on behalf of the Trustee or the Owners (or vote in favor of the taking under any Intercreditor Agreement) other action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company under the Senior Loan Agreement or to enforce the rights of the Owners.

Any amounts collected pursuant to action taken under this caption “—Remedies on Event of Default” and the Security Documents paid to the Trustee will be applied in accordance with the provisions of the Collateral Agency Agreement and the Indenture.

Any rights and remedies as are given to the Issuer under the Senior Loan Agreement will also extend to the Owners of the Series 2014 Bonds and any Additional Parity Bonds, and the Trustee, subject to the provisions of the Indenture, will be entitled to the benefit of all covenants and agreements contained in the Senior Loan Agreement, subject to the terms of the Security Documents.

Rescission and Waiver

(a) The Trustee or the Issuer, as applicable, will rescind any acceleration and its consequences immediately after the acceleration of the Series 2014 Bonds has been rescinded in accordance with the Indenture.

(b) The Trustee or the Issuer, as applicable, will waive any Event of Default immediately after any such Event of Default has been waived in accordance with the Indenture.

(c) The Trustee or the Issuer, as applicable, will have the right, but will be under no obligation to (except with respect to paragraphs (a) and (b) above, waive any other Event of Default at any time).

(d) In case of any such waiver or rescission, then and in every such case, the Issuer, the Trustee and the Company will be restored to their former positions and rights, but no such waiver will extend to any subsequent or other Event of Default, or impair any right consequent thereon.

No Remedy Exclusive

Subject to the Indenture, no remedy under the Senior Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy will be cumulative and will be in addition to every other remedy given under the Senior Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence and continuance of any Event of Default will impair any such right or power or will be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in the Senior Loan Agreement, it will not be necessary to give any notice, other than such notice as may be required by Law or in the Senior Loan Agreement. Any such rights and remedies as are given to the Issuer under the Senior Loan Agreement will also extend to the Owners of the Series 2014 Bonds and any Additional Parity Bonds, and the Trustee, subject to the provisions of the Indenture, will be entitled to the benefit of all covenants and agreements contained in the Senior Loan Agreement, subject to the terms of the Security Documents.

Term of Agreement

Except to the extent otherwise provided in the Senior Loan Agreement, the Senior Loan Agreement is effective upon its execution and delivery and will expire at such time as all of the Series 2014 Bonds and the fees and expenses of the Issuer and the Trustee will have been fully paid or provision made for such payments, whichever is later; provided, however, that the Senior Loan Agreement may be terminated prior to such date pursuant to prepayment and redemption as provided in the Senior Loan Agreement and defeasance as provided in the Indenture, but in no event before all of the obligations and duties of the Company under the Senior Loan Agreement have been fully performed, including, without limitation, the payments of all costs and fees mandated under the Senior Loan Agreement or under any other Financing Document to which the Company is a party. Upon the discharge of the Indenture in accordance with the provisions in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Discharge of Indenture”, the Issuer will determine whether any moneys are then owed by the Company to the Issuer under the Senior Loan Agreement and if no such moneys are so owed by the Company, will deliver a confirmation to the Trustee that no moneys are then owed by the Company to the Issuer pursuant to the Senior Loan Agreement.

Amendments, Changes and Modifications

Subsequent to the issuance of the Series 2014 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise expressly provided in the Senior Loan Agreement, the Senior Loan Agreement may not be amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture. Any amendment will be duly executed in writing by the Issuer and the Company.

Limitation of Issuer's Liability.

The Bonds are special and limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate, including the payments to be made by the Company under the Senior Loan Agreement and any Additional Parity Bonds Loan Agreement. The Bonds are not payable from taxes or appropriations made by the General Assembly of the State. The Bonds do not constitute an indebtedness, or a pledge of the faith and credit of, the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The special limited obligation of the Issuer to pay the amount of the principal of, premium, if any, and interest on the Bonds does not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Issuer has no taxing power. The Owners or beneficial owners of the Bonds will have, individually and collectively, no right to have taxes levied or compel appropriations by the General Assembly of the State or any political subdivision of the State for the payment of any or all of the amount of such principal of, premium, if any, and interest on the Bonds.

Limitation of Liability

Except as otherwise expressly set forth in the Financing Documents, the Secured Parties will have full recourse to the Company and all of its assets and properties for the liabilities and obligations of the Company under the Financing Documents, but in no event will any Affiliate of the Company, or any officer, director, member, partner, shareholder, Affiliate, equity holder, employee or agent of the Company or any Affiliate of the Company, be liable or obligated for such liabilities and obligations of the Company, other than to the extent arising directly as a result of the Pledgor's pledge of its ownership interest in the Company pursuant to the Pledge Agreement and the Pledgor's and the Sponsor's respective obligations in connection with its Equity Contributions to the extent set forth in the Pledge Agreement and the Equity Contribution Agreement, respectively.

Applicable Law

The Senior Loan Agreement will be governed by and construed in accordance with the laws of the State.

APPENDIX H
TECHNICAL ADVISOR'S REPORT



INTERSTATE 69 (I-69) HIGHWAY, SECTION 5 (I-69 Section 5 Project)
Indiana, USA

Lenders' Technical Advisor's Report (Technical Advisor's Report)
Post Bid Submission – for Final Official Statement

Issued:
July 9, 2014

Prepared for:
Lenders

Prepared by:
ALTUS GROUP LIMITED



PRIVATE & CONFIDENTIAL

Unpublished Work © 2014 Altus Group Limited

Altus Reference: 100436



Table of Contents

TABLE OF CONTENTS	3
1 EXECUTIVE SUMMARY.....	7
1.1 LENDERS' TECHNICAL ADVISOR MANDATE AND BACKGROUND	7
1.2 PROJECT OVERVIEW (SECTION 3 OF THIS REPORT)	7
1.3 PROJECT TEAM (SECTION 4 OF THIS REPORT)	9
1.4 DESIGN & CONSTRUCTION (SECTION 5 OF THIS REPORT).....	12
1.5 PERMITS, APPROVALS/REVIEWS, COORDINATION (INCLUDING UTILITIES AND RAILROAD) (SECTION 6 OF THIS REPORT)	13
1.6 CONSTRUCTION SCHEDULE (SECTION 7 OF THIS REPORT).....	15
1.7 ENVIRONMENTAL REVIEW (SECTION 8 OF THIS REPORT).....	15
1.8 OPERATIONS, MAINTENANCE AND REHABILITATION (SECTION 9 OF THIS REPORT).....	17
1.9 PRICING (SECTION 10 OF THIS REPORT)	18
1.10 CONTRACTS AND SECURITY PACKAGE (SECTION 11 OF THIS REPORT).....	19
1.11 PAYMENT MECHANISM (SECTION 12 OF THIS REPORT)	21
1.12 RELIEF EVENT	22
2 DOCUMENTATION	25
3 PROJECT OVERVIEW	26
3.1 INTRODUCTION.....	26
3.2 PROJECT LOCATION.....	26
3.3 PROJECT SCOPE.....	27
3.4 ADVANCE CONSTRUCTION PROJECTS	31
3.5 PROJECT STATISTICS.....	31
3.6 TERM OF CONCESSION.....	32
3.7 WORK AND NOTICES TO PROCEED 1 AND 2 (NTP1 AND NTP2)	32
3.8 SUBSTANTIAL COMPLETION AND FINAL ACCEPTANCE.....	33
3.9 DESIGN & CONSTRUCTION WARRANTIES	34
3.10 ALTERNATIVE TECHNICAL CONCEPTS	35
3.11 FINANCIAL CLOSE	35
3.12 EQUATOR PRINCIPLES	35
3.13 LTA CONCLUSION SUMMARY	36
4 PROJECT TEAM ASSESSMENT	37
4.1 PROJECT STRUCTURE.....	37
4.2 PROJECT SPONSOR (ISOLUX INFRASTRUCTURE) AND AFFILIATES	39
4.3 CONSORTIUM TEAM MEMBERS.....	41



4.4	DESIGN-BUILD CONTRACTOR TEAM.....	42
4.5	OPERATIONS, MAINTENANCE AND REHABILITATION (OMR)	56
4.6	PERSONNEL STRUCTURE AND KEY PERSONNEL	57
4.7	EXPERIENCE RELEVANT TO I-69.....	64
4.8	EXPERIENCE WORKING TOGETHER	64
4.9	LTA CONCLUSION SUMMARY	65
5	DESIGN AND CONSTRUCTION REVIEW.....	67
5.1	DESIGN AND CONSTRUCTION SCOPE.....	67
5.2	GENERAL OBLIGATIONS OF THE DEVELOPER.....	72
5.3	DESIGN PROCESS	73
5.4	CONSTRUCTION APPROVAL PROCESS.....	76
5.5	DOCUMENTATION AND MATERIAL CERTIFICATIONS.....	79
5.6	GEOTECHNICAL	82
5.7	ROADWAY AND PAVEMENTS	83
5.8	STRUCTURES	84
5.9	DRAINAGE	88
5.10	UTILITIES.....	89
5.11	ELECTRICAL SYSTEMS – LIGHTING, SIGNALIZATION.....	90
5.12	PAVEMENT MARKINGS AND SIGNAGE	91
5.13	AESTHETICS AND LANDSCAPE ARCHITECTURE	91
5.14	LTA CONCLUSION SUMMARY	92
6	PERMITS, APPROVALS/REVIEWS, COORDINATION (INCLUDING UTILITIES AND RAILROAD)....	94
6.1	INTRODUCTION.....	94
6.2	GOVERNMENT APPROVALS NECESSARY TO COMPLETE THE WORKS	94
6.3	IFA REVIEW OF DBFOM ACTIVITIES.....	95
6.4	UTILITY ADJUSTMENTS	99
6.5	RAILROAD COORDINATION	102
6.6	CHANGE IN LAW.....	103
6.7	LTA CONCLUSION SUMMARY	103
7	CONSTRUCTION SCHEDULE	105
7.1	INTRODUCTION.....	105
7.2	LABOR AVAILABILITY.....	107
7.3	SCHEDULE ACHIEVABILITY	107
7.4	TRAFFIC AVAILABILITY.....	108
7.5	LTA CONCLUSION SUMMARY	109



8	ENVIRONMENTAL REVIEW.....	110
8.1	INTRODUCTION.....	110
8.2	RESPONSIBILITIES	110
8.3	SPECIFIC ENVIRONMENTAL REQUIREMENTS.....	110
8.4	CULTURAL RESOURCES.....	112
8.5	NOISE BARRIERS AND NOISE ATTENUATION	112
8.6	BLASTING OPERATIONS AND CONSTRUCTION VIBRATIONS (IF REQUIRED).....	112
8.7	HAZARDOUS MATERIALS.....	113
8.8	AIR QUALITY.....	114
8.9	SUSTAINABLE MANAGEMENT PLAN.....	114
8.10	CONSTRUCTION NOISE.....	114
8.11	DO NOT DISTURB ZONES	114
8.12	ENVIRONMENTAL MANAGEMENT SYSTEM.....	114
8.13	LTA CONCLUSION SUMMARY	115
9	OPERATIONS, MAINTENANCE, LIFE-CYCLE AND HANDBACK	116
9.1	OPERATION AND MAINTENANCE	116
9.2	LIFE-CYCLE.....	122
9.3	REPORTS AND RECORDS	123
9.4	HANDBACK REQUIREMENTS	127
9.5	LTA CONCLUSION SUMMARY	129
10	PRICING	131
10.1	CONSTRUCTION PRICE.....	131
10.2	OPERATIONS, MAINTENANCE AND REHABILITATION (LIFE-CYCLE) COSTING	131
10.3	LTA CONCLUSION.....	132
11	CONTRACTS AND SECURITY PACKAGE.....	133
11.1	INTRODUCTION.....	133
11.2	PERFORMANCE SECURITY PACKAGE - SUMMARY	133
11.3	DESIGN BUILD CONTRACTOR REPLACEMENT ANALYSIS.....	135
11.4	MAJOR SUBCONTRACTS.....	136
11.5	OPERATIONS, MAINTENANCE AND REHABILITATION CONTRACT.....	136
11.6	LTA CONCLUSION SUMMARY	137
12	PAYMENT MECHANISM	139
12.1	INTRODUCTION.....	139
12.2	PAYMENTS	139
12.3	PAYMENT ADJUSTMENTS	140



12.4 PERSISTENT DEVELOPER DEFAULT 145

12.5 FORCE MAJEURE 145

12.6 RELIEF EVENTS 146

12.7 SUSPENSION OF WORK 148

12.8 IFA STEP-IN RIGHTS 149

12.9 TERMINATION 150

12.10 LTA REVIEW OF PAYMENT ADJUSTMENT SUMMARY 151

12.11 LTA CONCLUSION SUMMARY 152

13 REPORTING QUALIFICATIONS 153



1 EXECUTIVE SUMMARY

1.1 Lenders' Technical Advisor Mandate and Background

Altus Group Limited (Altus) has been retained to act as the Lenders' Technical Advisor (LTA) in connection with the proposed I-69 (Highway) Section 5 Project (Project) on behalf of potential Lenders. The proponent is I-69 Development Partners LLC (I-69 DP), which achieved Commercial Close on April 8, 2014.

Altus is a Canadian Toronto Stock Exchange listed company (AIF:TO) with over 1,800 staff in Canada, US, Australia, Asia and Europe. The company's headquarter is in Toronto. Altus Cost Consulting and Project Management group (a business unit with Altus) has participated in over 90 Public-Private Partnership (Alternative Finance and Procurement) projects across Canada and in the US. Altus's subsidiaries provide similar services in Australia and Asia. Altus provides Lenders Technical Advisory, Independent Certifier, as well as procurement, costing, scheduling and risk analysis for the public and private sectors. More information about Altus Infrastructure Advisory PPP/AFP profile can be found at: [http://www.altusgroup.com/solutions-and-services/cost-consulting-project-management/infrastructure-advisory-\(pppafp\)/](http://www.altusgroup.com/solutions-and-services/cost-consulting-project-management/infrastructure-advisory-(pppafp)/).

Capitalized terms in this report have the same meaning as noted in the PPA, or are terms commonly used in the PPP industry practice.

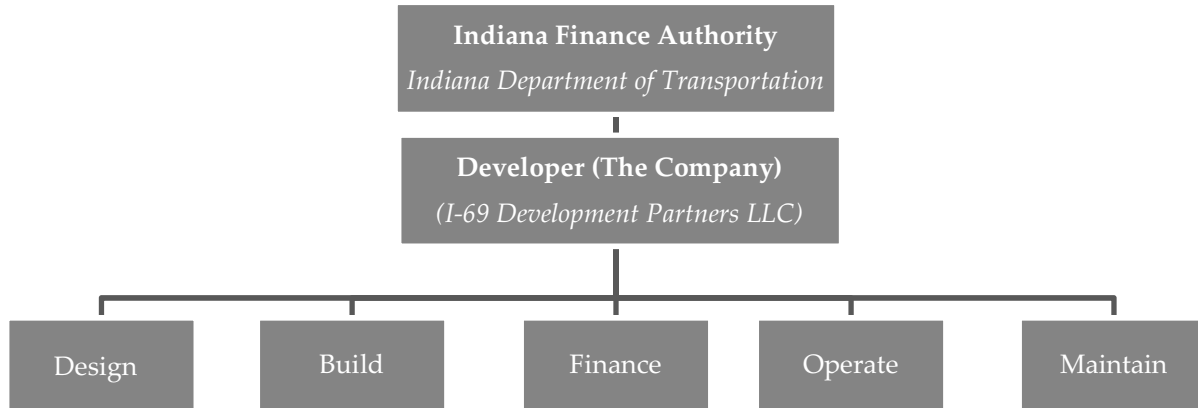
At the end of the Executive Summary section, we have included a summary of Relief Events applicable to this Project.

Please refer to section 13, Report Qualification, for comments regarding this report.

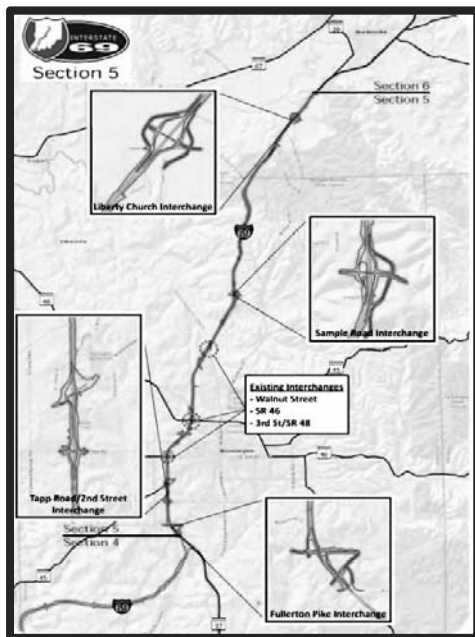
1.2 Project Overview (Section 3 of this report)

The Indiana Finance Authority (IFA) in cooperation with the Indiana Department of Transportation (the Department) issued a Request for Proposals (RFP) to develop, design, construct, finance, operate and maintain the Interstate 69 Highway, Section 5, Project (I-69 Section 5 Project) in Indiana, USA. The Developer¹ will perform operations and maintenance (routine and capital / life-cycle) for the 35-year Term of the Project. The Developer's operations and maintenance responsibilities will generally occur in two phases – one starting at Notice to Proceed 2 (NTP2) through Substantial Completion and the other during the Operating Period. The Project is availability-based payment, with no tolling. Construction period milestone payments are included.

¹ Referred to as the "Company" in the Private Activity Bonds Official Statement.



The Project is located to the southwest of Indianapolis, Indiana. Interstate 69 (I-69) Section 5 runs from SR 37 near Bloomington and extends northerly approximately 21 miles to SR 39 near Martinsville. The Project extends through Monroe and Morgan Counties with the majority of the Project located in Monroe County in the southern end.



To the south of the Project, construction of sections 1, 2 and 3 of the broader I-69 project are complete and are open to traffic. Section 4 is under construction, and Section 6 (to the north of the Project) is to be developed in the future. Specific Section 5 Project elements include:

- Upgrade to 21 miles of roadway along the existing SR 37 (also called I-69), by rehabilitating the existing four-lane divided highway (Rural section, northern end), and rehabilitating and upgrading to a 6-lane highway (Urban section, southern end);
- Construction of additional access/egress lanes in both directions and modernization of other road crossings along the Project corridor;
- Elimination of all at-grade intersections, and construction of new and upgrading of existing overpasses and interchanges for local roads access;
- Construction of new and modernization of existing access roads, auxiliary roads and some municipal roads along the Project corridor;
- Utility adjustments and relocations at all existing crossroads and parallel to I-69; and
- Operations and maintenance of existing I-69 Section 5 during construction, and 35 years of operation and maintenance (including life-cycle rehabilitation) post construction on Section 5, which includes some existing structures.

The Project scope, design and construction are not overly complex. Operations and maintenance requirements are typical of the Department's requirements, considering that in Indiana highway maintenance is generally performed by Department staff and not contracted out – except for minor works subcontracts.

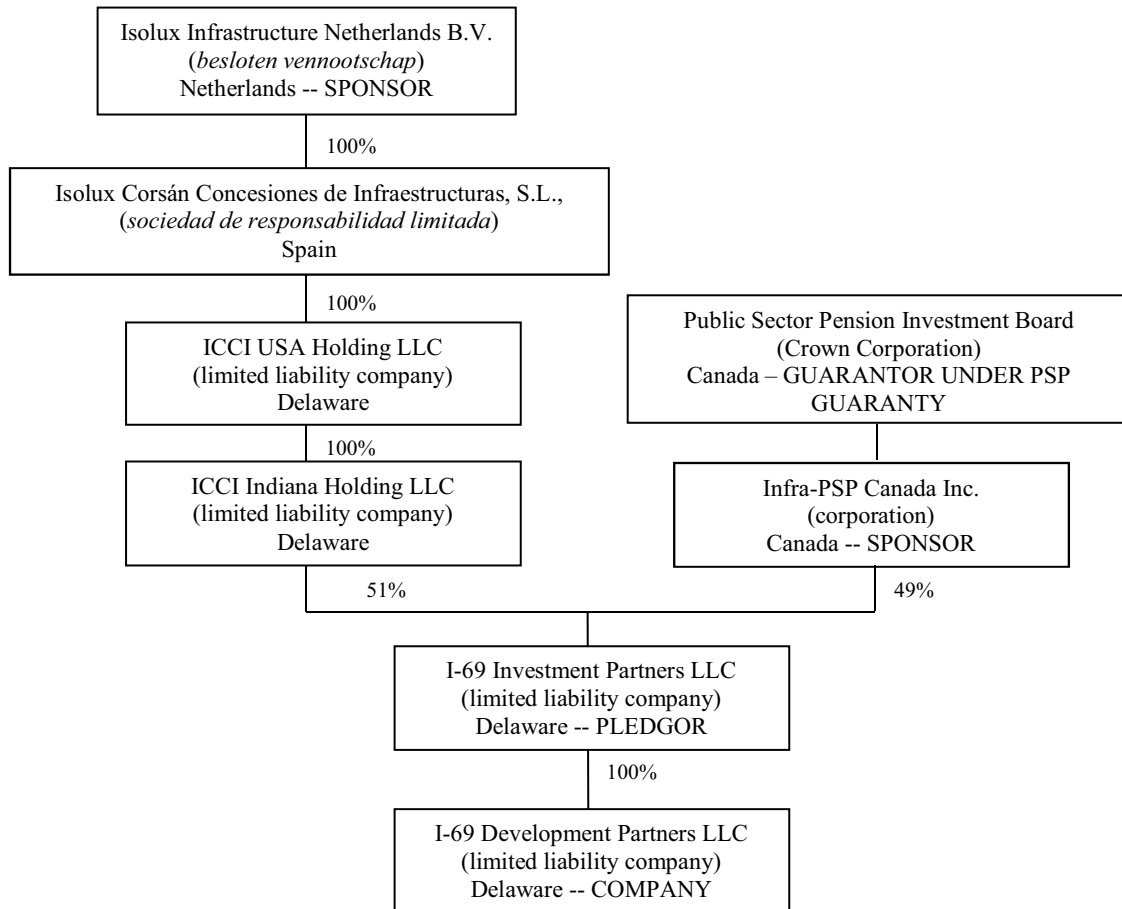


1.3 Project Team (Section 4 of this report)

The Developer² organization and equity structure is as follows:

- Developer: I-69 Development Partners LLC (I-69 DP), a special-purpose vehicle (SPV)
- Equity Member: I-69 Investment Partners LLC³
- Equity Sponsors: Isolux Infrastructure Netherlands B.V.⁴ and Infra-PSP Canada Inc. (see chart below)⁵

The IFA-approved holding structure is as follows:



² Referred to as the “Company” in the Private Activity Bonds Official Statement.

³ A limited liability company organized under the laws of the State of Delaware, and wholly owned by the Sponsors (51% is owned by Isolux Infrastructure and 49% is owned by Infra-PSP).

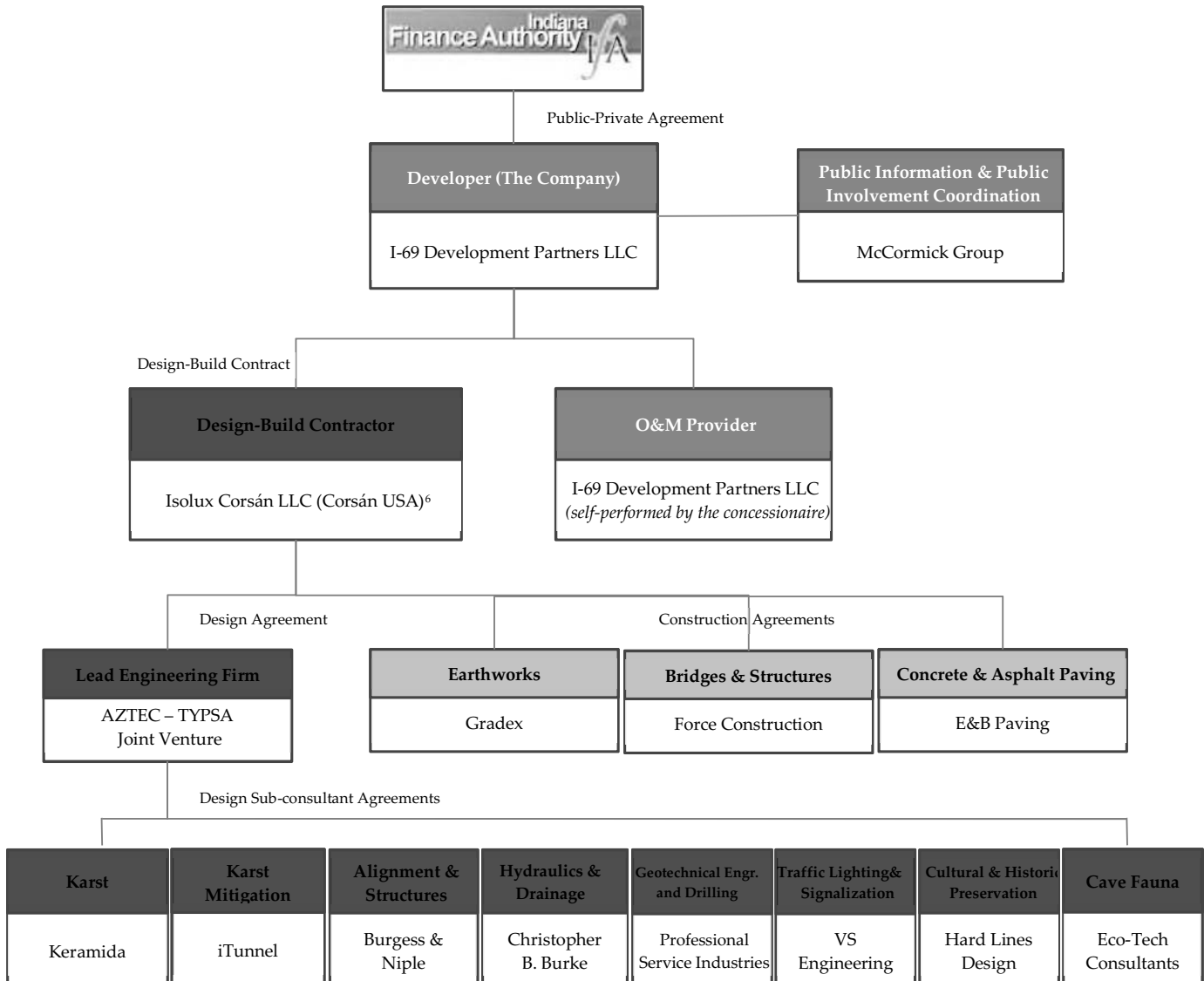
⁴ Isolux Infrastructure Netherlands B.V. is 80.77% owned by Grupo Isolux Corsán Concesiones, S.A. (the “Isolux Group”) and 19.23% owned, indirectly, by the Public Sector Pension Investment Board, a Canadian Crown corporation (“PSP Investments”).

⁵ The inclusion of Infra-PSP as a Sponsor is expected to be completed on or prior to the Closing Date. Accordingly, references herein to the Sponsors include Infra-PSP, and reference to equity contributions to be made by the Sponsors and related transactions assume the inclusion of Infra-PSP will have been completed on or prior to the Closing Date.



Isolux Infrastructure Netherlands B.V. and its affiliated companies have comprehensive experience in transportation DBFOM projects. I-69 Development Partners will be responsible for the management of the Project and for matters related to the performance of the Work.

The Developer's (I-69 Development Partners LLC) Team is summarized below:



Isolux Infrastructure Netherlands B.V. is a limited liability company organized under the laws of the Kingdom of the Netherlands ("Isolux Infrastructure"); Infra-PSP Canada Inc. is a corporation organized under the laws of Canada ("Infra-PSP", and together with Isolux Infrastructure, the "Sponsors"); I-69 Investment Partners LLC is a limited liability company organized under the laws of the State of Delaware (the "Pledgor"); Corsán-Corviam Construcción, S.A. is a corporation organized under the laws of the Kingdom of Spain ("Corsán-Corviam" and also referred to as "Corsán Spain"); and Isolux Corsán, LLC is



a limited liability company organized under the laws of Texas (“Corsán USA” and the “Design-Build Contractor”).

The Developer has entered into a fixed-price, date-certain, turnkey Design-Build Contract with the Design-Build Contractor, Corsán USA, an affiliate of the Developer and part of the Isolux Group. Corsán Spain has assigned all of its rights and obligations under the Design-Build Contract to the Design-Build Contractor and the Design-Build Contractor has assumed all of Corsán Spain’s rights and obligations under Design-Build Contract. Notwithstanding the above, Corsán Spain will not be released from, and will retain liability for, all of the Design-Build Contractor’s obligations under the Design-Build Contract. In addition, on or prior to the Closing Date, the Design-Build Contractor will deliver a parent company guaranty from Corsán Spain in favor of the Developer, in respect of all obligations of the Design-Build Contractor under the Design-Build Contract.

The Design-Build Contractor will be responsible for the design and construction of the Project on a back-to-back basis with respect to the Developer’s construction obligations under the PPA. The Design-Build Contractor has extensive international experience in delivering projects of similar scope and size to this Project.

The Design-Build Contractor will enter into construction agreements with Gradex, Force Construction Company, and E&B Paving. The three subcontractors are headquartered in Indiana and have substantial experience in the state, including a long-standing working relationship among themselves on a number of projects in Indiana as well as extensive work for the Department. In addition, the I-69 DP Team will benefit from the recent experience of Gradex and Force Construction in other segments of the I-69 corridor. Their combined workforce totals 2,000 employees in Indiana and will be augmented by their fleet of equipment (including plants) and ready access to materials.

Under the Design-Build Contractor, the lead engineering firm merges the global knowledge of TYPASA with the US knowledge of AZTEC and local knowledge of its sub-consultants. AZTEC is a subsidiary of TYPASA.

I-69 Development Partners LLC will self-perform the operations and maintenance related to the Project, excluding lifecycle and specialized activities, which will be subcontracted out. Isolux Infrastructure is currently performing O&M activities on more than 1,000 miles of highways/roads, including highways with two or three lanes in each direction, two-lane roads and urban highways. Isolux is currently managing 8 highway concessions totaling over 850 miles of highways/roads: two are under construction, 3 are fully operational, and the remaining 3 involve upgrades and expansions to existing roads that are simultaneously under construction and in operation, which is a feature of the I-69 Section 5 Project. Corsán-Corviam was the DB Lead Contractor for all eight concessions.

Since the road will stay open to traffic during construction, the Design-Build Contractor will be responsible for most of the routine maintenance works along the sections under construction relating to sweeping and cleaning, the pavement, barriers, and structure related repairs. The Developer will maintain responsibility for mowing, pruning, snow removal, incident response, and response to inquiries and the customer contact line. In addition, the Developer will be responsible for the Operations, Maintenance and Rehabilitation (life-cycle) works for any portion of the Project, which has met the criteria for completion.

During the bid phase the LTA met representatives of Corsán-Corviam, AZTEC-TYPASA, Gradex, Force and E&B Paving to review the project scope, status, their qualifications and the project site. All have been cooperative and have provided, and are providing, information regarding the team and the Project. The LTA has found that Isolux I-69 Development Partners LLC has the experience and capacity to undertake



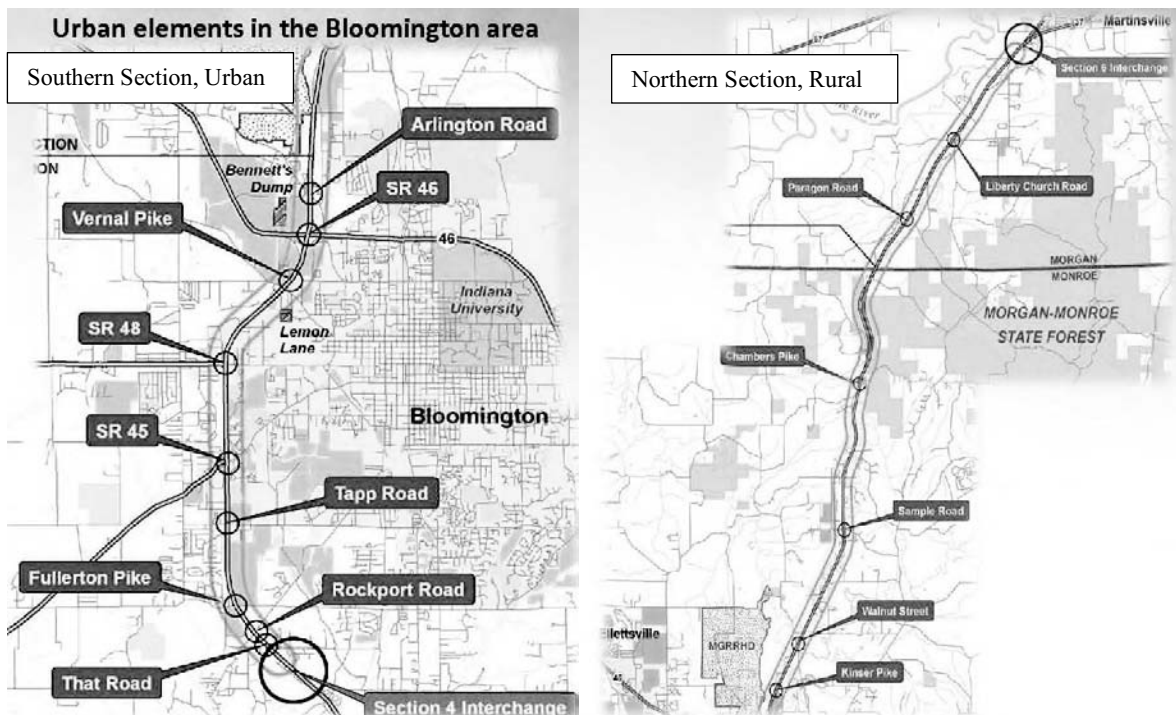
this project and that the combination of international expertise and extensive local contractor knowledge makes the design and construction teams well-qualified to complete the necessary work associated with this Project.

1.4 Design & Construction (Section 5 of this report)

The scope of the initial D&C Work will consist of all Work necessary to complete the Project as set forth in Section 1 of the Technical Provisions

The Design and Construction elements include

- Rehabilitation and conversion of 21 miles of existing 4-lane median separated state roadway along the existing State Route 37 into a limited access 6-lane (southern end) and 4-lane (northern end) interstate highway between Bloomington, IN and Martinsville, IN from 200 feet south of the intersection of That Road/SR 37 to the south bridge approach of the Indian Creek Bridge (Str. No. 37-55-3106);
- Construction of an additional north- and southbound access road, approximately 13 miles long in total, parallel to the highway in the Urban Areas, and modernization of other municipal and State road crossings along the corridor;
- Construction of a southbound truck climbing lane approximately 3 miles long (located in the northern part of the Project);
- Construction of new interchanges;



- All overpasses and interchanges to accommodate bicycle and pedestrian traffic, following local design standards;
- Utility adjustments and relocations at all existing crossroads and parallel to I-69;
- Drainage improvements to accommodate highway widening;



- Construction of twelve (12) new bridges, and rehabilitation, widening or enhancement of fourteen (14) bridges across six (6) creeks, two (2) existing bridges will not be modified – some bridges consist of two structures;
- Improvements to local roadway system; and
- Highway signing and lane marking.

Notice to Proceed 1 (NTP1), allowing limited investigation and design to proceed was issued by the IFA to the Developer on April 8, 2014. Before commencing Construction, the Developer is required to receive a Notice to Proceed 2 (NTP2). The Developer has noted that it has submitted, as required by the PPA, their Design Review Plan and Schedule within 45 days of NTP1. The conditions to be fulfilled prior to receiving an NTP2 include achieving Financial Close.

The Developer is proposing the bridge program consisting of 12 new bridges, and varying degrees of structures modification/rehabilitation. The proposed structure types are typical and use common construction practices and materials, and they would not introduce added repair/rehabilitation operations over and above those posed by normal deterioration and age.

The new bridges are all of conventional proven design based on prestressed concrete box beams or prestressed concrete bulb-tee beams. Spans are of the order of 100 feet – not excessive for this selection of structural type.

Preliminary geotechnical data obtained by IFA for the Work are included as Reference Information Documents. The Developer will take responsibility for interpreting the geotechnical data and determining its suitability and sufficiency for meeting the geotechnical requirements of the Project.

Karst formations underlay a large portion of the Project corridor. Karst formations have been mapped in the area and impacts to bridge substructures have been defined and are being mitigated. The effects of existing karst formations is not expected to be a significant component of risk associated with the construction and rehabilitation of bridges. A karst expert is included on the team to address any particular design challenges.

While unfavorable soil conditions exist, with regard to geotechnical issues in general there appear to be no unusual or high risk situations which are not within the experience/knowledge domain of the Developer.

The design and construction activities are routine. The project is well defined and involves improvements and upgrades to a transport corridor which has been in use for many years. The geology and geotechnical environment is explored to acceptable project levels. The structures and the roadway (including pavement design) are in keeping with the accepted standard practices for the area and region.

1.5 Permits, Approvals/Reviews, Coordination (including Utilities and Railroad) (Section 6 of this report)

Generally, the Developer will secure Governmental Approvals necessary to complete the Work, which generally consist of Project construction-related items, as well as monitoring and updating the permits.

PPA Section 5.5 Utility Adjustments outlines the utility requirements. The Developer is responsible for identifying and resolving all potential Utility conflicts resulting from the Project design and construction, including responsibility for all costs involved in the utility adjustment, as outlined below.

Three types of utility adjustments are anticipated:



Type 1: the Utility Owner performs design and construction of the Utility Adjustment and is reimbursed by IFA. A Developer Utility Agreement is not required for these Adjustments. Final Design Documents prepared by the Developer for the Project will accommodate these utilities.

Type 2: the Developer will negotiate a Utility Agreement with the Utility Owner and perform the design and will be responsible for the design and construction costs and perform the Utility Adjustment Work accordingly utilizing a contractor acceptable to the Utility Owner – the Developer will be reimbursed for any Betterment of utilities based on the negotiated Utility Agreement

Type 3: the Developer coordinates Final Design with the Utility Owner and negotiates a Developer Utility Agreement but the utility owner performs the final adjustment design and construction works according to Developer Utility Agreement. The Developer will be responsible for the cost of the adjustment design and construction work.

Not all utilities identified will require relocation as some may have no impact on the road alignment, others can be avoided through design, or can be protected in place without any impact.

PPA Section 5.5.11 Utility Costs and Utility Milestones and PPA Exhibit 4, Milestone Payment Amounts indicate utility milestone payments totalling \$20 million as outlined below:

- Utilities Milestone #1 – \$5 million: After the Developer submits a valid Utilities Milestone Application compliant with PPA Section 5.5.11 including a cost estimate for eligible Utility Adjustment Work exceeding \$5 million; and
- Utilities Milestone #2 – \$15 million: After the Developer submits a valid Utilities Milestone Application compliant with PPA Section 5.5.11 including a cost estimate for eligible Utility Adjustment Work exceeding \$20 million (inclusive of \$5 million in respect of Utilities Milestone 1).

An unreasonable and unjustified delay by a Utility Owner to enter into a Developer Utility Agreement with Developer, or to perform under its agreement with the Contracting Authority or the Developer; will be, subject to certain conditions, a Relief Event. An unreasonable and unjustified delay by a Utilities Owner in relocating a Utility for which it is responsible to relocate is, subject to certain conditions, a Relief Event. The discovery of an Unknown Utility that directly affects the Construction Work will also entitle the Developer to a Relief Event.

CSX Transportation and the Indiana Rail Road Company own existing tracks that cross Project ROW near SR48/3rd Street at SR 37. CSX Transportation facilities cross beneath SR 37, while Indiana Rail Road Company facilities cross above SR 37. The Developer will coordinate the Project design with the owning and operating railroads, including meetings, plan submissions, and resolution of pertinent commentary provided by the railroad and will consult the railroads as necessary to ensure compliance with all standards and a viable Final Design. The railroad has final approval rights for the design of work affecting its facilities.

The I-69 DP's responsibility with respect to Permits, Approvals/Reviews, Coordination (including Utilities and Railroad) are mitigated by: inclusion of required appropriate durations in the Construction Schedule for Permits and Approvals to minimize risks of delays; utility costs identified in the Construction Price, preliminary contacts with Utilities during the design/investigation phases undertaken by the Department; contacts with the utilities after Commercial Close, and interfacing requirements with Railroads. Overall, these processes are known and can be effectively managed and mitigated for by qualified individuals/teams put forward by I-69 DP.



1.6 Construction Schedule (Section 7 of this report)

The I-69 DP's key dates and milestones are summarized in the following table.

Key Dates and Project Milestones	Dates
Final Request for Proposal issued by IFA	2013 Oct 15
Proposal Due Date	2014 Jan 21
Notification of Preferred Proponent	2014 Feb 19
Execution of PPA and Commercial Close	2014 April 08
Effective Date (date of execution of the Agreement by IFA and Developer)	2014 April 08
Initial Site Access Permit, NTP1	2014 April 08
Preliminary Design coordination activities	2014 May
Financial Close	2014 July 23
Finish of Design	2015 Aug
Commencement of Construction	2014 Aug 01
Baseline Substantial Completion (DB Substantial Completion), 27 months from Financial Close	2016 Oct 31
Final Acceptance Deadline (120 days after Baseline Substantial Completion)	2017 Feb 28
DB Long Stop Date (90 days before Project Long Stop Date)	2017 Jul 31
Long Stop Date, 365 days after Substantial Completion.	2017 Oct 31
Operating Period	35 years

The works will be designed and constructed in three distinct zones, plus a Pavement Rehabilitation Phase. The 3-zone approach is based on resource optimization, the fulfillment of various milestone (restriction) dates and the climate and environmental constraints.

Labor availability is not anticipated to be an issue in delivering the Project.

The schedule and Construction Management Plan indicates that the I-69 DP intends to construct all zones year-round. Consideration has been included for winter conditions as applicable to certain components. All major paving activities are avoided during winter, with emphasis switching to bridge construction during winter.

The schedule and the details provided are reasonable in terms of the PPA requirements and in achievability. The level of detail, sequencing of activities, durations and logic is appropriate for the scope and complexity of the work at this stage of planning. The Design-Build Contractor is able to accelerate implementation, and also accommodate 6-day work weeks, if timely completion of individual activities becomes critical.

The construction duration of 27 months from the Financial Close, expected 23 July 2014, to Scheduled Substantial Completion Date of October 31, 2016 is reasonable providing adequate resources and proactive management are allocated to the Project.

1.7 Environmental Review (Section 8 of this report)

The State has conducted extensive coordination with the public and various state and federal environmental and regulatory agencies.



The Developer will also work in accordance with the current Karst MOU and the relevant Karst Agreement.

The Developer will design for temporary and permanent erosion and sediment control, in close conformity with all mitigation measures as identified in the FEIS. The design is routine.

The PPA Technical Provisions address Forest Impact Avoidance and Minimization, and Forest Mitigation. The provisions are straightforward and implementing the requirements impose no additional demands on the Developer, over and above that involved in using experienced and competent staff to design and carry out associated works.

The PPA Technical Provisions address issues associated with Wildlife Avoidance and Impact Minimization, including measures to minimize disturbance on the living environment of rare and threatened species. The I-69 DP will use experienced and competent staff to design and carry out associated works.

The IFA has conducted cultural/archaeological surveys within the Project Right of Way, including Cemetery Development Plans for five cemeteries. The Developer has managed the alignment to avoid conflict with cemeteries. The Developer will consult the appropriate authorities within 24 hours if any unidentified archaeological site is encountered or any unanticipated effect is observed at a previously identified historic property ([TP Section 7.6](#)). Such an event is a Relief Event and may add some small additional costs to the Developer if delays to normal construction progress result.

The Developer will avoid potential residual contamination at such locations if practicable. If avoidance cannot be confirmed, an Environmental Site Assessment (ESA) may be required. The estimated number of ESA required may be available during the preliminary design stage, and thus any exposure minimized.

The Developer will prepare a Hazardous Materials Management Plan (HMMP) ([TP Section 7.9.1](#)) as part of the Project Management Plan. Such a plan will address spill prevention and response, thus minimizing financial impact of spills, but it will not entirely eliminate the possibility of accidental spills.

Air quality requirements should be manageable, provided all machinery is maintained in proper mechanical condition and the INDOT Standard Specifications are followed.

Requirements of the Sustainable Management Plan will be within the bounds of normal good practice by the Developer.

The Developer will prepare and implement an Environmental Management System (EMS), in order to achieve and maintain the environmental requirements and commitments within the PPA. The EMS will be embodied in an Environmental Compliance and Mitigation Plan (ECMP) while partnering with IFA. The ECMP shall include all environmental commitments and required mitigation listed in the Technical Provisions. The Developer will appoint a site Environmental Compliance Manager (ECM) to be responsible for the Contractor's compliance with all the environmental commitments and conditions of Environmental Approvals required for the Project.

The LTA review has indicated that no extraordinary mitigation measures have been identified; all measures can be implemented by following established state and federal processes as appropriate, and/or applying normal, good professional practice in design and construction of the appropriate mitigation works. Achieving the appropriate environmental standards and providing mitigation should fall within the bounds of normal design/construction costs.



1.8 Operations, Maintenance and Rehabilitation (Section 9 of this report)

The Developer will be responsible for developing and providing the resources, equipment, materials, and services required for operating and maintaining the infrastructure within the O&M Limits in accordance with the requirements of the PPA during construction, and throughout the Operating Period, including the following:

- Maintain the Project and Related Transportation Facilities within the O&M Limits in a manner appropriate for a facility of the character of the Project and in compliance with the requirements of the PPA Documents;
- Minimize delay and inconvenience to Users and, to the extent Developer is able to control, users of Related Transportation Facilities;
- Identify and correct all Defects and damages to the Project from Incidents;
- Monitor and observe weather and weather forecasts to proactively deploy resources to minimize delays and safety hazards due to heavy rains, snow, ice or other severe weather events;
- Remove debris, including litter, graffiti, animals, and abandoned vehicles or equipment from the Project ROW;
- Minimize the risk of damage, disturbance to or destruction of third party property during the performance of maintenance activities;
- Coordinate with and enable the Department and, as applicable, others with statutory duties or functions in relation to the Project or Related Transportation Facilities to perform such duties and functions;
- Perform systematic Project inspections, periodic maintenance, and routine maintenance in accordance with the provisions of the Operations and Maintenance Plan (OMP), Developer's Maintenance Plan and Developer's Safety Plan;
- Provide an OMP that identifies all of the functions, procedures, and manuals necessary to operate and maintain the Project;
- Provide sufficient, trained personnel, on- and off-site facilities, storage areas, garages, fleet vehicles, computer hardware and software, tools, and other items as required to comply with the PPA; and
- Coordinate with IFA and provide operations and maintenance training of at least 10 Department personnel upon Substantial Completion and again prior to the Termination Date so the Department personnel have a complete understanding of the facility, the method of operating all aspects of the O&M Limits, the maintenance program, plans, tasks, reports, and activities for the maintenance scope of the Project.

These Operations and Maintenance activities are based on a comprehensive set of performance criteria covering every aspect of Project O&M as currently defined by the PPA. The performance criteria are subject to annual (or more frequent) review by the Developer, so that the Table of Performance and Measurement continues to define all maintenance activities throughout the life of the Project. By linking maintenance performance criteria to the system for tracking and sanctioning NCEs, the performance based maintenance criteria segue into a set of financial and other sanctions which apply when maintenance performance is unacceptable.

The Developer will prepare an OMP (as a component of the PMP) prior to Construction commencing.



The Maintenance Plan (MP) is a component of the OMP. The MP will address both the next calendar year and the next 5 calendar years. The one-year MP will be a moving plan submitted every quarter and shall be updated to identify the Rehabilitation Work completed, major maintenance work remaining and any changes to the plan.

A 5-year plan shall be submitted annually and shall indicate the Rehabilitation Work activities planned over the next 5 calendar years.

A key aspect of the O&M Plan is the I-69 DP self-performing most of the O&M activities. Routine maintenance activities (cleaning, sweeping, small repairs, drainage cleaning, lighting replacements, vegetation control, etc.) and operation-related activities (snow and ice removal, customer contact, incident response, etc.) will be self-performed by in-house resources. Specialists input and contractors will be retained in areas such as structure and pavement inspections and testing, and life-cycle rehabilitation.

The Developer intends on subcontracting out all lifecycle related maintenance and work. This approach allows for greater flexibility in the future, but carries some quality and pricing risk. By initiating discussions with local companies during these early stages, these risks can be mitigated.

The operational life of all Project elements assets is expressed in terms of performance criteria. When performance approaches or drops below the criteria specified, the Developer is required to respond.

The base level of performance at the award of the PPA is established through Baseline asset inspections to determine the condition of each applicable Element, and the delivery of the Baseline Asset Condition Report (BACR) to the IFA, to be completed 30 days prior to NTP2. Before commencing inspections, the Developer will submit to the IFA the proposed scope of Baseline Inspections, together with the methodology/tests and a list of three or more qualified testing organizations which are financially independent of the Developer.

The Developer's rehabilitation strategy is series of scheduled activities. The Developer has used its experience from similar projects.

The Developer will prepare a Handback Plan that contains the methodologies and activities undertaken to ensure that the Handback Requirements in the PPA are achieved at the end of the Term of the Agreement. The Developer will submit the Handback Plan, including a Residual Life Methodology plan to IFA for review and approval at least 60 months before the anticipated expiration of the Term or earlier termination of the Agreement. The following schedule of inspections will be undertaken for all elements:

- First Inspection (57 - 60 months before the end of the Term);
- Second Inspection (15-18 months before the end of the Term); and
- Final Inspection (90 days before the end of the Term).

The I-69 Development Partners LLC's approach to the operations, maintenance and life-cycle planning is reasonable and indicates a good approach reflecting experience and good understanding of the PPA requirements.

1.9 Pricing (Section 10 of this report)

Description		Data
Construction Cost – Design-Build Contract Price (2014\$)		\$307 million
Construction Schedule	Financial Close to Substantial Completion	2014-July to 2016-October



Description		Data
	Substantial Completion to Final Acceptance	4 months
	Long Stop Date (after Substantial Completion)	12 months
Operations Phase (commencing at Substantial Completion)		35 years
OM&R Cost (2014\$)		
	Operation and Maintenance (after Substantial Completion)	\$124.2
	Rehabilitation (Life- Cycle) Cost	\$63.6 million

The LTA has reviewed the construction, operations and maintenance, and life-cycle rehabilitation costs. Based on this review and an independent costing exercise by the LTA, the following comments are provided:

- Construction Cost (Design-Build Contract Price) – The I-69 DP's construction costs correlate with the LTA's estimate, the project scope anticipated and the project schedule provided. We have not identified any areas of concern as it relates to the costing provided. The LTA has used local cost data and has based its estimate on the current design;
- Operations and Maintenance (O&M) Cost – The I-69 DP has applied a method-based approach to estimating O&M costs, based on experience in meeting typical performance standards. The I-69 DP's approach is consistent with other experienced developers and operations, maintenance and life-cycle costing. The LTA has reviewed the operations and maintenance costing based on the scope of work provided in the PPA, as well as its past experience in highway projects. The range of annual O&M costing provided is reasonable and is consistent with our expected ranges; and
- Rehabilitation (life-cycle) Cost –The I-69 DP has identified rehabilitation schedules, which are reasonable for the type of structures. The cost provided is reasonable.

Based on the review of the design and approach to Construction, O&M and Rehabilitation, the LTA expects that the I-69 DP has the experience and knowledge to deliver the project at these costs.

1.10 Contracts and Security Package (Section 11 of this report)

The Performance Security Packages is summarized as follows:

Description	Design-Build Contract
Parent Company Guarantee	<ul style="list-style-type: none"> ▪ Corsán Spain will be providing a guaranty under the Design-Build Contract
Limit of Liability (Liability Cap)	<ul style="list-style-type: none"> ▪ Maximum aggregate liability 50% of the Design-Build Contract Price (Contract Sum, including delay Liquidated Damages)
Payment Bond (Per PPA)	<ul style="list-style-type: none"> ▪ Payment bond securing the payment obligations of Design-Build Contractor to its sub-contractors, workers, suppliers, laborers and designers (remains in place until date that is 1 year following the Substantial Completion Date). ▪ The Payment Bond will be equal to approximately 5% of the Total Project Capital Cost (excluding O&M during Construction)
Performance Bond (Per PPA)	<ul style="list-style-type: none"> ▪ Performance bond or letter of credit securing the completion of the D&C Work (remains in place until date that is 1 year following the Substantial Completion Date). ▪ The Performance Bond will be equal to approximately 25% of the Total Project Capital Cost (excluding O&M during Construction)



Description	Design-Build Contract
Compensation and Payment	<ul style="list-style-type: none"> ▪ Fixed Lump Sum Design-Build Contract for D&C Work and for O&M During Construction ▪ Payment Schedule – Design Builder to provide a payment schedule, under which the Design Builder will be paid monthly ▪ Advance Payment – Entitled to Advance Payment of 10% of the Design-Build Contract Sum included in the monthly payment schedule no later than 15 days after the first disbursement to Developer from the bond proceeds account. The Advance Payment will be deducted from the subsequent monthly Design-Build Contract Sum as agreed. The Design Builder shall provide a letter of credit or surety bond for the amount of Advance Payment that will be reduced proportionally as work advances ▪ Developer Retained Amount (Retainage) – The Developer will retain a proportional amount of each of the monthly payments to be made to the Design-Build Contractor under the Design-Build Contract such that the aggregate amount of such withholding equals, as of the Substantial Completion Date, \$13 million (the “Retainage”). The Developer will not retain any portion of the Advance Payment for purposes of the Retainage. The Retainage will be paid to Design-Build Contractor following Substantial Completion in stages subject to payment made by IFA and any deductions from IFA.
Letter of Credit	<ul style="list-style-type: none"> ▪ Advance Payment Letter of Credit – One or more transferable bank guarantees or letters of credit equal to 10% of the Design-Build Contract Price as security for the Project Advance Payment Security; and ▪ Design-Build Letter of Credit – 7.5% of the Design-Build Contract Price as partial security from Design-Build Contractor: <ul style="list-style-type: none"> ▫ Reduced to 4% upon reaching Substantial Completion; and ▫ Reduced to 2% upon reaching Final Acceptance.
Liquidated Damages	<ul style="list-style-type: none"> ▪ Delay Liquidated Damages of \$82,200 per day until DB Substantial Completion occurs; and ▪ Milestone Delay Liquidated Damages – If any Milestone is not achieved by the applicable Scheduled Milestone Achievement Date, Design-Build Contractor will pay Milestone Delay Liquidated Damages (Exhibit 4 to the DB Contract) to cover additional cash needs of Developer as a result of the failure of Design-Build Contractor to achieve the Milestone by the applicable Scheduled Milestone Achievement Date. The milestone liquidated Damages range \$1,300 to \$8,000 per day depending on the Milestone. <p>The Design-Build Contractor's liability for liquidated damages is capped (LD Cap) at 10% of the Contract Sum.</p>
Warranties	<ul style="list-style-type: none"> ▪ Warranty – 24 months following Final Acceptance ▪ Latent Defect Period – 10 years following Final Acceptance
Key Dates	<ul style="list-style-type: none"> ▪ 2014 – Bloomington Area Work to commence ▪ June 1, 2015 – “That” Road overpass, Rockport Road Improvements and open to traffic ▪ December 31, 2015 – Fullerton Pike and Tapp Road, Vernal Pike overpasses and improvement completed and open to traffic ▪ DB Substantial Completion (Baseline Substantial Completion) Date – October 31, 2016 ▪ Long Stop Date – 12 months after the Baseline Substantial Completion Date. ▪ Design-Build Contractor Long Stop Date – 90 days prior to the PPA Long Stop Date ▪ Bond Holder Long Stop Date – Two months before PPA Long Stop Date

Based on our review of the Construction Schedule, we consider that a default during Q4 of 2015 to have maximum impact on the schedule and construction costs. At this point in the Construction Schedule, construction will be well advanced and all the major subcontractors will be working on site. The potential schedule impact is 3-6 months, based on a default during Q4 of 2015.



We have assessed the premium (impact) on the Construction Price of \$307 million to be approximately 15.5%. However, the assessed immediate liquidity requirement for the initial six-month period is estimated to be approximately 7.25% in the event of a default. The percentages exclude the liquidated damages. Our assessment is predicated on the immediate availability of funds from the liquid performance support (letter of credit). This assessment presumes that it will take approximately six months to access the bonds (Performance Bond and Payment Bond) posted as security. Based on the above, the Letter of Credit of 7.5% is reasonable.

Isolux Infrastructure will self-perform the operations and maintenance related to the Project, excluding lifecycle and specialized activities, which will be subcontracted under Isolux Infrastructure. As a result of this strategy, no Performance Security will be posted for the Operations and Maintenance activities during the Term.

Section 11.4.2 of this report provides comments on a potential Life-Cycle Reserve Account.

1.11 Payment Mechanism (Section 12 of this report)

The Payment Mechanism in the PPA follows the process for highway projects across North America, using a design, build, finance, operate and maintain (DBFOM) contract framework. Through this contract, the Developer is obligated to finance, develop, design, construct, insure, manage, and in respect of the O&M Limits, to operate, maintain and repair, and perform Rehabilitation Work on and for the Project.

This Payment Mechanism applies to activities undertaken through both the Design and Construction and Operations periods.

The Design and Construction period will be in effect from the Notice to Proceed (NTP2) until the realized Substantial Completion Date.

The Operations and Maintenance period will be in effect for a term of thirty-five years, beginning at the earlier date of either the Baseline Substantial Completion Date, or the realized Substantial Completion Date, for a period of 35 years thereafter.

Through this contract, the Developer will be entitled to Milestone Payments during the Design and Construction period, and Availability Payments during the Operations and Maintenance Period.

Milestone Payments will be limited to actual earned value of work completed as determined by the Developer's monthly schedule status report, as approved by IFA.

Availability Payments following the Substantial Completion Date are based on, and are subject to, the Project (within O&M Limits) being open and available for public travel as measured through Developer's compliance with the PPA Documents.

The Maximum Availability Payment, and any payment adjustments are adjusted for inflation on an annual basis using a CPI mechanism, commencing at Substantial Completion and then at the beginning of each Fiscal Year.

The Milestone Payment due and payable at Substantial Completion shall be subject to adjustment by the total amount of the Milestone Payment Adjustments in respect to unavailability during any Construction Closures, and of pre-Substantial Completion Noncompliance Events relating to the Construction Work.

The Milestone Payment Adjustments are subject to a cap of \$10,000,000.



During the Operations and Maintenance period, Availability Payments will be adjusted based on the Unavailability of the asset and Non-Compliance Events.

The Developer has undertaken a comprehensive analysis of the Payment Mechanism, forecasting the likely impacts and payment adjustments expected during both the construction period and the operations and maintenance period.

The LTA has undertaken an independent analysis and confirms that the majority of adjustments can be avoided through appropriate management and mitigation within the allocated Cure Periods.

Generally, the Payment Mechanism and associated adjustments set forth in the PPA are reasonable and philosophically aligned with similar DBFOM highway projects implemented across North America. The following elements should be noted:

- The proposed payment adjustments set forth in the PPA are generally modest and manageable when compared to similar DBFOM highway projects, with sufficient opportunity to identify and remedy events before an adjustment would be applied. As a result, adjustments are anticipated to be minimal through the concession term, including the construction period, primarily limited to events related to incident response and winter maintenance after snow storm events that require immediate action.
- Generally, the provided Cure periods offer sufficient time to address issues as they occur, limiting the likelihood of other Noncompliance Event from occurring in both the Construction and Operations & Maintenance Periods.
- As a result, it is not anticipated that the I-69 DP would accumulate a sufficient number of breaches or failures to reach a state of Persistent Developer Default.
- Additional risk is retained relating to IFA's ability to increase and adjust the parameters around the Event Days and Non-Compliance Events, through the O&M Period introduce additional risk as all measures could increase by up to 10%, or existing measures could be modified or replaced by additional or new measures changing the risk profile around these payment adjustments;
- Force Majeure, Relief, and Termination Events are generally reflective of industry expectations.

1.12 Relief Event

The PPA provides for certain Relief Events, which are summarized below.

- (a) IFA failure to perform or observe any of its material covenants or obligations under the PPA Documents, including unreasonable failure to issue a certificate of Substantial Completion, Substantial Completion or Final Acceptance after Developer fully satisfies all applicable conditions and requirements for obtaining such a certificate;
- (b) IFA Change;
- (c) Discriminatory O&M Change;
- (d) Non-Discriminatory O&M Change;
- (e) Safety Compliance Orders;
- (f) IFA-Caused Delay;
- (g) Failure to perform works required of IFA, the Department (INDOT) or another Governmental Entity or their contractors in the vicinity of the Project Right of Way, including the Advance Construction



Projects, in either case excluding any Utility Adjustment Work by a Utility Owner, and in either case that materially disrupts Developer's onsite Work;

- (h) Impact of a Business Opportunity in the Airspace by IFA, the Department or anyone (other than a Developer-Related Entity);
- (i) IFA's lack of good and sufficient title to or right to enter and occupy any parcel in the Project Right of Way, including Additional Properties required due to IFA Changes to the extent it interferes with physical performance of Work;
- (j) Force Majeure Event;
- (k) The revocation or suspension of an IFA-Provided Approval by the relevant Governmental Entity;
- (l) Unreasonable and unjustified delay by a Utility Owner (i) with whom Developer has been unable to enter into a Developer Utility Agreement in connection with a Utility Adjustment or (ii) with whom Developer or IFA, as the case may be, has entered into a Developer Utility Agreement or IFA Utility Agreement, as the case may be, in connection with a Utility Adjustment and such delay by a Utility Owner is contrary to or in violation of the terms and provisions of the Developer Utility Agreement or IFA Utility Agreement, as the case may be, provided that, in either case (A) all of the "conditions to assistance" described in Section 5.5.7.2 of the Agreement have been satisfied and (B) delay due to, among other things, the failure by any Developer-Related Entity to locate or design the Project or carry out the Work in accordance with the PPA Documents, the Adjustment Standards, the applicable IFA Utility Agreement, Developer Utility Agreement, the NEPA Documents, other Governmental Approval or applicable Law shall be deemed reasonable and justified;
- (m) Discovery at, near or on the Project Right of Way, including Additional Properties required due to any Hazardous Materials, excluding Developer Releases of Hazardous Materials and Known or Suspected Hazardous Materials;
- (n) Any Release of Hazardous Material by a third party who is not acting in the capacity of a Developer-Related Entity which (i) occurs after the Setting Date (which is 45 days before bid submission), (ii) is required to be reported to a Governmental Entity and (iii) renders use of the roadway or construction area unsafe or potentially unsafe absent assessment, containment and/or remediation;
- (o) Discovery on or under the Project Right of Way of any archeological, paleontological or cultural resources, excluding any such resources known to Developer prior to Setting Date or that would become known to Developer by undertaking Reasonable Investigation;
- (p) Discovery of (i) actual subsurface or latent physical conditions at or within two (2) feet of the boring holes identified in the Geotechnical Data Report that differ materially from the conditions indicated at such boring holes, in the Geotechnical Data Report; or (ii) actual subsurface physical conditions within the Project Right of Way of an unusual nature, differing materially from those ordinarily encountered in the area and generally recognized as inherent in the type of work provided for in the Agreement. In no event shall a discovery under either clause (i) or (ii) above be a Relief Event if (x) any such conditions were known to Developer prior to the Setting Date, or (y) could have been reasonably anticipated as potentially present by an experienced civil works contractor based on the information contained in the Reference Information Documents, or (z) that would have become known to Developer by undertaking Reasonable Investigation;
- (q) Discovery at, near or on the Project Right of Way of any Threatened or Endangered Species (regardless of whether the species is listed as threatened or endangered as of the Setting Date), excluding any such presence of the American Bald Eagle, the Indiana Bat or other species known to



Developer prior to the Setting Date or that would become known to Developer by undertaking Reasonable Investigation;

- (r) Change in Law or Change in Adjustment Standards, except a Change in Adjustment Standards that is consistent with the terms and limitations, if any, on changes in Adjustment Standards set forth in any Utility Memorandum of Agreement or Utility Agreement to which Developer is a party;
- (s) Issuance of a temporary restraining order, preliminary injunction or other form of interlocutory relief by a court of competent jurisdiction that prohibits prosecution of any portion of the Work, except if based on the wrongful act or omission of any Developer-Related Entity;
- (t) Issuance of a rule, order or directive from the U.S. Department of Homeland Security or comparable State agency regarding specific security threats to the Project or the region in which the Project is located or which the Project serves, to the extent such rule, order or directive requires specific changes in Developer's normal design, construction, operation or maintenance procedures in order to comply;
- (u) Discovery of Unknown Utilities that directly affects the Construction Work, except where the identification of a Utility in the Utility Information was Reasonably Accurate, was known to Developer as of the Setting Date, or that would become known to Developer by undertaking Reasonable Investigation;
- (v) Discovery of any hidden or undetected structural defect in any Existing Structure that directly affects the Construction Work, excluding any such defects known to Developer as of the Setting Date, or that would become known to Developer by undertaking Reasonable Investigation (which, in the case of this Relief Event clause (v) includes specifically review of all related Reference Information Documents provided by IFA prior to the Setting Date); or
- (w) Karst Feature Treatment Work.

For Relief Events, the Developer must demonstrate that it has taken reasonable care to alleviate and minimize impact on the Project.

The PPA requirements are in general consistent with another recent Project undertaken by IFA. The PPA includes reporting mechanisms and prescriptive procedures.



2 DOCUMENTATION

In preparing this Report, we have reviewed various documentation made available by the IFA, and provide by the Developer. They have generally included the following documents:

- Developer's SoQ Submission;
- IFA Request for Proposals;
- Public-Private Partnership Agreement and addenda, including the executed Agreement, dated April 8, 2014;
- Background Information, Disclosed Data and Technical Reports;
- Developer-prepared technical information and plans; schedule; construction costing; operations, maintenance and life-cycle costing plans and costing;;
- Executed Design-Build Contract, dated April 8, 2014;
- Executed MOU, between Corsán-Corviam and E&B Paving, received January 14, 2014 (expect executed final agreement before Financial Close);
- Executed MOU between Corsán-Corviam and Gradex, received January 14, 2014 (expect executed final agreement before Financial Close);
- Executed MOU between Corsán-Corviam and Force, received January 14, 2014 (expect executed final agreement before Financial Close);
- Lender's Insurance Advisor Report, dated January 7, 2014;
- Financial Model Input Sheet V40, received January 15, 2014 – and updated tabs received March 10, 2014 (Rubicon) and April 2, 2014 (Isolux).



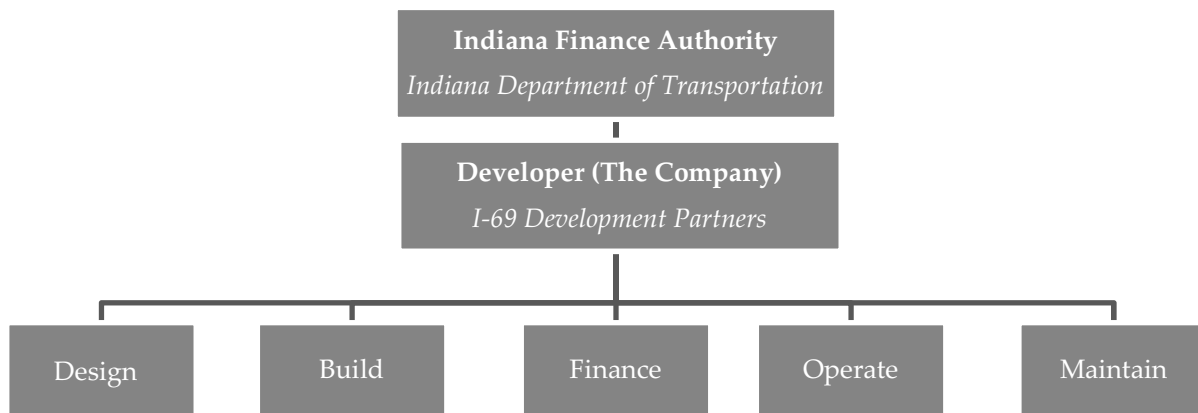
We will review any updated information made available before Financial Close. The LTA team met with the Developer's team and conducted a guided tour of the Project site prior to bid submission and has held a number of teleconferences discussing the Project and the Developer's approach.



3 PROJECT OVERVIEW

3.1 Introduction

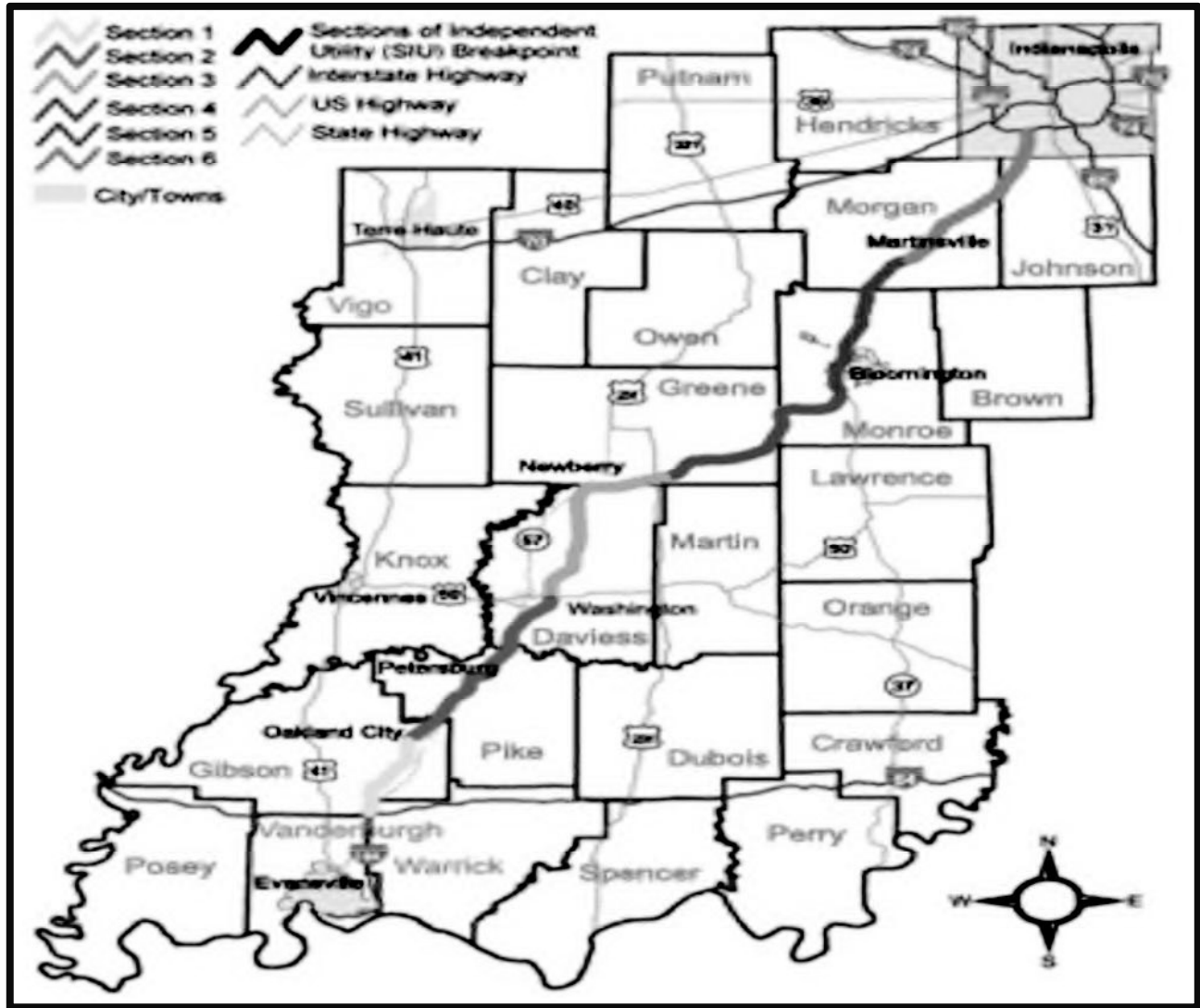
The Indiana Finance Authority (IFA) in cooperation with the Indiana Department of Transportation (the Department) issued a Request for Proposals (RFP) to develop, design, construct, finance, operate and maintain (DDCFOM) the Interstate 69 (I-69) Highway, Section 5, Project in Indiana, USA. The I-69 Section 5 Project is being procured as a design, build, finance, operate and maintain (DBFOM) Public-Private Partnership. The Project consists of upgrading the approximately 21 miles of existing State Road (SR) 37, between Bloomington and Martinsville, Indiana, to interstate highway standards through an availability payment concession under a Public-Private Agreement (PPA).



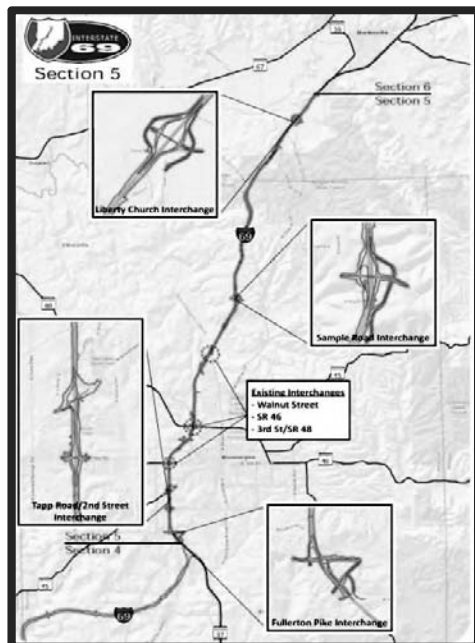
Please refer to Section 4 of this Report for the detailed organizational structure of the Developer's team.

3.2 Project Location

The Project is in Indiana, southwest of Indianapolis. Interstate 69 (I-69) Section 5 runs from SR 37 near Bloomington and extends northerly approximately 21 miles to SR 39 near Martinsville. General map of the Project is displayed below:



3.3 Project Scope



The Project begins at SR 37 near Bloomington and extends north approximately 21 miles to SR 39 near Martinsville. This section of SR 37 has also the designation I-69. The Project extends through Monroe and Morgan Counties with the majority of the Project being in Monroe County in the southern end. Sections 1, 2 and 3 of the broader I-69 project are constructed and already open to traffic. Section 4 is under construction and Section 6 is to be developed in the future. The completion of the I-69 Section 5 Project will bring the State closer to completing the broader I-69 project between Evansville and Indianapolis (Section 1.1 of Section 1 of the Technical Provisions of the PPA).

The Developer will design, build, finance, operate and maintain the Project in return for periodic availability payments. The



Developer will perform operations and maintenance (routine and capital / life-cycle) for the 35-year Term of the Project. The Developer's operations and maintenance responsibilities will generally occur in two phases – one starting at Notice to Proceed 2 (NTP2) through Substantial Completion and the other during the Operating Period.

3.3.1 IFA's Goals for the Project

IFA's goals for the Project are as follows:

- Provide congestion relief on SR 37;
- Reduce existing and forecasted traffic congestion, improving traffic safety and supporting local economic development initiatives;
- Spur economic development within Monroe and Morgan Counties, particularly in the areas of Bloomington and Martinsville;
- Strengthen the transportation network in Southwest Indiana (including improved business accessibility to labor, suppliers and markets and improved personal accessibility for residents);
- Completes a key portion of the national I-69 corridor between Evansville and Indianapolis;
- Minimize the cost and funds required to develop, design, construct, finance, operate and maintain the Project;
- Achieve substantial completion for the Project by October 31, 2016;
- Provide a safe project for workers and the traveling public;
- Provide a high quality, durable and maintainable facility;
- Meet Disadvantaged Business Enterprise (DBE) goals and project "on-the-job" training (OJT) program opportunities;
- Seek private sector innovation and efficiencies, and encourage design solutions that respond to actual and anticipated environmental concerns, permits and commitments; and
- Generate additional permanent and temporary jobs that include construction related employment.

3.3.2 Design, Construction and Maintenance Features

The I-69 Section 5 Project is between Bloomingdale and Martinsville in Indiana and its elements include:

- Upgrade 21 miles of roadway along the existing SR 37 (also called I-69), by rehabilitating the existing a four-lane divided highway and upgrading to a 6-lane highway (Urban section, southern) and upgrading to a rehabilitated 4-lane highway and auxiliary lanes (Rural section, northern), including shoulder widening and other upgrading;
- Construction of new and modernization of existing access roads, auxiliary roads and some municipal roads along the Project corridor;
- Drainage and highway lighting construction and improvements;
- Installation of traffic signals on municipal roads;



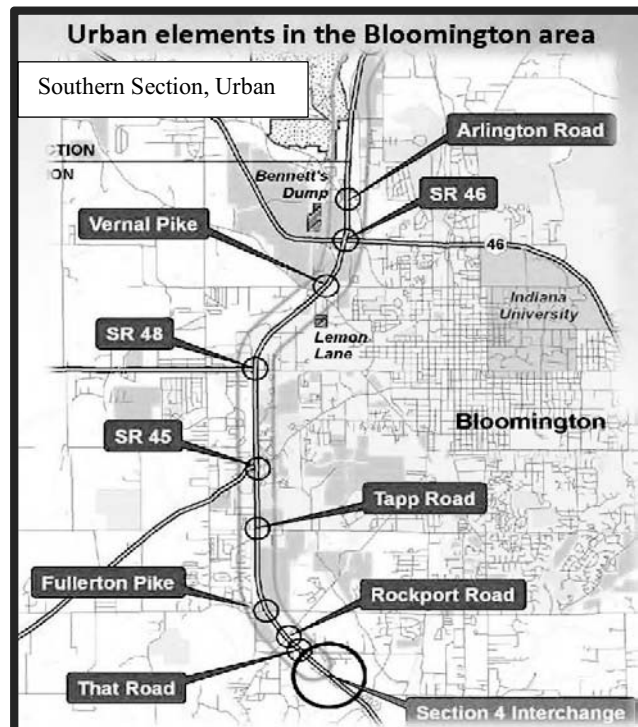
- Construction of an additional lane per direction (access road, separate but parallel to the highway) with a total length of approximately 13 miles across urban areas and modernization of numerous other road crossings along the Project corridor;
- Utility adjustments and relocations at existing crossroads and parallel to I-69;
- Drainage improvements to accommodate widening;
- Convert existing four-lane median separated state highway into a limited access interstate highway;
- Construction of nine (9) new access roads;
- Construction of truck climbing lanes (northern section of the Project) with a total length of approximately 3 miles;
- Elimination of all at-grade intersections and new construction of four overpasses for local roads and four interchanges;
- Improvements to three (4) existing interchanges;
- Construction of twelve (12) new bridges, and rehabilitation, widening or enhancement of fourteen (14) bridges across six (6) creeks, two (2) existing bridges will not be modified – some bridges consist of two structures;
- Widening of one (1) highway bridge over CSX Railroad;
- Improvements to local roadway system;
- Lighting for urban area through Bloomington at interchanges;
- Most overpasses and interchanges accommodate bicycle and pedestrian traffic to local standards; and
- Operations and maintenance of existing I-69 Section 5 during construction; and 35 years of operation, maintenance and life-cycle rehabilitation post construction on Section 5, which includes existing and rehabilitated structures.

The design features for the Project are described below (Section 1.4.2 to the RFP):

- Rural design features (North of Sample Road Interchange):
 - Four-lane highway with two 12-foot-wide lanes in each direction;
 - Lanes separated by either an 84-foot-wide depressed median or 60-foot-wide depressed median;
 - Medians consist of two 7-foot-wide usable inside shoulders where six of those feet are paved; and
 - Additional 12 foot-wide outer shoulder is required in select locations for truck climbing lanes and ramp acceleration and deceleration lanes;
- Urban design features (South of Sample Road Interchange):
 - Six-lane divided highway with three 12-foot-wide lanes in each direction;
 - Median treatment options include a depressed median 60 feet in width (initial cross-section) or paved shoulders separated by a concrete barrier wall (low-impact cross section); and

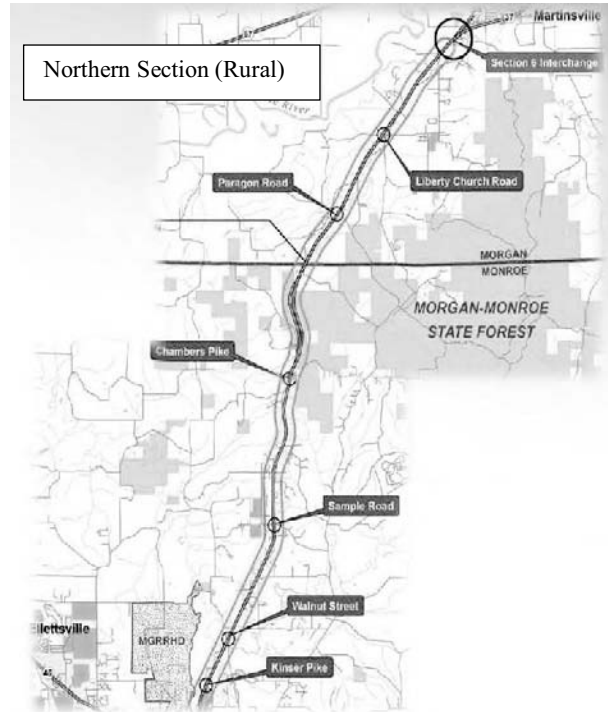


- Additional 12-foot-wide lanes are provided in locations warranting auxiliary lanes and ramp acceleration and deceleration lanes, and an 8 to 12-foot-wide paved outside shoulder;
- Local Access Roads design features:
 - These roads are designed for either side of the mainline at various points throughout the Project corridor;
 - Provide access to otherwise landlocked properties;
 - Either 100-foot-wide median (initial cross-section) or barrier wall (low-impact cross-section) will be used between the interstate mainline and access roads;
 - Paved shoulders, varying by specific alternative, will range from 5-8 feet;
 - Minimum clear zone on each side without a barrier wall is 20 feet; and
 - Cross section for these lanes typically includes two travel lanes (width between 11-12 feet);
- Overpass at Rockport Road;
- Interchange at Fullerton Pike (new);
- Interchange serving Tapp Road (new)
- Interchange at SR 45 / 2nd Street (existing);
- Interchange at SR 48 / 3rd Street (existing);
- Overpass at Vernal Pike;
- Interchange at SR 46 (existing);
- Overpass at Arlington Road;





- Overpass at Kinser Pike;
- Partial Interchange at Walnut Street (existing);
- Interchange at Sample Road (new);
- Overpass at Chambers Pike; and
- Interchange at Liberty Church Road (new).



3.4 Advance Construction Projects

The Developer’s scope of work will exclude the design and construction of the SR 37 Clearing Contract and the bridge rehabilitation of the Walnut Street Bridge over the existing SR 37 (collectively, the “Advance Construction Projects”). The Developer is required to coordinate with the contractors of the Advance Construction Projects during the construction period keeping in mind that once complete, the Walnut Street Bridge will be included within the O&M Work and O&M Limits (Section 1.4.4 to the PPA).

3.5 Project Statistics

Description		Data
Construction Cost – Design-Build Contract Price (2014\$)		\$307 million
Construction Schedule	Financial Close to Substantial Completion	2014-July to 2016-October
	Substantial Completion to Final Acceptance	4 months
	Long Stop Date (after Substantial Completion)	12 months
Operations Phase (commencing at Substantial Completion)		35 years
OM&R Cost (2014\$)		
Operation and Maintenance (after Substantial Completion)		\$124.2
Rehabilitation (Life-Cycle) Cost		\$63.6 million

Further details regarding schedule and costs are provided in Section 7 and 10, respectively.



3.6 Term of Concession

The following are key dates from the PPA and as proposed by the Developer.

Key Dates and Project Milestones	Dates
Final Request for Proposal issued by IFA	2013 Oct 15
Proposal Due Date	2014 Jan 21
Notification of Preferred Proponent	2014 Feb 19
Execution of PPA and Commercial Close	2014 April 08
Effective Date (date of execution of the Agreement by IFA and Developer)	2014 April 08
Initial Site Access Permit, NTP1	2014 April 08
Preliminary Design coordination activities	2014 May
Financial Close	2014 July 23
Finish of Design	2015 Aug
Commencement of Construction	2014 Aug 01
Baseline Substantial Completion, 27 months from Financial Close	2016 Oct 31
Final Acceptance Deadline	2017 Feb 28
DB Long Stop Date (90 days before Project Long Stop Date)	2017 Jul 31
Long Stop Date, 365 days after Substantial Completion.	2017 Oct 31
Operating Period	35 years

The PPA will take effect on the Effective Date and shall remain in effect until the earliest of ([Section 2.1.7 of the PPA](#)):

- Thirty-five (35) years after the Baseline Substantial Completion Date;
- Thirty-five (35) years after the Substantial Completion Date; or
- The termination of the PPA.

3.7 Work and Notices to Proceed 1 and 2 (NTP1 and NTP2)

Work is defined as the work required to be furnished and provided by the Developer under the PPA Documents, including all administrative, design, engineering, real property acquisition and occupant relocation, construction, Landscaping Work, Rehabilitation Work, Utility Adjustment, utility accommodation, support services, financing services, operations, maintenance and management services ([Exhibit 1 of the PPA](#)).

O&M Work is defined as any and all operation, management, administration, maintenance, repair, preservation, modification, reconstruction, rehabilitation, restoration, renewal and replacement, including Planned Maintenance, Rehabilitation Work and Handback Requirements Work. O&M Work conducted prior to commencement of the Operating Period is “O&M during Construction”; O&M Work conducted on or after the commencement of the Operating Period is “O&M after Construction.”

NTP1 – IFA issued NTP1 concurrently with the execution and delivery of the PPA (at Commercial Close). NTP1 authorizes the Developer to commence performance of the Work, excluding all Design Work, Construction Work and Work for which achievement of Substantial Completion is required as a condition precedent. Work authorized by NTP1 includes ([Section 5.3.1 and Exhibit 1 of the PPA](#)):



- Customary construction engineering activities;
- Field staking and surveys;
- Discussions and initial coordination with Utility Owners about potential utility adjustments; and
- Geotechnical investigations.

NTP2 – Authorization allowing the Developer to proceed with the balance of the Work (Work excluded from the scope of Work in respect of NTP1, but exclusive of O&M Work), shall be provided by IFA's issuance of NTP2 (Section 5.6.1 and Exhibit 1 of the PPA).

Design Work may be initiated prior to NTP2, but after NTP1, subject to satisfaction of the conditions outlined in Section 5.3.2 of the PPA.

3.8 Substantial Completion and Final Acceptance

The Developer shall provide IFA with one hundred eighty (180) and twenty (20) Days' advanced Notice of the date of expected DB Substantial Completion. IFA will issue a certificate of DB Substantial Completion on the date that all conditions to DB Substantial Completion have been met and that all O&M Conditions Precedent have been met (PPA Section 5.8.1), including:

- Developer has completed the design and construction of the Project in accordance with the PPA Documents, except the Punch List items;
- The need for temporary traffic controls or for Closures or Construction Closures at any time, including due to the existence of or need to complete Punch List items, has ceased;
- The systems and equipment installed by Developer comply, in all respects, with applicable Laws, are operational and functional, and have passed the fire marshal and any other inspections and tests required under the PPA Documents, and Developer has delivered to IFA all reports, data and documentation relating to such tests;
- The Parties have completed preparation of the Punch Lists for the entire Project (other than resolution of items included under protest);
- All Submittals required by the Project Management Plan or PPA Documents to be submitted to IFA prior to Substantial Completion have been submitted to and approved by IFA;
- Developer has satisfied any other requirements or conditions for DB Substantial Completion set forth in the Technical Provisions;
- Developer has made all deposits to the Intellectual Property Escrow(s) and the Financial Escrow required at or prior to Substantial Completion pursuant to Sections 23.5 and 23.6;
- There exists no uncured Developer Default that is the subject of a Notice, unless (i) Substantial Completion will affect its full and complete cure, (ii) with respect to a non-monetary default, Developer has a right to cure and is diligently pursuing cure within the applicable cure period; and
- Developer has delivered to IFA all manufacturer warranties required under, and in the form and content specified by the Technical Provisions.

The IFA will issue a written Certificate of Final Acceptance when all of the following have occurred:

- The IFA has issued a certificate of Substantial Completion;



- All Punch List (deficiencies) items have been completed and accepted;
- The IFA accepts that a reasonable inventory of all spare parts, equipment, materials, etc., for operation and maintenance during the Operating Period have been has acquired/stored or arranged for immediate availability by the Developer;
- IFA has received a complete set of the Record Drawings and as-built survey sheets for the Project;
- Any form of certification by any Governmental Entity (with jurisdiction) concerning Project design, engineering or construction, (including certifications from the appropriate engineer/architect of record), has been issued to that entity, with identical certificates to the IFA;
- All required Utility Adjustment Work and other work has been accepted by the third parties, and the Developer has paid for all work as required under the PPA;
- The Developer has made all deposits to the Intellectual Property Escrow(s) and Financial Escrow required at or prior to Final Acceptance pursuant to Sections 23.5 and 23.6;
- IFA has received the final certifications regarding suspension or debarment as set forth in Section 7.16;
- There are no uncured Developer Defaults that are the subject of a Notice, or potentially Warning Notice (except any Default for which Final Acceptance will affect its full and complete cure); and
- The Developer has submitted to IFA documentation of Disadvantaged Business Enterprise (DBE) utilization or, if the DBE Goal is not met, documentation supporting good faith efforts, as required under Exhibit 7 (DBE Special Provisions).

The Developer shall provide IFA with Notice of the date Developer determines that it will satisfy all of the conditions of Final Acceptance in Section 5.8.5.2 of the PPA. During the twenty- (20)-day period following receipt of such Notice, Developer and IFA shall meet, confer and exchange information on a regular cooperative basis, and IFA shall conduct an inspection of the Punch List items and the Project, a review of the Record Drawings, and such other investigation as may be necessary to evaluate whether the conditions to Final Acceptance are satisfied.

The Developer shall provide IFA a second Notice when Developer determines it has achieved Final Acceptance. Within five (5) days, IFA shall either (a) issue a certificate of Final Acceptance or (b) provide Notice to Developer setting forth, as applicable, why Final Acceptance has not been achieved. If IFA and Developer cannot agree as to the date of Final Acceptance, such Dispute shall be resolved according to the Dispute Resolution Procedures. The Notice of Final Acceptance will indicate the actual date on which Developer achieved Final Acceptance.

3.9 Design & Construction Warranties

The Developer will obtain from all Contractors; representations, warranties, guarantees and obligations, in accordance with Good Industry Practice for work of similar scope and scale, with respect to design, materials (including landscaping outside of the O&M Limits), workmanship, equipment, tools and supplies, which shall not only extend to the Developer but also to IFA, Utility Owners and any third parties for whom Work is being performed. The warranty shall be for a period of not less than one (1) year (Section 5.11.1 of the PPA).



3.10 Alternative Technical Concepts

Alternative Technical Concepts (ATCs) allow the Developer and other Proposers to incorporate innovation and creativity in their Proposals, in turn allowing the IFA to consider ATCs in making their selection decision. This avoids delays and potential conflicts in the design associated with deferring reviews of ATCs to the post-award period. ATCs eligible for consideration are limited to those deviations from the requirements of the as-issued PPA Documents that result in performance, quality and utility of the Project that is equal to or better than the performance, quality and utility of the Project absent the deviation, as determined by IFA (Section 3.1 to the RFP).

I-69 DP submitted a number of ATC's to IFA for approval. Seven have been accepted by IFA, of which the I-69 DP has decided to implement five. Approval for these ATC's was granted before bid submission, which generally provides savings in costs and construction timing. Section 5.1 of this report further discusses the ATCs.

There is limited opportunity for major innovation on this Project since it is an existing highway that is being widened and rehabilitated, with prescribed overpass/interchange locations.

3.11 Financial Close

IFA has the right to extend the date for Financial Close by up to 120 days after the date originally targeted by the Developer. If Lenders' commitments expire due to the extension of the date for Financial Close, IFA may require the Developer to run an Initial Project Debt Competition (IPDC) to identify and obtain debt funding based on market terms. If IFA opts not to have the Developer run the IPDC, the Developer shall conduct negotiations with the Lenders who originally provided commitments to seek the renewal or extension of such commitments to the new date for Financial Close (Section 13.7.2 of the PPA).

If IFA extends the date for Financial Close it shall pay the Developer the following (via an adjustment to the Availability Payment) (Section 13.7.2.3 of the PPA):

- If Financial Close is scheduled beyond 180 days from the date of the Developer's bid, escalation costs for labor, materials and equipment based on movements in CPI from immediately before 180 days after the date the Developer submitted its bid to the date of or immediately before Financial Close;
- Breakage costs and work fees, if any, payable to Lenders who provided price commitments in connection with the submission of the Developer's bid and did not renew or extend their commitments after the expiration of such commitments before the new date for Financial Close provided the total amount of such breakage costs / work fees payable by IFA will not exceed 1% of the principal amounts of such commitments; and
- The lesser of the Developer's actual external and internal costs incurred for work reasonably necessary to achieve Financial Close commencing on the date originally scheduled for Financial Close or \$3 million.

3.12 Equator Principles

The Equator Principles are a financing industry framework for addressing and managing environmental and social risks in project financing. The principles were created to ensure that financed projects are developed in a manner that is socially responsible and reflect sound environmental management practices. We consider the following to be applicable for the I-69 Section 5 Highway Project:



- The Project falls into International Finance Corporation (“IFC”) Category C, which means it is expected to have minimal or no adverse social and environmental impact;
- The Project will improve road traffic congestion between Bloomington and Martinsville, Indiana;
- Project is located in an established American City with Federal, State and City laws, practices and requirements;
- Compliance with Indiana Occupational Safety and Health Administration program requirements;
- Compliance with City planning and zoning requirements;
- Environmental site assessments have been conducted and where appropriate, corrective action will take place;
- The PPA sets out that the Developer must fulfill their duties in accordance with Good Industry Practice with respect to health and safety so as not to be hazardous or dangerous;
- The design of the Project incorporates typical planning, design and technological practices (providing wider social advantages); and
- The United States of America is classified as a “High Income” country by the Organization for Economic Co-operation and Development (“OECD”) and it is considered that the relevant American requirements demanded for a project of this nature exceed the applicable IFC Safeguard Policies.

In view of the above, and taking into consideration the stage to which this Project has so far progressed, in our opinion the Project would satisfy the Equator Principles.

3.13 LTA Conclusion Summary

- The Project scope, design and construction are not technically complex;
- The PPA technical requirements are somewhat prescriptive;
- Operations and maintenance requirements are typical of the Department’s requirements, considering that in Indiana highway maintenance is performed by Department staff and not contracted out; and
- The risk associated with the Project scope is minimal. Please refer to the following sections of the report with further review and commentary with respect to each aspect of the Project and the Developer’s approach.



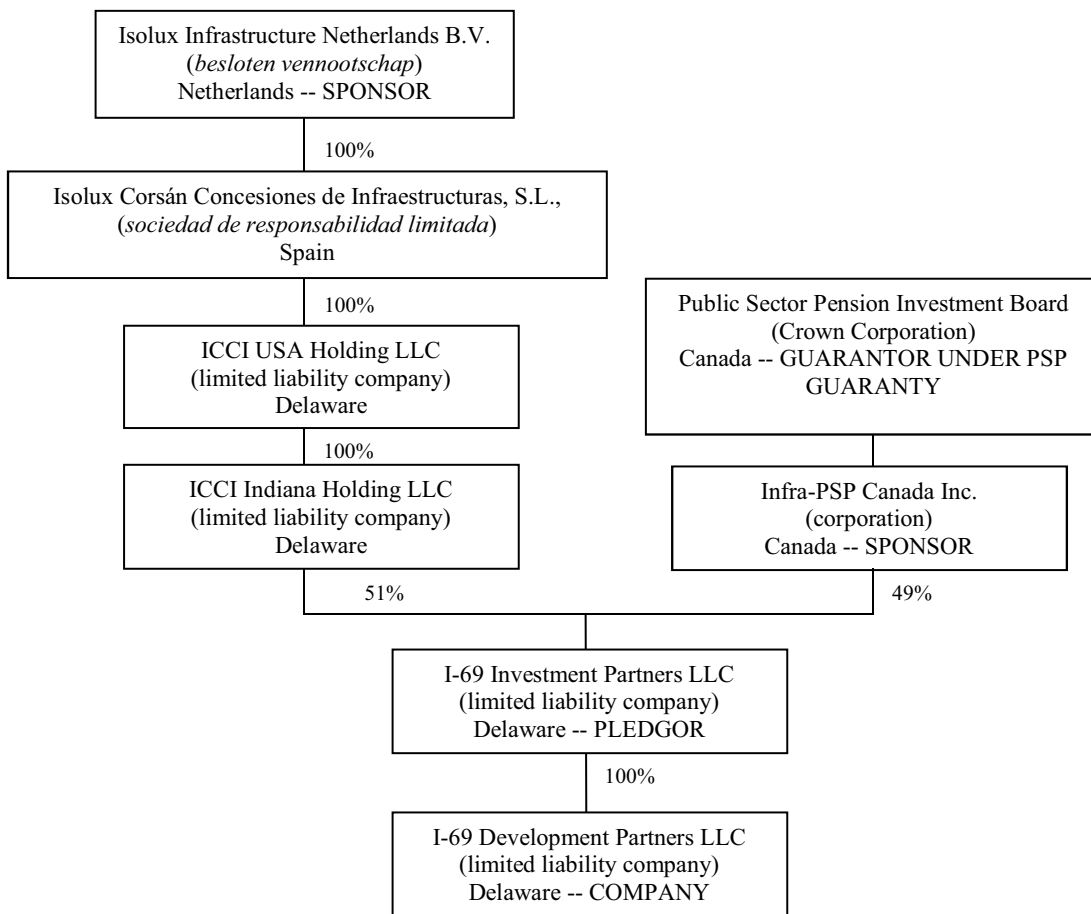
4 PROJECT TEAM ASSESSMENT

4.1 Project Structure

The Developer⁶ organization and equity structure is as follows:

- Developer: I-69 Development Partners LLC (I-69 DP), a special-purpose vehicle (SPV)
- Equity Member: I-69 Investment Partners LLC⁷
- Equity Sponsor: Isolux Infrastructure Netherlands B.V.⁸ and Infra-PSP Canada Inc. (see chart below)

The IFA-approved holding structure is as follows:



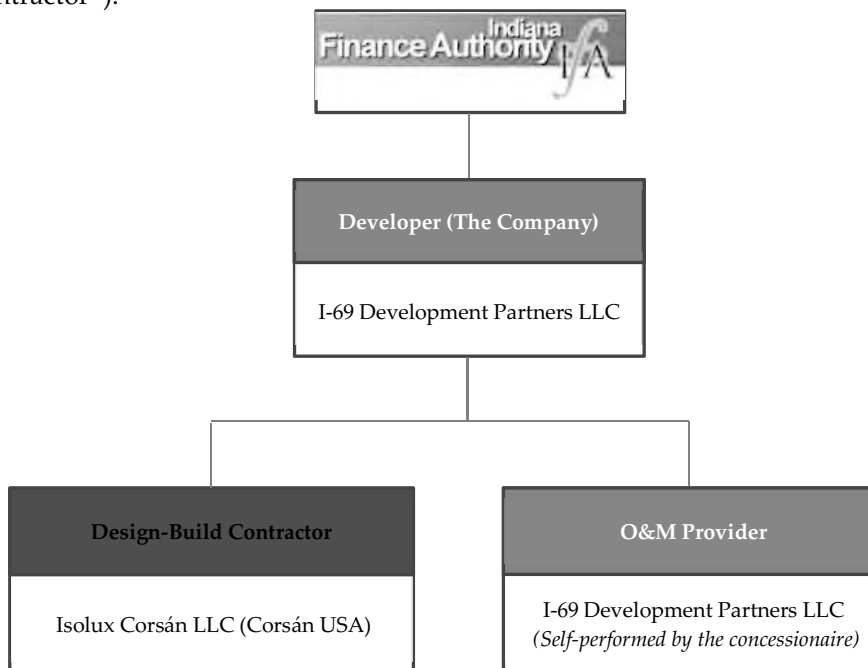
⁶ Referred to as the “Company” in the Private Activity Bonds Official Statement.

⁷ A limited liability company organized under the laws of the State of Delaware, and wholly owned by the Sponsors (51% is owned by Isolux Infrastructure and 49% is owned by Infra-PSP).

⁸ Isolux Infrastructure Netherlands B.V. is 80.77% owned by Grupo Isolux Corsán Concesiones, S.A. (the “Isolux Group”) and 19.23% owned, indirectly, by the Public Sector Pension Investment Board, a Canadian Crown corporation (“PSP Investments”).



Isolux Infrastructure Netherlands B.V. is a limited liability company organized under the laws of the Kingdom of the Netherlands (“Isolux Infrastructure”); Infra-PSP Canada Inc. is a corporation organized under the laws of Canada (“Infra-PSP”, and together with Isolux Infrastructure, the “Sponsors”); I-69 Investment Partners LLC is a limited liability company organized under the laws of the State of Delaware (the “Pledgor”); Corsán-Corviam Construcción, S.A. is a corporation organized under the laws of the Kingdom of Spain (“Corsán-Corviam” and also referred to as “Corsán Spain”); and Isolux Corsán, LLC is a limited liability company organized under the laws of Texas (“Corsán USA” and the “Design-Build Contractor”).



Indiana Finance Authority Tax Exempt Private Activity Bonds (PABs) are being issued and the proceeds of such would be loaned to I-69 Development Partners LLC.

The Developer shall have and maintain Committed Investments totaling not less than 10% of the Total Project Capital Cost, less the cumulative Milestone Payments between Financial Close and Substantial Completion except, among other things, where the Developer incurs additional Project Debt pursuant to a rescue Refinancing or IFA approves in writing in its sole discretion (Section 13.6 of the PPA).

The Developer has entered into a fixed-price, date certain, turnkey Design-Build Contract with the Design-Build Contractor for the design and construction of the project.

The Developer will primarily self-perform the Operations and Maintenance work on the Project. Lifecycle work and specific complex activities will likely be subcontracted to qualified local subcontractors.

The Developer’s risk related to the Project Team Members and their design and construction is transferred to the Design-Build Contractor during the Construction Period. During the Construction Period, the Design-Build Contractor will also assume responsibility for most of the routine maintenance related to sweeping and cleaning, and all pavements, barriers, and structure related reparations. I-69



Development Partners LLC will maintain responsibility for the rest of the O&M activities including mowing and vegetation control, snow and ice removal, incident response and attention to customers.

The risk related to operations and maintenance and life-cycle obligations and to the O&M Provider during the Operating Period (commencing after Substantial Completion) is retained by I-69 Development Partners LLC, who will be the O&M Provider.

4.2 Project Sponsor (Isolux Infrastructure) and Affiliates



Isolux Infrastructure Netherlands B.V. (Isolux Infrastructure), wholly-owned by Grupo Isolux Corsán (GIC) and Public Sector Pension Investment Board (PSP Investments), is experienced in developing, constructing, operating and maintaining road projects globally.

Grupo Isolux Corsán S.A. (GIC) is a global conglomerate of companies specializing in large scale infrastructure projects in five market sectors: heavy civil construction, concessions, engineering, energy and industrial services. With presence in more than 35 countries and four continents, GIC's 2012 revenue exceeded \$3.99 billion (EBITDA exceeding \$725 million), the company employs directly over 7,700 people and is ranked 45th out of the top 250 International Contractors according to 2013 Engineering News Record (ENR)⁹. In addition, GIC was ranked the 7th largest Latin America / Caribbean Contractor in 2013¹⁰ and 78th in ENR's Top 250 Global Contractors List¹¹. The current company originated from the takeover of Corsán-Corviam by Isolux Wat in 2004, and has a track record which spans over 80 years. GIC is one of the leading European infrastructure groups and has presence in America, Asia and Africa (as of 2012, more than 70% of its business originates outside of Spain, with 45% coming from Americas).

Isolux Infrastructure is owner and developer of infrastructure assets within the transportation, transmission and solar sectors globally. Isolux Infrastructure employs more than 4,000 people globally, 600 directly and 3,400 through its concessions. Total project financing amounts to \$6 billion over the last 10 years. As of the end of June 2013, the company invested over \$1.3 billion in equity for its projects as outlined in the table below.

<i>Division</i>	<i>Equity Invested</i>
Toll Roads	\$361 million
Transmission Lines	\$718 million
T-Solar	\$259 million

Isolux Infrastructure's existing portfolio includes 65 concession projects located across 8 countries and four continents (57 completed), including 8 DBFOM transportation projects and 9 availability payment concessions. With one \$800 million concession project completed in the United States – Wind Energy Transmission Texas¹², Isolux's portfolio comprises:

- 1,000 miles (1,610 km) of toll roads in India, Mexico, Brazil and Spain;
- 3,400 miles (5,533 km) of high-voltage power transmission lines; and
- More than 284.5 MW of solar projects in development and operations.

Isolux's PPP experience in USA includes:

⁹ Top 250 International Contractors 2013 - ENR

¹⁰ Top Latin America / Caribbean Contractors 2013 - ENR

¹¹ Top 250 Global Contractors 2013 - ENR

¹² Isolux Corsán Group 2012 Activity Report



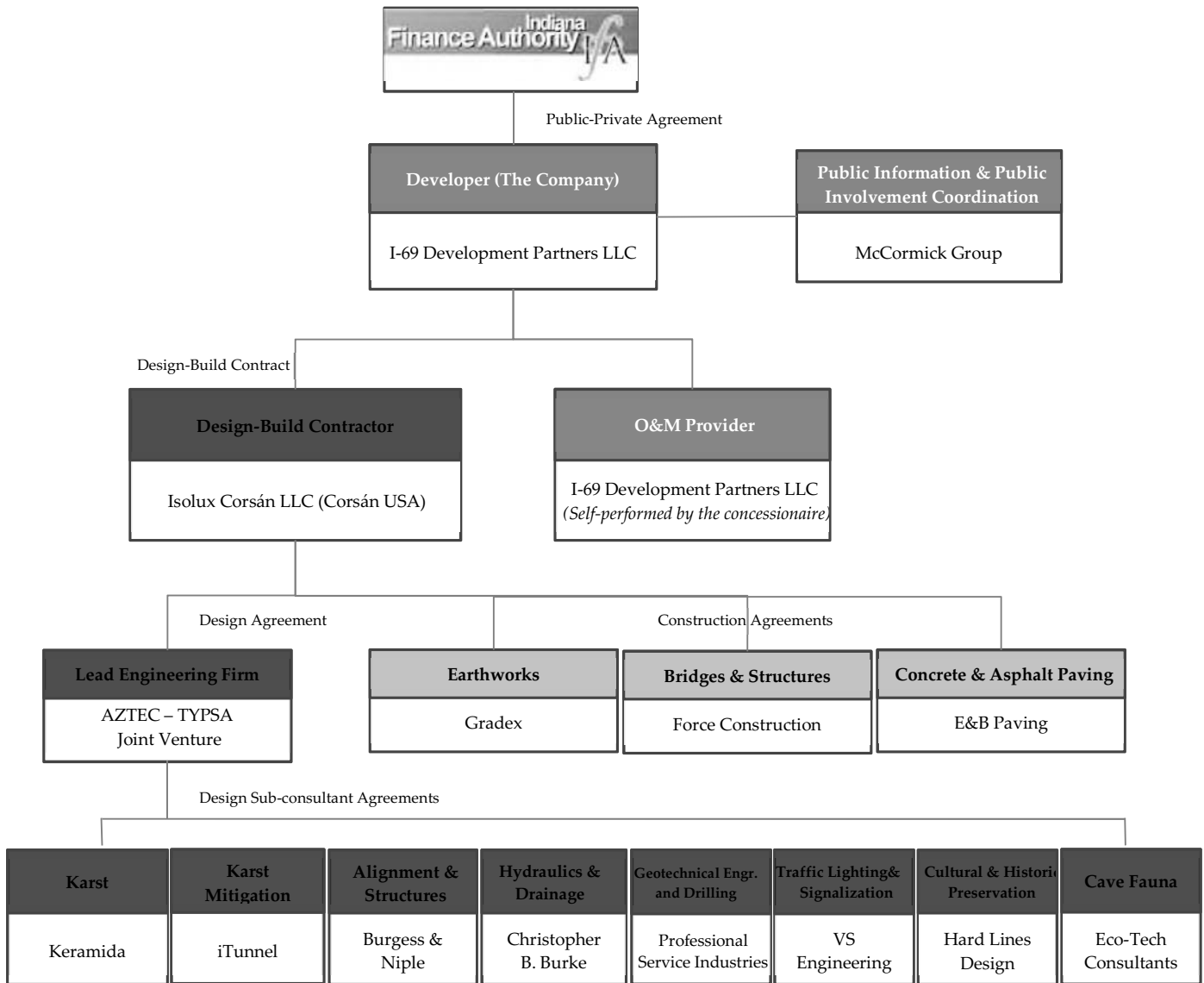
Project Name	Project Features
Toll Road: Jefferson Parkway, Denver, US	<ul style="list-style-type: none"> ▪ Preferred proponent to design, build finance, operate and maintain the 10 mile portion of the Denver Beltway from SH128 to SH93 in the Denver Metro area. ▪ Currently in negotiations to reach financial close. ▪ Procured as a public private partnership by the Jefferson Parkway Public Authority. ▪ Scope includes the completion of the un-built segment of the Denver Beltway loop between the Northwest Parkway and C-470.
Transmission: Wind Energy Texas Transmission (WETT)	<ul style="list-style-type: none"> ▪ Isolux Infrastructure owns a 50% interest in WETT. ▪ In 2009, WETT was awarded the right to build transmission lines in Texas as part of the Texas Competitive Renewable Energy Zones (CREZ) program. WETT is a licensed transmission utility in the state of Texas. ▪ Concession began in March 2009 and the project is currently under construction. ▪ Operation commenced in early 2014. ▪ The length of the transmission line is approximately 605km (c.376 miles). ▪ Environmental and other permits with US federal agencies.
Transmission: San Joaquín Valley, California	<ul style="list-style-type: none"> ▪ Isolux Infrastructure was shortlisted in summer 2013 in a competitive process in California for a ~95km, 230kV double circuit transmission line (Gates – Gregg 230kV Project) in San Joaquin Valley, California. ▪ The client is the California Independent System Operator Corporation (CAISO)
Solar, California & Puerto Rico	<ul style="list-style-type: none"> ▪ Isolux Infrastructure is developing two solar photovoltaic field concessions in California (Sol Orchard Imperial 1) and Puerto Rico (San German) under power purchase agreements ▪ The Photovoltaic Solar Fields Division has been pre-qualified this summer in a Multiple Award Task Order Contract (MATOC) process with the US Army Corps of Engineers

Isolux has completed financing deals for eight toll road projects in Spain, Brazil, India and Mexico with an aggregate value of over \$4 billion, as outlined below:

Concession	Interest (%)	Total Investment	Concession Duration	Beginning of the Concession	Length (in km)	Status 2013-Nov
Saltillo - Monterrey	100%	\$350M	45 years	17/11/2006	95.10	In operation
Perote - Banderilla	50.00%	\$598M	45 years	14/02/2008	59.60	In operation
BR 116/324 – Viabahia	70.00%	\$1.69B	25 years	01/09/2009	680.60	Partially in operation and partially under construction
Ocaña A4 Highway	51.25%	\$132M	19 years	27/12/2007	64.00	In operation
Panipat –Jalandhar (NH-1)	61.00%	\$757M	15 years	09/05/2008 11/05/2009	291.10	Partially in operation and partially under construction
Varanasi – Aurangabad (NH-2)	50.00%	\$566M	30 years	30/07/2010 30/08/2011	192.40	Partially in operation and partially under construction
Surat - Hazira (NH-6)	50.00%	\$405M	19 years	18/05/2009 14/11/2009	133.00	Under construction
Kishangarh - Beawar (NH-8)	50.00%	\$219M	18 years	18/05/2009 14/11/2009	93.60	Under construction



4.3 Consortium Team Members



The Developer's Team, summarized below, will carry out the design, construction, financing, operations, maintenance and lifecycle activities of the Project.

Company	Role on the Project
I-69 Development Partners LLC	Developer
Isolux Infrastructure Netherlands B.V.	Project Sponsor 51%
Infra-PSP Canada Inc.	Project Sponsor 49%
Isolux Corsán LLC (also referred to as Corsán USA)	Design-Build Contractor Note: Corsán Spain will not be released from, and will retain liability for, all of the Design-Build Contractor's obligations under the Design-Build Contract
Gradex, Inc.	Earthwork, Grading and Underground Utilities Subcontractor
Force Construction Company, Inc.	Bridges & Structures Subcontractor



Company	Role on the Project
E & B Paving, Inc.	Asphalt Paving Subcontractor
AZTEC – TYPESA Joint Venture	Engineering & Design Lead
AZTEC Engineering Group, Inc.	Lead Engineering, JV Managing Partner (AZTEC-TYPESA JV)
TYPESA (Tecnica y Proyectos S.A.)	Lead Engineering, JV Partner (AZTEC-TYPESA JV)
Burgess & Niple, Inc.	Roadway & Structures Design Sub-consultant
Christopher B. Burke Engineering, LLC	Hydraulics & Drainage Design Sub-consultant
Professional Service Industries, Inc.	Geotechnical Eng. & Drilling, and Pavement Design Sub-consultant
Keramida	Geotechnical, Karst Assessment Sub-consultant
iTunnel	Karst Mitigation Design Sub-consultant
VS Engineering	Traffic Lighting & Signalization Design Sub-consultant
Hard Lines Design Company	Cultural Resource Management and Historic Preservation
Eco-Tech Consultants	Fauna, Biology, Botany Sub-consultant
McCormick Group	Public Involvement Coordinator & DBE Coordinator

The Developer team members will leverage their international and local resources and expertise in finance, design, construction, and operations & maintenance (O&M) of similar-size projects of the Equity Members, Design-Build Contractor and Lead Engineering Firm with the experience of the team's several local Indiana partners with INDOT design and construction experience.

4.4 Design-Build Contractor Team

4.4.1 Overview

The Developer has entered into a fixed-price, date-certain, turnkey Design-Build Contract with Corsán Spain, and Corsán Spain then assigned the Design-Build Contract to Isolux Corsán LLC (Corsán USA, which is now the Design-Build Contractor), an affiliate of the Developer and part of the Isolux Group. Corsán Spain has assigned all of its rights and obligations under the Design-Build Contract to the Design-Build Contractor and the Design-Build Contractor has assumed all of Corsán Spain's rights and obligations under Design-Build Contract. Notwithstanding the above, Corsán Spain will not be released from, and will retain liability for, all of the Design-Build Contractor's obligations under the Design-Build Contract. Corsán Spain will also be providing a parent company guaranty for Corsán USA obligations under the Design-Build Contract. In addition, on or prior to the Closing Date, the Design-Build Contractor will deliver a parent company guaranty from Corsán Spain in favor of the Developer, in respect of all obligations of the Design-Build Contractor under the Design-Build Contract.

The Design-Build Contractor will be responsible for the design and construction of the Project on a back-to-back basis with respect to the Developer's construction obligations under the PPA. The Design-Build Contractor (and its affiliates) has extensive international experience in delivering projects of similar scope and size to this Project.

The Design-Build Contractor has extensive international experience in delivering projects of similar scope and size to Section 5 of the I-69. In addition, it will enter into construction agreements with well-established Indiana-based companies for the construction of certain parts of the Project. All three local contractors have extensive experience within Indiana and two of them have previously worked on the I-69 corridor.



The Design-Build Contractor and Corsán Spain are a subsidiary of Sponsor (Isolux Infrastructure) and a sister company to the Developer. The Developer is also acting as the O&M Provider, which ensures smooth coordination of Project phases and activities as well as enhanced collaboration and communication. Corsán-Corviam and Isolux Corsán LLC have brought to successful completion and operation three complete highways, one in Spain and two in Mexico, with a cumulative length of 136 miles and a cumulative construction value over \$600 million. The two companies have also delivered several segments of the National Highway-1 and National Highway-2 concession highway projects in India and of the Via Bahia project in Brazil and are currently developing two other highways in India. Altogether, these projects total approximately \$4.0 billion in construction cost.

The Design-Build Contractor will enter into a design agreement with the Lead Engineering Firm AZTEC-TYPSA Joint Venture (JV) for the performance of the detailed design. Isolux and Corsán have a track record of working with AZTEC-TYPSA on past projects, such as: Orense-Santiago axis; Madrid Ocaña A-4; Madrid-Barajas Airport, included in Section 4.7 of this report. In addition, Isolux and TYPSA have worked together on numerous projects around the world.

The combination of a well-established heavy civil construction company and well-established local contractors with familiarity of local market conditions and experience in dealing with local issues provides a mitigant for Project delivery risks.

4.4.2 Design-Build Contractor: Isolux Corsán LLC

The Design-Build Contractor and Corsán-Corviam are wholly-owned subsidiary of GIC, with global experience as a design-build contractor. As a corporation Corsán-Corviam has been operating as a heavy civil contractor since 1928, and due to an internal reorganization, all its activities, duties and professional classifications were integrated in a newly formed corporation established in 1989 under the laws of Spain. In 2000, Corsán acquired Corviam resulting in the formation of Corsán-Corviam. Corsán-Corviam operates in two business segments: heavy civil construction (highways, railroads, waterworks, etc.), which represents 77% of its activity; and building construction, which represents 23%. Approximately 65% of its heavy civil construction division experience consists of road and highway projects. Corsán-Corviam also execute the civil parts of some of GIC's Power and Industrial projects as well as manages the manufacturing of three of GIC's factories (HSR infrastructure equipment, Bitumen and Complex Steel Structures).

At 2012 fiscal year end, Corsán-Corviam had total revenue of more than \$1.2 billion, including its subsidiaries around the world, and a portfolio of almost \$4.5 billion. With a presence in four continents and 15 countries, Corsán-Corviam has significant experience in turnkey contracts, and has been responsible for the design-build portion of all the highway concession contracts awarded to GIC (including 8 DBFOM transportation projects), with a total length of more than 1,000 miles.

A representative list of transportation projects includes:

Project Name	Client Name	Country	Total Value in Million USD	Number of Lanes	Length (miles)	Beginning Date	Completion Date
Six Laning of Panipat-Jalandhar Section of NH-1	NHAI - Ministry of Shipping, Road, Transport & Highways, Government of India	INDIA	\$634	2+2/3+3 (Highway)	181	May-09	Q1 2015
Rodobahia Construction	Government of Brazil	BRAZIL	Phase 1: \$651 Total Proj: \$1.59B	1+1/2+2 (Road + Highway)	423	Apr-12	Nov-14
National Road Corridor No 4 - CV4	Ministry for Planning & Investment. Government of Argentina	ARGENTINA	\$310	2+2 (Highway)	625	Feb-11	Apr-16



Project Name	Client Name	Country	Total Value in Million USD	Number of Lanes	Length (miles)	Beginning Date	Completion Date
Construction of the Works of Toll Highway AP-41 Madrid-Toledo and the Free Toll Highway A-40	Autopista Madrid-Toledo, Concesionaria Española de Autopistas, S.A.	SPAIN	\$484	2+2 (Highway)	48	Feb-05	Feb-09
Construction of "Perote-Banderilla" Highway & "Xalapa" Beltway from Banderilla to Corral Falso	Secretaria de Comunicaciones y Transportes (Sct). Mexican Government	MEXICO	\$361	2+2 (Highway)	37	Jan-09	Nov-12
Four/Six Laning of Gujarat/Maharashtra Border-Surat-Hariza Port Section of NH-6	NHAI - Ministry of Shipping, Road, Transport & Highways, Government of India	INDIA	\$338	2+2 (Highway)	83	Mar-10	Dec-13
Six Laning of Varanasi - Aurangabad Section of NH-2	NHAI - Ministry of Shipping, Road, Transport & Highways, Government of India	INDIA	\$501	2+2/3+3 (Highway)	120	Sep-11	Q1 2015
Construction, Exploitation, Conservation & Maintenance for 30 Years of Saltillo-Monterrey Toll Motorway & Saltillo Northwest Bypass, Nuevo Leon. Mexico	Gobierno de México	MEXICO	\$286	1+1/2+2 (Highway + road)	59	Jul-07	Oct-11
Upgrading & Widening of the Existing M1 Ashtarak-Talin Road	Ministry of Transport & Communication of the Republic of Armenia	ARMENIA	\$261	1+1/ 2+2 (Highway)	26	May-12	Dec-16
Six Laning of Kishangarh-Ajmer-Beawar Section of NH-8	NHAI - Ministry of Shipping, Road, Transport & Highways, Government of India	INDIA	\$184	3+3 (Highway)	58	Mar-10	Q3 2013
Project of Construction of the Second Belt of Donostia-San Sebastian. Section: Connection A-8 Aritzeta - Link of the Urumea.	Diputacion Foral de Guipuzcoa	SPAIN	\$171	2+2 (Highway)	8	Nov-07	Jun-10
GC-1 New Highway. Section: Puerto Rico – Mogán. Gran Canaria.	Consejería de Obras Públicas, Transportes y Política territorial. Gobierno de Canarias	SPAIN	\$160	2+2 (Highway)	4	Oct-08	Mar-13
Reconstruction 01 A373 Tashkent-Andigan Road. Tashkent-Namangan	Republic of Uzbekistan, Ministry of Finance Republican Road Fund	UZBEKISTAN	\$153	2+2 (Highway)	46	Sep-12	Dec-14
Construction of the Ruta de la Plata Road. A-66. Section: Caceres Norte - Aldea del Cano. Caceres Province.	Dirección General de Carreteras del Ministerio de Fomento	SPAIN	\$127	2+2 (Highway)	12.5	Apr-04	Sep-06
Construction of the Link Between Avenida de la Ilustración and Avenida del Ventisquero de la Condesa	Ayuntamiento de Madrid	SPAIN	\$127	2 tunnels with 2+2 lanes	1.5	Apr-05	Apr-07
Amended 1 of the Project of the Works of the Mediterraneo Highway (A-7). Section: Cocentaina-Wall of Alcoy (Alicante)	Sociedad Estatal de Infraestructuras del Transporte Terrestre (Seitt)	SPAIN	\$123	2+2 (Highway)	7	May-07	Dec-10
Fraga Section. N-II Road from Madrid to France Passing through Barcelona	Dirección General de Carreteras del Ministerio de Fomento	SPAIN	\$117	2+2 (Highway)	10	Jan-00	Sep-02
A-4 Expressway from the P.K. 3.78 to P.K. 67.5. Section: Madrid-P.K.67, 5 (R-4)	Sociedad Concesionaria Autovia A-4	SPAIN	\$113	2+2/3+3 (Highway)	42	Jun-08	Nov-10



The project profiles below demonstrate experience in projects with features similar to the I-69 Project.

Project Name	Project Features
Madrid Ocaña A-4 Expressway (Spain)	<ul style="list-style-type: none"> ▪ 42 mile Expressway (22 miles with a six lane section and 20 miles with a four lane section) ▪ Upgrade of a heavy traffic existing expressway that includes an urban section of 12.6 miles ▪ Fixed-price, fixed-date turnkey contract on a "back to back" basis ▪ Part of a concession company team on a DBFOM Project (50% DBJV member) ▪ Implementation of a Traffic Management Plan (75,000 vpd) ▪ Completed on time according to the schedule fixed by the DB agreement ▪ Rehabilitation of existing concrete pavement segments, installation of a new barrier and guardrail, replacement of signs and light raising of structures in order to increase clearance ▪ New alignment of 2.5 miles to remedy geometric deficiencies
Monterrey – Saltillo Toll Highway and Saltillo Northwest Bypass (Mexico)	<ul style="list-style-type: none"> ▪ 59 miles of greenfield toll concession including 31 miles of the 4-lane Saltillo–Monterrey highway and 28 miles of the 2-lane Saltillo Northwest Bypass road, both in the north of Mexico ▪ 52 structures (bridges; car underpasses and overpasses; five railroad underpasses) ▪ Traffic control management in the urban areas of Saltillo and Monterrey (6,500 vpd) ▪ Fixed-price, fixed-date turnkey contract on a back to back basis ▪ Part of a concession company team on a DBFOM Project ▪ Relationship with local equipment and material suppliers ▪ Execution of a detailed Erosion Control Management Plan ▪ Completed on time according to the schedule set by the D/B agreement
Via Bahia Concession Project (Brazil)	<ul style="list-style-type: none"> ▪ 423 miles long, 25-year toll road concession, located in the state of Bahia in the northeast region of Brazil ▪ 334 mile, 2-lane highway (BR-116) and a 70 mile multi-lane highway (BR-324) in a highly urbanized area, including the ring roads of Feira de Santana and Vitoria da Conquista ▪ Improvement of the existing highway and roads and increase of its capacity by adding a new lane per direction. Phase 1 includes the widening of 43.5 miles of the BR-116 highway and 8.5 miles of Feira de Santana ring road during the first years of concession ▪ 24 new footbridges and several railroad overpasses ▪ Development of detailed design in accordance with Brazilian standards ▪ Extensive traffic control management in the urban areas ▪ Improvement of traffic conditions by replacing the existing pavement with asphalt mill patching, without traffic interruption ▪ Execution of a detailed erosion control management plan and successful execution of the improvements, protecting the environment, according to Brazilian laws and rules ▪ Technical and executive support given to the concessionaire for O&M services ▪ Local staff hired and local subcontracting
National Highway 8 (NH-8) (India)	<ul style="list-style-type: none"> ▪ 59 mile segment of National Highway No. 8 from Kishangarh to Beawar, comprising two urban sections: Kishangarh (2.4 miles) and Ajmer (3.5 miles) ▪ Upgrading of a 2+2 lane existing highway to a 3+3 lane highway (alignment improvement and pavement rehabilitation); adding two lane frontage roads on both sides of the existing highway ▪ Widening, replacement or construction of a major bridge, three railroad underpasses, eight flyovers, 11 car underpasses, 26 minor bridges and numerous culverts and pedestrian underpasses ▪ Fixed-price, fixed-date turnkey contract on a back to back basis ▪ Part of a concession company team on a DBFOM Project ▪ Extensive Traffic Management plan with complex traffic control and staging plans, coordination of earthwork, drainage, paving and electrical and ITS infrastructure installation (expert advice by traffic management consultant) ▪ Installation of fiber optic backbone and construction of two toll plazas with a combined number of 28 toll lanes ▪ Local equipment and material suppliers
Perote - Banderilla Toll Highway and Xalapa Bypass (Mexico)	<ul style="list-style-type: none"> ▪ 37 mile long greenfield project located in the state of Veracruz, Mexico ▪ AADT around 5,000 vpd ▪ D/B of a 19 mile 2+2 lane highway between the cities of Perote and Banderilla and a 2+2 lane bypass highway named "Xalapa Bypass" with a total length of 18 miles ▪ Construction of two viaducts (balanced cantilever construction method), with a cumulative length of 2100 feet; one railroad overpass; 18 major structures, 68 minor structures and 221 drainage works ▪ Fixed-price, fixed-date turnkey contract on a back to back basis ▪ Part of a concession company team on a DBFOM Project (50% DBJV member) ▪ Traffic control management in the urban segments of affected roads



Project Name	Project Features
	<ul style="list-style-type: none"> ▪ Execution of a detailed Erosion Control Management Plan ▪ Local equipment and material suppliers
Ferrol-Vilalba Motorway. Segment: Cabreiros – antábrico Motorway in Vilalba (Spain)	<ul style="list-style-type: none"> ▪ Construction of an 8.4 mile 2+2 lane segment of the AG-64 Ferrol-Vilalba Motorway ▪ Erosion control of the body of the embankment and the embankment slopes ▪ Scope includes prevention, containment or repair of slope instabilities related to fluvial erosion phenomena due to surface runoff and also due to the nature of the existing soil ▪ Improvement of the bearing strength of the embankment body to not affect the road capabilities

4.4.3 Construction Subcontractors

The Design-Build Contractor will enter into construction agreements with Gradex, Force Construction Company and E&B Paving. The three subcontractors presented below are headquartered in Indiana and have substantial experience in the state including a long-standing working relationship among themselves on a number of projects in Indiana as well as extensive work for the Department. In addition, the I-69 DP Team will benefit from the recent experience of Gradex and Force Construction in other segments of the I-69 corridor. Their combined workforce totals 2,000 employees in Indiana and will be augmented by their fleet of equipment (including plants) and ready access to materials.

Examples of collaboration include the Musicland Distribution Facility in Franklin, IN, where Force Construction has partnered with Gradex, as well as the Department, B-28285-A, Olio Road Bridge over Geist Reservoir, Hamilton County, IN, where E&B Paving has teamed-up with Force Construction. Gradex has worked with two of the design sub-consultants (Burgess & Niple and C. B. Burke Engineering) and Force has previously worked with C.B. Burke Engineering.

The subcontractors are expected to perform a substantial amount of the construction works, as follows:

- Gradex Inc. (Earthworks and Drainage);
- Force Construction Company, Inc.(Bridges and Structures);; and
- E&B Paving, Inc. (Paving).

Even though the subcontractors constitute the main Work Force Corsán-Corviam will retain sole responsibility over the works.

The risks associated with the subcontractor activities related to works quality, delays and claims will be addressed through the provisions of the subcontractor contracts and the careful monitoring of construction works and proactive issue resolution. Additionally, the Developer is implementing a program of independent (external) quality audit of the Design-Build Contractor.

4.4.3.1 Subcontractor: Gradex (Excavation & Underground Utilities Contractor)

Headquartered in Carmel, Indiana (IN), and founded forty years ago, Gradex, Inc. (“Gradex”) has performed over 1,000 projects in Indiana and across the country. Gradex employs nearly 400 people and utilizes over 300 pieces of owned heavy equipment.



Gradex has completed numerous large scale projects both as prime contractor and subcontractor for the Department similar in nature to the I-69 Project. Those projects include a large section of I-65 in Southern Indiana near Louisville, US 31 & US 24 in Peru Indiana, I-65 design-build on the north side of Indianapolis, SR 641 in Terre Haute, several sections of SR 25 Hoosier Heartland project, I-465 on the west side of Indianapolis, Ronald Reagan Parkway in Hendricks County along with dozens of other major



reconstruction projects. In addition, Gradex was involved in the I-69 Project at Washington, Indiana. On that project, Gradex moved 4.5 million cubic yards of dirt on a 10 mile section of new terrain roadway.

Gradex has long-standing relationships with the other two subcontractors, E&B Paving, Inc. and Force Construction Company, Inc.



4.4.3.2 Subcontractor: Force Construction (Bridges & Structures Subcontractor)

Force Construction Company, Inc. ("Force Construction") was founded in 1946 and is headquartered in Columbus, IN. The firm specializes in earthworks, storm water drainage system installation, placement of crushed stone pavements and aggregate sub-bases, site concrete, concrete foundations and slabs-on-grade, precast concrete fabrication and installation, structural steel erection, etc.¹³ With more than 300 employees, Force Construction has extensive experience in developing construction projects in the state of Indiana and has built several main bridges and overpasses on other stretches of the I-69.

Additional experience includes:

- INDOT, R-26287-A Pavement Rehabilitation, Bridge Replacement S.R. 135 Washington County, IN; Force Activity No. 50334 (\$14.8 million)
- INDOT, B-27371-A Bridge Replacement S.R. 231 over East Fork of White River Dubois/Martin Counties, IN; Force Activity No. 50542 (\$6.5 million)
- INDOT, B-28285 Olio Road Bridge over Geist Reservoir (Hamilton County Bridge No. 191) Hamilton County, IN; Force Activity No. 50623 (\$5.5 million)
- INDOT B-29261 City of Lawrenceburg U.S. 50 Bridge over Tanner's Creek Lawrenceburg, IN Force Activity No. 50808 (\$14 million)
- INDOT, IB-32995-A I-69 Bridges (3) (C.R.1200 N over I-69; C.R.100 W over I-69; and, C.R. 700 E. over I-69) Greene/Daviess Counties, IN; Force Activity No. 10022 (\$4.5 million)
- INDOT, IB-33044-A I-69 over White River Daviess/Pike Counties, IN; Force Activity No. 10353 (\$14.7 million)
- INDOT, IR-34452-A U.S. 50 Bypass, Phase 2 Jennings County, IN; Force Activity No. 12150 (\$13.8 million)

4.4.3.3 Subcontractor: E&B Paving (Concrete & Asphalt Paving Subcontractor)

Founded in 1967 and headquartered in Anderson, IN, E&B Paving, Inc. (E&B Paving) is a wholly-owned subsidiary of Irving Materials, Inc., one of the Midwest's largest concrete, aggregate and building materials suppliers with operations in Indiana, Kentucky and Tennessee. With ten offices, 13 permanent asphalt plants, and five portable asphalt and concrete plants located throughout Indiana, the firm has established paving experience, geographic scope and equipment capabilities that have served the Indiana Department of Transportation, county and local municipal governments, and private sector clients.



E&B Paving currently has more than 750 employees, a unionized crew workforce, and is consistently ranked as one of Indiana's largest transportation construction contractors. E&B Paving has received several awards for Paving Projects.

Prior Project Involvement on I-69 includes:

¹³ Force Construction Website



Division	Project I-69 Corridor
Asphalt Division (completed)	<ul style="list-style-type: none"> Gibson County, December 2010 – October 2012: E&B served as a subcontractor to Blankenburger Brothers. Asphalt shoulder along concrete mainline with asphalt S-lines and cross-over's. 30,000 tons.
Concrete Division (completed)	<ul style="list-style-type: none"> Gibson County, Fall 2011 - Summer 2012: E&B served as a subcontractor to Blankenburger Brothers PCCP 11" and 9" pavement. 99,178 square yards, 31,398 cubic yards. Pike County, July - August 2012: E&B served as a subcontractor to Crider and Cider PCCP 11" and 9" pavement. 81,283 square yards, 26,699 cubic yards.
Concrete Division (underway or under contract for future construction)	<ul style="list-style-type: none"> Greene County, Fall 2013 - Summer 2014: E&B to serve as a subcontractor to Crider and Crider PCCP 10.5" pavement. 156,379 square yards, 49,031 cubic yards. Greene County, Summer 2014: E&B to serve as a subcontractor to White Construction PCCP 10.5" pavement. 62,876 square yards, 19,531 yards. Monroe County, Summer 2014: E&B to serve as a subcontractor to ES Wagner PCCP 10.5" pavement. 115,187 square yards, 35,780 cubic yards.

Additional Indiana experience in similar projects includes:

Project	Description
Evansville Area	
SR66, Warrick County, July 2011	<ul style="list-style-type: none"> Prime contractor on a 4.4-mile reconstruction project reconfiguring a two-lane state road to a four-lane divided highway \$29.7 million bid 145,000 tons of asphalt mix for full-depth asphalt pavement section. Two bridge reconstructs with four additional bridge structures 203,000 cubic yards of common excavation and 496,000 cubic yards borrow.
Hwy 41, Gibson County, November 2012	<ul style="list-style-type: none"> 8.9 mile asphalt overlay on divided highway with minor turn lane widening and interchange ramp realignment \$5.03 million bid 43,690 tons of asphalt mix Project coordinated to minimize impact on Toyota Manufacturing Plant near Princeton, IN.
Indianapolis Area	
I-465, Marion County	<ul style="list-style-type: none"> Joint venture project with Walsh Construction. \$7 million (E&B portion of work).
I-465/I-70, Marion County	<ul style="list-style-type: none"> Joint venture project with Walsh Construction \$7 million (E&B portion of work)
I-465/I-74, Marion County	<ul style="list-style-type: none"> Joint venture project with Walsh Construction \$5.4 million (E&B portion of work)
US 40, Johnson County	<ul style="list-style-type: none"> E&B served as prime contractor; Gradex was a subcontractor \$16.5 million total project cost
CR 300 South, Hendricks County	<ul style="list-style-type: none"> E&B served as prime contractor; Gradex was a subcontractor \$7.5 million total project cost
Worthsville Road, Johnson County	<ul style="list-style-type: none"> E&B served as prime contractor; Gradex was a subcontractor \$9.4 million total project cost
City of Beech Grove (downtown street paving), Marion County	<ul style="list-style-type: none"> Gradex served as prime contractor; E&B was a subcontractor \$600,000 (E&B portion of work)
Concrete Division	
I-465, Indianapolis, Ind., 2012	1,034,866 SYS of 11", 12.5", and 14" PCCP. \$79,831,554
SR 25, Delphi, Ind., 2012	373,735 SYS of 10" and 10.5" PCCP. \$11,468,762
US 231, West Lafayette, Ind., 2012	272,552 SYS of 10" and 10.5" PCCP. \$9,219,344
Roller Pave Roller-Compacted Concrete	
SR 25 Evaluation Case Study,	3,000'+ highway shoulder



Project	Description
Lafayette, Ind., 2013	<ul style="list-style-type: none"> 5", 6" and 7" test sections E&B is completing the paving, with case study monitoring, testing and core analyses being conducted in partnership with Purdue University, INDOT, and ACPA-IN
Nanshan America, Wea, Ind., 2010-11	56,158 square yards, 7", 8" and 13.5" depths
OmniSource Corporation, Indianapolis, 2011	5,593 square yards, 7" depth
Gallahan Travel Plaza, Peru, Ind., 2011	1,980 square yards, 6" depth
Johnson County, Ind., Highway Department, Tracy Road, Whiteland, Ind., 2010	3,300 square yards, 6" depth
Park 100 Foods, Indianapolis, 2011	2,700 square yards, 6" depth

4.4.4 Design Team

Under the Design-Build Contractor, the lead engineering firm merges the global knowledge of TYPASA with the US knowledge of AZTEC and with the local knowledge of its sub-consultants.

AZTEC is a subsidiary of TYPASA.

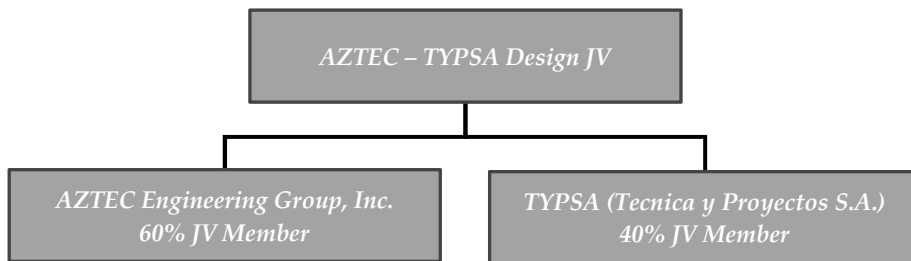
AZTEC-TYPASA has entered into design agreements with local design consultants, including Burgess & Niple; Christopher B. Burke; Professional Service Industries; VS Engineering; Keramida; iTunnel; Hardlines Design Company; Eco-Tech Consultants, and the McCormick Group for the design of various elements of the Project.

All design consultants have local offices and have worked on projects in Indiana, providing local design and construction knowledge. Team members have extensive experience working for the Department (INDOT) and have worked on other sections of I-69.

4.4.4.1 Lead Engineering Firm: AZTEC-TYPASA Joint Venture

The lead engineering role will be filled by AZTEC Engineering and TYPASA. These companies have formed a 60/40 JV to serve as the lead engineering firm entity ("AZTECTYPASA").

The design JV structure is depicted below:



Founded in 1992 and headquartered in Phoenix, AZ, AZTEC Engineering became a subsidiary of TYPASA Group in 2006. TYPASA Group is an international design consultancy firm with 50 offices and over 1,800



employees, based in Madrid, Spain. TYPESA Group was ranked 77th out of the Top 225 International Design Firms in 2013, according to ENR¹⁴.

AZTEC-TYPESA offers a full range of civil engineering and environmental services, including a long history of working on civil projects of similar scope, complexity and risk to the I-69 Section 5 Project. AZTEC-TYPESA's infrastructure experience encompasses all aspects of transportation design from local intersection improvements to arterial streets, rural highways, interstate highways and urban freeways and bridges.

AZTEC Engineering specializes in transportation engineering and has been or is currently involved in a number of PPP and Design-Build projects in USA and Canada:

- I-595 Managed Lanes, Fort Lauderdale, Florida (assignment completed);
- South Fraser Perimeter Road, Vancouver, BC, Canada (assignment completed);
- Presidio Parkway, San Francisco, CA (assignment completed);
- US 36 Phase 2, Denver, CO (assignment completed); and
- Project NEON, Las Vegas, NV (bidding phase).

AZTEC-TYPESA will be supported by a number of local engineering firms including Burgess & Niple, Christopher B. Burke Engineering, Professional Service Industries, VS Engineering, Keramida and iTunnel.

The project profiles below demonstrate AZTEC's experience in projects with features similar to the I-69 Project.

Project Name	Project Features
D4 I-595 Corridor Roadway Improvements – Roadway & Structural Design, Fort Lauderdale, FL	<ul style="list-style-type: none"> ▪ Design of major US DBFOM project ▪ Design of a phasing strategy to maintain the existing traffic in major urban freeway work zones ▪ Design of an extensive system of erosion prevention and sedimentation control measures ▪ Corridor improvements on two zones of the I-595 corridor, from the I-75 Interchange to the I-95 Interchange in Broward County, Florida 10 miles of reversible express lanes and freeway widening, interchange ▪ New bridges, utility relocations and improvements to frontage roads and crossroads ▪ Addition of auxiliary lanes and resurfacing of the I-595 mainline, and a new reversible express lanes system in the I-595 median ▪ Improvements for the I-595/Florida Turnpike interchange, operational improvements including auxiliary lanes, continuous connection of SR 84 between Davie Road and SR 7, sound barriers, and implementation of the Bus Rapid Transit within the I-595 corridor
Interstate 10/State Route 303, Traffic Interchange, Arizona, US	<ul style="list-style-type: none"> ▪ Design of the maintenance of traffic during construction in an urban freeway ▪ Design of an extensive set of Erosion Control Plans ▪ 14 bridges, crossroad improvements at Citrus Road, Sarival Avenue, Thomas Road, and McDowell Road, an on-site drainage system, a regionally significant off-site drainage system, traffic operations infrastructure and major utility relocations

Additional US projects where AZTEC provided full design services includes:

Project Name	AZTEC Total Budget	Anticipated Completion Date
ADOT I-10/303 Traffic Interchange - Phoenix	\$15M	2014-Dec
CALTRANS Project Management – San Bernardino	\$10M	2014-Jul

¹⁴ Top 225 International Design Firms 2013 - ENR



Project Name	AZTEC Total Budget	Anticipated Completion Date
City Of Phoenix Avenida Rio Salado Project Management, Construction Management- Phoenix	\$8M	2015-May
ADOT Black Mountain Blvd- Phoenix	\$5M	2014-May
ADOT Environmental On Call-State Of Arizona	\$5M	2016-Jan
FDOT Spanish River Interchange - Miami	\$5M	2014-Jul
ADOT Roadway On Call - State Of Arizona	\$3M	2014-Jun

4.4.4.2 Subconsultant: Keramida (Karst)



Keramida is a sustainability, environmental, health & safety, and Remediation Consulting and Engineering firm, headquartered in Indianapolis¹⁵. Keramida offers a wide range of services covering air quality, asbestos/lead/mold surveys and compliance, brownfields services, due diligence, Environmental Health and Safety audits, Environmental Helpdesk management systems ISO 14000/OHSAS 18000, emergency response plans, Environmental Impact Assessments, expert testimony, facility decommissioning, Geoprobe® services, Greenhouse Gas, investigation/remediation, LEED certification support, Occupational Safety and Health Administration/health & safety/industrial hygiene, sustainability & climate change, waste management, water and wastewater.

Relevant project experience includes:

- Development of management procedures consistent with ISO 14001 EMS for the City of Indianapolis Department of Public Works;
- Development of turnkey services for closure plan, sampling, waste disposal and closure certification for the Indiana Department of Transportation;
- Ongoing waste management and disposal needs contract with the Indiana Department of Administration; and
- Provision of hazardous waste management for unit closure for the Indiana Department of Corrections.

For the I-69 Project, Keramida will act as Karst Sub-consultant, focusing on geotechnical issues related to karst and erosion control/sedimentation. Throughout the phases of Project development, the team will follow the guidelines of the Karst Memorandum of Understanding adopted by the Department, the Indiana Department of Environmental Management (“IDEM”), the Indiana Department of Natural Resources (“IDNR”), and the United States Fish and Wildlife Services (“USFWS”). Keramida will be working together with iTunnel, which will be acting as the Karst Mitigation Sub-consultant.

4.4.4.3 Subconsultant: iTunnel (Karst Mitigation)

iTunnel is a start-up company with four projects since inception in August 2013 with the I-69 Section 5 project being the first in Indiana for the firm. However, members of iTunnel have worked in Indiana in the role of Lead Tunnel and Geotechnical Designer on the Ohio River Bridges Project, the Lower Pogues Run Tunnel Project in Indianapolis, and a sewer tunnel project in Mishawaka.

iTunnel’s project experience is as follows:

¹⁵ Keramida Website



- Proposal/Bid Phase of Section 5 I-69 project, Indiana
- Tunnel Consultant to Contractor on OARS tunnel project, Columbus, Ohio (complete)
- Tunnel Consultant to Designer on Lockbourne Intermodal Sewer tunnel project, Columbus, Ohio (current contract should be complete by year-end 2013)
- Tunnel Consultant to Designer on Blacklick tunnel project, Columbus, Ohio (current contract will be complete by year-end 2013 with the potential to extend through June 2014)

4.4.4.4 Subconsultant: Burgess & Niple (Highway & Structures)

BURGESS & NIPLE

Burgess & Niple, Inc. (“Burgess & Niple”) was established in 1912 and is a nationally recognized architectural and engineering firm corporately based out of Ohio with a branch office in Indianapolis. Burgess & Niple has served more than 5,000 clients in the U.S. and abroad, including federal, state, and local governments and a wide variety of private-sector industries. Burgess & Niple is currently ranked 138th in ENR’s Top 500 Design Firms for 2012¹⁶. It employs over 400 personnel nationwide.

Relevant project experience includes:

- Accelerate 465 – I-465 interchanges at Sam Jones Expressway and Washington St/US 40
- Milton-Madison D/B Bridge Replacement, Madison, IN/Milton, KY
- I-265 (SR 265) from SR 60 to the Ohio River Bridge (Ohio River Bridge East End Approach)
- I-69 & SR1 (DuPont Rd.) Diverging Diamond Interchange project
- I-65 D/B Reconstruction, Seymour to Scottsburg
- SR 8 Reconstruction and widening from Garret to Auburn
- SR 1 Reconstruction in Redkey
- US 30 Rehabilitation in Kosciusko County
- SR 59 over South Fork of Little Raccoon Creek Bridge Rehabilitation
- SR 44 Roadway Alignment in Johnson County
- US 27 & SR 218 Intersection Improvements in Berne
- US 33 & SR 109 Intersection Improvements in Wolf Lake
- SR 7 over Camp Creek in Jefferson County
- SR 7 over Little Sand Creek in Bartholomew County
- SR 8 Added Travel Lanes in DeKalb County
- SR 5 over Smith Ditch Small Structure Replacement in Whitley County
- SR 114 Small Structure Replacements
- US 6 over Kiefer Ditch and Blue Ditch Small Structure Replacement
- County Bridge 25 Replacement in Decatur County
- SR 105 over Wabash River
- SR 3 Road Reconstruction in North Vernon

4.4.4.5 Subconsultant: Christopher B. Burke (Hydraulics & Drainage)

Christopher B. Burke Engineering, LLC. specializes in the planning, design and construction management of municipal and private infrastructure projects including stormwater, flood control, wastewater, environmental management, transportation and recreation. The firm was established in 1986 and includes nearly 50 professionals in offices in Indianapolis, Fort Wayne, South Bend, Crown Point and Columbus.



Relevant project experience includes:

- Grassy Creek, Indianapolis, IN
- Highland Creek, Indianapolis, IN
- DCAM Drainage Permit Review, Indianapolis, IN, 1997 - 2003
- Flood Control Study, Marion County, IN
- Valparaiso Sedimentation Basin, Valparaiso, IN
- Sartor Ditch Clean-Out Design, Morgan County, IN
- Pendleton Pike & Shadeland Avenue Area Stormwater Improvements, Indianapolis, IN

¹⁶ Top 500 Design Firms 2012 - ENR



- Near East Side Stormwater Project, Indianapolis, IN
- Indianapolis Levee Certification Assistance, City of Indianapolis, IN
- Beaver Creek Dam Rehabilitation, Jasper, IN
- Westenedge Drive Improvement Project, Columbus, IN
- 4th Street Improvement Project, Columbus, IN

4.4.4.6 Subconsultant: Professional Service Industries (Geotechnical Engineering & Drilling, and Pavement Design)



Professional Service Industries, Inc. (“PSI”) is a consulting engineering and testing firm providing integrated services in several disciplines, including geotechnical engineering, construction materials testing and engineering, facilities engineering and consulting, environmental consulting, asbestos management and industrial hygiene¹⁷. Founded more than 100 years, the firm employs approximately 2,300 skilled personnel in 85 offices nationwide.

Relevant project experience includes:

- I-69 Bridge over East Fork of the White River - Geotechnical; Washington, IN
- Accelerate 465 - Geotechnical; Indianapolis, IN
- Sherman Minton Bridge – Structural Steel Inspection; New Albany, IN
- I-70 Fast Track – Geotechnical; Indianapolis, IN
- State Road 56 Reconstruction – Geotechnical; Orange County, IN
- Virgil I. Grissom Airport – Geotechnical, Construction Materials Testing; Bedford, IN
- Indy Executive Airport - Geotechnical, Construction Materials Testing; Zionsville, IN
- Crane Naval Support Facility Rails to Road Construction – Geotechnical, Construction Materials Testing; Martin County, IN
- Cummins Seymour Engine Plant additions and renovations – Geotechnical, Construction Materials Testing; Seymour, IN
- ATEX Pipeline – Geotechnical; Franklin, Decatur, Ripley, Jennings, and Jackson Counties, IN
- Monroe County NW YMCA – Geotechnical, Construction Materials Testing; Bloomington, IN
- Indiana University various projects – Geotechnical, Construction Materials Testing; Bloomington, IN

4.4.4.7 Subconsultant: VS Engineering (Traffic Lighting & Signalization)



VS Engineering is an Indiana-owned and operated professional engineering consulting firm¹⁸. Founded in 1980, VS Engineering specializes in engineering services for all phases of civil, transportation, environmental, structural, surveying and traffic projects. The VS Engineering corporate office is located in Indianapolis, with regional offices in Evansville and Fort Wayne. VS Engineering’s traffic engineering team offers services in all phases of planning and analysis, from Traffic Impact Studies to Operational Analyses. The team is pre-qualified in all areas required by INDOT.

Relevant project experience includes:

- I-70 and Post Road interchange modifications – Indianapolis, IN
- Lost Creek-Lafayette Avenue Redevelopment – Terre Haute, IN
- 1st Street Reconstruction, Sanitary Sewer and Lift Station Design – Terre Haute, IN
- Fremont Industrial Truck Route and Dedicated Sanitary Sewer – Fremont, IN
- I-69 Interstate & interchange rehabilitation from S.R. 332 to SR28 – Delaware County, IN

¹⁷ Professional Service Industries Website

¹⁸ VS Engineering Website



- S.R. 67, Intersection improvements – Morgan, Hendricks and Marion Counties, IN
- McFarland Road bridge replacement over Little Buck Creek – Indianapolis, IN
- U.S. 41 at S.R. 66 (Lloyd Expressway) interchange modification – Evansville, IN
- S.R. 9 from Fall Creek to I-69 (2.10 miles) roadway rehabilitation – Madison County, IN
- Nine Small Structure Replacements – various locations – Fort Wayne, IN
- U.S. 421 Bridge over CSX and GTW Railroad new bridge construction – LaPorte County, IN
- S.R. 58 roadway rehabilitation – Jackson County, IN

4.4.4.8 Subconsultant: Hardlines Design Company – Cultural Resource Management and Historic Preservation

Hardlines Design Company (HDC) is a full-service cultural resources management (CRM), architecture, and planning firm located in Columbus, Ohio. The firm was founded in 1990 by Charissa W. Durst, AIA, LEED AP, and incorporated in January 2000. HDC is DBE certified as a woman- and minority-owned firm and is pre-qualified for both historic/architectural and archaeological projects with the Indiana Department of Transportation (INDOT). I-69 Interstate & interchange rehabilitation from S.R. 332 to SR28 – Delaware County, IN



4.4.4.9 Subconsultant: Eco-Tech Consultants – Cave Fauna/Biology/Botany



Eco-Tech Consultants is an ecological consulting firm that provides biological assessments and ecosystem analysis services. The firm was founded in 1990 and maintains offices in Indiana (Jeffersonville), Kentucky and Virginia. Eco-Tech is pre-qualified with INDOT for Ecological Surveys and some of its most relevant projects in Indiana include IS. 50 North Vernon Bypass, Indiana Bat Survey and Biological Assessment in Jennings County, I-69 Section 3 Indiana Bat Survey in Greene and Daviess counties, I-69 Sections 1-4 Mitigation Site Vegetation Monitoring along multiple counties, S.R. 61 Indiana Bat Survey in Warrick County, U.S. 231 Bat Survey in Spencer County and County Bridge 123 Aquatic Biological Survey in Cass County.

4.4.4.10 Subconsultant: McCormick Group – Public Involvement Coordinator & DBE Coordinator

The McCormick Group was established in 1987 in the State of Indiana and currently has an office in Indianapolis. Since that beginning, services have grown to three divisions which include public involvement for transportation, marketing research, and full service public relations. The McCormick Group will provide Public Involvement and DBE Coordination. The McCormick Group is an approved INDOT DBE Firm and has executed projects in all Indiana counties including the Chicago-Detroit/Pontiac Passenger Rail Corridor Program, the I-465 Reconstruction, the I-69 Section 6 PI Lead and Historic Bridges Inventory for INDOT as Public Involvement Lead.



The following table outlines each sub-consultant's status and experience working with INDOT and IFA:

Subconsultant	Registration Status	Experience
Burgess and Niple	Pre-qualified with INDOT	<ul style="list-style-type: none"> ▪ Accelerate 465 – I-465 interchanges at Sam Jones Expressway and Washington St/US 40 ▪ I-265 (SR 265) from SR 60 to the Ohio River Bridge (Ohio River Bridge East End Approach) ▪ I-69 & SR1 (DuPont Rd.) Diverging Diamond Interchange project
PSI	Pre-qualified with	<ul style="list-style-type: none"> ▪ I-69 Bridge over East Fork of the White River - Geotechnical; Washington, IN



Subconsultant	Registration Status	Experience
	INDOT	<ul style="list-style-type: none"> ▪ Accelerate 465 - Geotechnical; Indianapolis, IN ▪ Sherman Minton Bridge – Structural Steel Inspection; New Albany, IN ▪ I-70 Fast Track – Geotechnical; Indianapolis, IN ▪ State Road 56 Reconstruction – Geotechnical; Orange County, IN
Keramida	Pre-qualified DBE Firm with INDOT	<ul style="list-style-type: none"> ▪ Development of turnkey services for closure plan, sampling, waste disposal and closure certification for INDOT ▪ Karst survey services to multiple engineering and construction firms in Indiana on approximately 15-20 sites in the karst region of southern Indiana over the past several years. Karst survey services have been performed for a variety of proposed construction projects, including roadways, bridges, and buildings. A sample of karst survey services provided for INDOT include the following projects: <ul style="list-style-type: none"> ▫ River Ridge Stream Mitigation on the U.S. Military Reservation, Indiana Army Ammunition Plant, Clark County, Indiana. The Project Area consisted of an unnamed tributary of Lentzier Creek that is part of the Interstate 265 (I-265) extension to the Ohio River. ▫ Karst survey investigation for the proposed improvement of Bridge Number 80 on Overhead Bridge Road in Taswell, Crawford County, Indiana. ▫ Karst survey update for the Plaza Drive Extension Phase 2 in the City of Bedford, Lawrence County, Indiana.
iTunnel	Not currently Pre-qualification with INDOT. They hope to be approved by INDOT prior to the contract being executed.	<ul style="list-style-type: none"> ▪ Members of iTunnel have worked in Indiana in the role of Lead Tunnel and Geo Designer on the Ohio River Bridges Project, the Lower Pogues Run Tunnel Project in Indianapolis, and a sewer tunnel project in Mishawaka
VS Engineering	Pre-qualified DBE Firm with INDOT	<ul style="list-style-type: none"> ▪ 70 and Post Road interchange modifications – Indianapolis, IN ▪ Lost Creek-Lafayette Avenue Redevelopment – Terre Haute, IN ▪ 1st Street Reconstruction, Sanitary Sewer and Lift Station Design – Terre Haute, IN ▪ Fremont Industrial Truck Route and Dedicated Sanitary Sewer – Fremont, IN ▪ I-69 Interstate & interchange rehab from S.R. 332 to SR28 – Delaware County, IN ▪ S.R. 67, Intersection improvements – Morgan, Hendricks and Marion Counties, IN ▪ McFarland Road bridge replacement over Little Buck Creek – Indianapolis, IN ▪ U.S. 41 at S.R. 66 (Lloyd Expressway) interchange modification – Evansville, IN ▪ S.R. 9 from Fall Creek to I-69 (2.10 miles) roadway rehabilitation – Madison County, IN ▪ Nine Small Structure Replacements – various locations – Fort Wayne, IN ▪ U.S. 421 Bridge over CSX and GTW Railroad new bridge construction – LaPorte County, IN ▪ S.R. 58 roadway rehabilitation – Jackson County, IN
Hardlines Design Company	Pre-qualified DBE Firm with INDOT	<ul style="list-style-type: none"> ▪ Historic Property Report for the Second Street Roadway Rehabilitation – Vincennes, IN, INDOT ▪ Historic Property Short Report for Bridge No. 165, Porter County, IN, INDOT ▪ Level II HAER Mitigation of the Madison-Milton Bridge, Madison, IN, INDOT ▪ Phase Ia Cultural Resources Survey of a Proposed Armed Forces Reserve Center, Johnson County, IN, INARNG
Eco-Tech Consultants	Pre-qualified DBE Firm with INDOT	<ul style="list-style-type: none"> ▪ U.S. 50 North Vernon Bypass, Indiana Bat Survey and Biological Assessment, Jennings County, IN ▪ I-69 Section 3 Indiana Bat Survey, Greene and Daviess counties, IN ▪ I-69 Sections 1-4 Mitigation Site Vegetation Monitoring, multiple counties, IN ▪ S.R. 61 Indiana Bat Survey, Warrick County, IN



Subconsultant	Registration Status	Experience
		<ul style="list-style-type: none"> ▪ U.S. 231 Bat Survey, Spencer County, IN ▪ County Bridge 123 Aquatic Biological Survey, Cass County, IN ▪ Bat Conservation International Kentucky Winter Cave Surveys, KY statewide.
McCormick Group	Approved INDOT DBE Firm that does not require Pre-qualification	<ul style="list-style-type: none"> ▪ 2013: Chicago-Detroit/Pontiac Passenger Rail Corridor Program, PI Lead Indiana, INDOT ▪ I 465 Reconstruction, PI Lead, INDOT ▪ I-69 Section 6 PI Lead, INDOT ▪ Historic Bridges Inventory INDOT

4.5 Operations, Maintenance and Rehabilitation (OMR)

I-69 Development Partners will self-perform the operations and maintenance related to the Project, excluding lifecycle and specialized activities, which will be subcontracted out. Isolux Infrastructure is currently performing O&M activities on more than 1,000 miles of highways/roads, including highways with two or three lanes in each direction, two lane roads and urban highways. Isolux is currently managing 8 highway concessions totaling over 850 miles of highways/roads: two are under construction, 3 are fully operational, and the remaining 3 involve upgrades and expansions to existing roads that are simultaneously under construction and in operation, which is a feature of the I-69 Section 5 Project. Corsán-Corviam was the DB Lead Contractor for all eight concessions. The table below shows details on the current Isolux concessions:

Project	Country	Isolux Share	Length (miles)	Number of Lanes	Status	Isolux O&M	O&M Annual Cost (million)
Via Bahia	Brazil	70%	423	1+1/2+2 (Road+Highway)	In Operation/ Under Construction	Yes	\$41.6
National Highway-1 (NH-1)	India	615	181	2+2/3+3 (Highway)	In Operation/ Under Construction	Yes	\$2.5
NH-2	India	50%	120	2+2/3+3 (Highway)	In Operation/ Under Construction	Yes	\$2.5
NH-6	India	50%	83	2+2 (Highway)	Under Construction	Not Started	\$1.2
NH-8	India	50%	58	3+3 (Highway)	Under Construction	Not Started	\$0.8
A-4	Spain	51%	42	2+2/3+3 (Highway)	In Operation	Yes	\$4.6
Monterrey Saltillo	Mexico	100%	59	1+1/2+2 (Highway+Road)	In Operation	Yes	\$4.5
Perote Xalapa	Mexico	50%	37	2+2 (Highway)	In Operation	Yes	\$4.3

Isolux Infrastructure is proposing to appoint an experienced and skilled management team who will be responsible for hiring professionals in the local market and then leading and overseeing them in order to fulfill all of the O&M requirements: operation, management, administration, maintenance, repair, preservation, modification, reconstruction, rehabilitation, restoration, renewal and replacement. Activities that due to their complexity, including all lifecycle maintenance, will subcontracted out to an appropriate



specialist (special structure inspections, pavement marking replacement, important reparations or replacements in structures or barriers, etc.).

The local partners that the I-69 DP Team will bring on board are expected to provide local resources with regards to equipment (earth moving and off-highway vehicles, asphalt and concrete plants) and personnel (design/construction), material availability and relations to local suppliers. Isolux is currently in the process of approaching certain local subcontractors and suppliers to discuss opportunities for collaboration upon award of the contract.

Since the road will stay open to traffic during construction, the Design-Build Team will be responsible for most of the routine maintenance works along the sections under construction relating to sweeping and cleaning and all pavement, barriers, and structure related reparations. The Developer, will maintain responsibility for all the rest of O&M activities including mowing and vegetation control, snow and ice removal, incident response and attention to customers, as well as operation of the highway. In addition, the Developer will be responsible for the Operations, Maintenance and Rehabilitation works/ life-cycle for any portions of the Projects, which have met the criteria for completion.

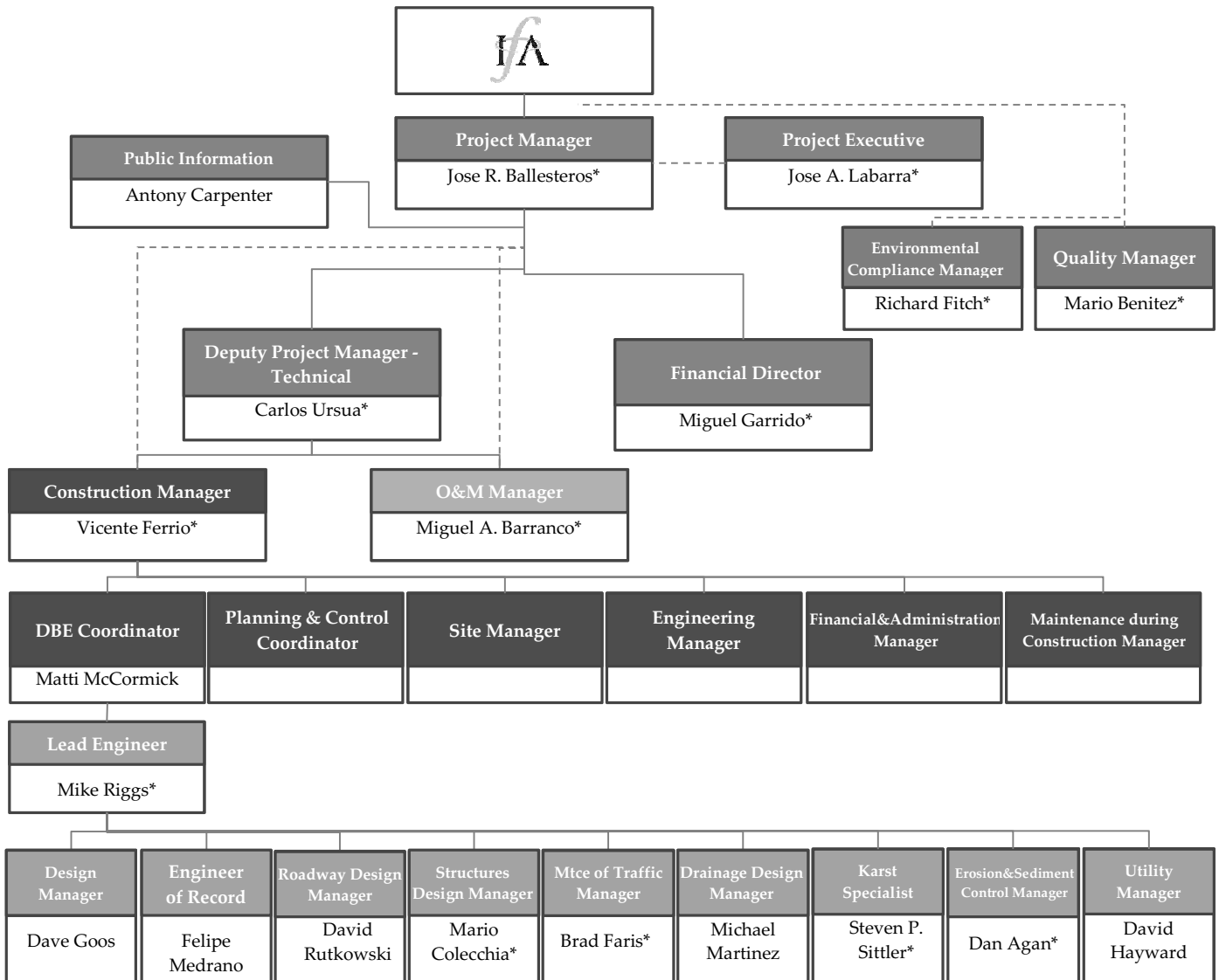
All liabilities regarding O&M will be transferred to the Developer only once IFA has confirmed their acceptance of the D&B works.

This model has been successfully used in India, Spain, Mexico and Brazil.

4.6 Personnel Structure and Key Personnel

4.6.1 Design-Build Team

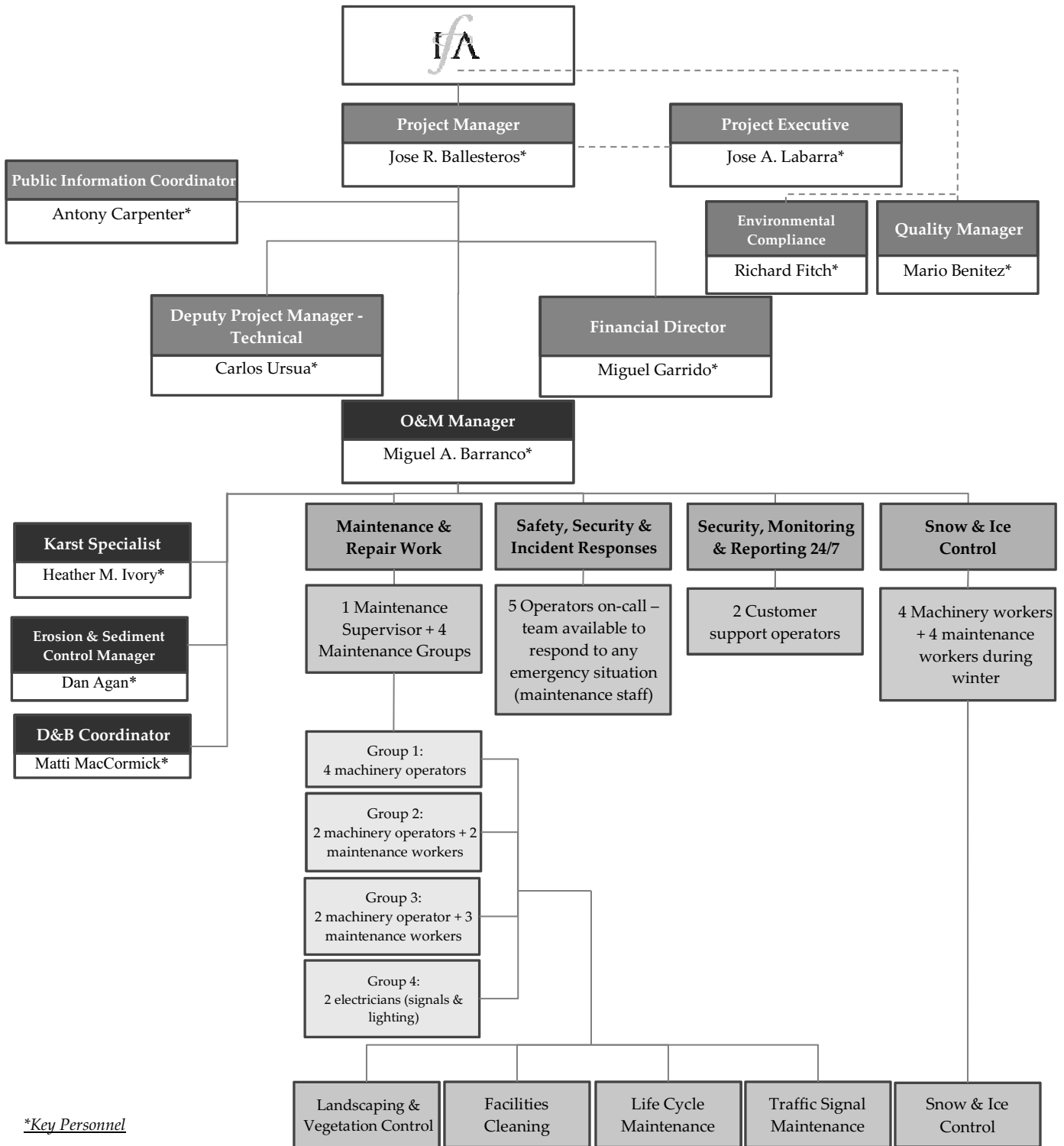
The I-69 DP Team's general structure is outlined in the organizational chart below. The I-69 DP team will be managed by Isolux Infrastructure staff.



*Key Personnel per PPA Exhibit 2-H. Empty boxes in the organization chart above note assigned positions which are not Key Personnel.

4.6.2 O&M and Life-Cycle Team

The O&M Team's organization chart is presented below.



**Key Personnel*



4.6.3 Key Personnel

The table below outlines the Key Personnel as referenced in the PPA Exhibit 2H, their respective responsibilities and relevant experience:

Key Personnel	Name/Affiliation	Responsibilities	Experience
Project Executive	Jose A. Labarra Isolux	<ul style="list-style-type: none"> Advise the Project Manager 	<ul style="list-style-type: none"> CEO for SH130 DBFOM project in Texas Project Executive for several Isolux DBFOM transportation projects
Project Manager	José R. Ballesteros Isolux	<ul style="list-style-type: none"> Overall lead and management of the Project Point of contact with IFA and the INDOT Manages the whole team Responsible for fulfillment of the PPA contract and management of the Concessionaire's contracts Reports Project progress and performance to IFA, lenders and shareholders 	<ul style="list-style-type: none"> CEO of Sociedad Concesionaria Autovía A-4 (A-4 Expressway) Project Manager (Procurement) for US 36 Phase 2 Managed Lanes (bid ranked 2nd) Project Manager (Procurement) for Jefferson Highway Parkway in Colorado (bid awarded) Project Manager and member of the board of directors for Albali High Speed Rail Project (availability payment)
Deputy Project Manager – Technical	Carlos Ursúa Isolux	<ul style="list-style-type: none"> Oversee the DB Team and the O&M Department during the Construction Period Ensure the smooth transition of the Project from Construction to Operations Coordinate O&M and Construction activities, integrate O&M into construction Monitor the fulfillment of the contractual schedule and the other Design-Build contract requirements by the DB Team Ensure stakeholder requirements are accommodated within design and construction Liaise with design and construction team during design-build period to ensure maintenance and whole life considerations are met in design Reports directly to José R. Ballesteros in all Technical subjects 	<ul style="list-style-type: none"> Nine major PPP projects CEO for the Monterrey Saltillo DBFOM transportation project during construction COO for the AP-41 DBFOM project, in charge of the O&M department Deputy Project Manager - Technical for two projects in India (NH-6 and NH-8) overseeing the DB Team
Construction Manager	Vicente Ferrio Corsán USA	<ul style="list-style-type: none"> Accountable for delivery of the Design-Build Contract, project management and team direction, single point of contact for the Concessionaire Define, deploy, review and maintain the Corsán-Corviam's business vision, values and strategy Deliver Corsán-Corviam's objectives, satisfy IFA and stakeholder requirements, take responsibility for Project safety Report Project progress and performance to the Concessionaire and drives continuous improvement 	<ul style="list-style-type: none"> Four major PPP projects Construction Manager with Corsán-Corviam on several Isolux DBFOM transportation projects (Monterrey-Saltillo in Mexico; Via Bahia in Brazil)
Lead Engineer	Mike Riggs AZTEC	<ul style="list-style-type: none"> Oversee the development of the design and compliance with PPA and technical requirements Verify design accounts for temporary load cases during construction Ensure timely flow of design information Coordinate construction team input through Design Manager Approve final design 	<ul style="list-style-type: none"> Design Manager for several D/B projects and one P3 project in the US and Design Coordinator for Canadian P3, working for both the private and the public sectors
O&M Manager	Miguel A.	<ul style="list-style-type: none"> Hires the O&M staff in the local market and lead 	<ul style="list-style-type: none"> O&M Manager for an Isolux's



Key Personnel	Name/Affiliation	Responsibilities	Experience
	Barranco Isolux	<ul style="list-style-type: none"> the O&M Department Lead the Lifecycle process in coordination with José R. Ballesteros 	DBFOM transportation project (Monterrey-Salttillo)
Quality Manager	Luis J. Leon Isolux	<ul style="list-style-type: none"> Ensures that the overall quality system is established, implemented, and maintained Produces regular performance reports on the quality system to Developer's management for review and consideration as a basis for improvement of the quality system Supervises directly the efforts of the Design Quality Manager and Construction Quality Manager relative to procedures included in the QMP Fully independent from the Concessionaire and the DB Team, has the capacity to stop the works Once DB Work completed, will stay responsible for O&M Quality 	<ul style="list-style-type: none"> Quality Manager for an Isolux's DBFOM transportation project (Monterrey-Salttillo)
Engineer of Record	Felipe Medrano AZTEC	<ul style="list-style-type: none"> Provide design, engineering or construction certifications Day-to-day management of Design Units Attend all design meetings Provide engineering support during construction 	<ul style="list-style-type: none"> Project Engineer for several major highway improvement projects such as McDowell Road in Lehi – Mesa Drive Indian Community, AZ Project Engineer for US-36 Managed Lanes Phase 2 DBFOM Project in Colorado
Financial Director	Miguel Garrido Isolux	<ul style="list-style-type: none"> Main objective: reaching financial close Manage lenders and underwriters expectations and reporting Manage financial model Control the concession finances and coordinate and manage financial accounting and reporting 	<ul style="list-style-type: none"> Financial manager for the bonds issuance for two P3 projects (Monterrey-Salttillo and Cachoeira Paulista) Project finance lead for several P3 projects, including WETT in US
Public Information Coordinator	Anthony Carpenter McCormick	<ul style="list-style-type: none"> Provide ongoing information to the public concerning the development, construction, operation and maintenance 	<ul style="list-style-type: none"> I-69 Section 6 Tier 2 (INDOT) I-465 Accelerate 465 Reconstruction Project (INDOT) Northwest Indiana Regional Planning Commission Project Transit Analysis
DBE Coordinator	Matti McCormick McCormick	<ul style="list-style-type: none"> Lead liaison with Disadvantaged Business Enterprises (DBEs) Ensure national goals are exceeded and coordinate progress payments to DBE firms Lead liaison to coordinate diversity and SBE issues with IFA and the community Maintain reporting requirements and provide training Ensure Construction Team coordination and compliance 	<ul style="list-style-type: none"> I-69 Section 6 Tier 2 (INDOT) I-465 Accelerate 465 Reconstruction Project (Note: the largest reconstruction project in INDOT history)
Utility Manager	David Hayward CBBEL	<ul style="list-style-type: none"> Manage permanent service (gas, electricity, water) identification and protection Liaise with authorities and service providers to ensure they are informed and unaffected Coordinate construction requirements through the Engineering Manager Principal contact for all Utility-related activities. Coordinate, cooperate, and work with Utility Owners. Keep Utility Owners well informed of construction schedules, changes to the Utility Adjustment Plans. Ensure Utility Owners are involved in making the decisions that affect their 	<ul style="list-style-type: none"> Licensed Indiana PE State Road 46 Corridor Improvements, Columbus, IN (INDOT) Rocky Ford Road, Columbus, IN



Key Personnel	Name/Affiliation	Responsibilities	Experience
		<p>own Utilities. Cooperate with the Utility Owners to resolve adjustment and installation to the extent that are part of the Utility Adjustment Work without causing IFA to incur any unnecessary expense to the Project. Identify critical activities and sequences as they affect the Utility Owners. Principal contact for all Utility-related activities</p> <ul style="list-style-type: none"> ▪ Monitor progress of Utility Owner Work 	
Construction Quality Manager	Jason Bagwell B&N	<ul style="list-style-type: none"> ▪ Lead the quality assurance, surveillance and auditing, and continuously improve quality management ▪ Manage IFA QA feedback ▪ Assess, monitor and report compliance with relevant law and Corsán policies and directives 	<ul style="list-style-type: none"> ▪ An INDOT-certified inspector ▪ Thorough understanding of INDOT standards through work on five transportation projects in the state.
Design Quality Manager	Tom Maki AZTEC	<ul style="list-style-type: none"> ▪ Manage design quality compliance ▪ Coordinate design quality with construction team ▪ Conduct project audits for design quality compliance ▪ Will organizationally report to the Quality Manager and be functionally independent from the production of the Design Documents. ▪ Will be in the Project Office as required throughout the design process and shall be present as required thereafter to manage design QA efforts related to design support during construction work, design changes, and the completion of Record Drawings ▪ Identify and report Nonconforming Work: track, monitor, and report on the status of outstanding design-related non-conformance report: Submit specified certificates 	<ul style="list-style-type: none"> ▪ I-595 Managed Lanes, P3 Ft. Lauderdale, FL ▪ US 290 program management project (\$2B)
Safety Manager	Mark Flick KERAMIDA	<ul style="list-style-type: none"> ▪ Develop, maintain and manage health and safety activities ▪ Ensure safety exceeds expectations of IFA and the Concessionaire ▪ Audit, inspect, train, manage, and continuously improve in all aspects of safety ▪ Responsible for the approval of the Safety Plan and Safety Standards during design, construction and operation periods ▪ Shall be assigned to the Project Office full time during design/construction 	<ul style="list-style-type: none"> ▪ Access road construction for installation of large propane storage vessels ▪ Raleigh Durham Airport – Concourse A Renovation ▪ North Carolina Research Centre
Environmental Compliance Manager	Richard Fitch B&N	<ul style="list-style-type: none"> ▪ Develop, deploy and review and maintain environmental protection and sustainability activities for I-69 DP, and liaise with IFA and INDOT ▪ Deliver environmental standards that meet and exceed expectations of IFA, stakeholders and environmental bodies ▪ Improve the environment and reduce impacts ▪ Provide advice, training, and guidance on environmental and sustainability issues during design and construction ▪ Responsible for Developer's compliance with all the environmental commitments and conditions of Environmental Approvals required for the 	<ul style="list-style-type: none"> ▪ Currently Director of the NEPA / Ecological/Phase I ESA Section ▪ Nine years with Ohio EPA preparing Environmental Assessments for federal projects ▪ Completed more than 100 hazardous waste screenings, Phase I ESAs, Phase II ESAs, and remediation plans for transportation-related projects, including 13 INDOT/FTA Transit systems



Key Personnel	Name/Affiliation	Responsibilities	Experience
		<p>Project</p> <ul style="list-style-type: none"> ▪ Shall report directly to Developer's Project Manager ▪ Shall have the authority to stop or redirect Construction Works as needed to maintain environmental compliance ▪ Full time during design/construction 	
Karst Specialist	Steven Sittler KERAMIDA	<ul style="list-style-type: none"> ▪ Responsible for conducting a Reasonable Investigation regarding the condition of karst features ▪ Responsible for addressing geotechnical related issues for the Project, including the presence of karst features; and identification of the scope and objectives of future investigations (as applicable) ▪ Responsible for the preparation of design scenarios dependent upon karst location ▪ Responsible for the preparation of design documents with karst features and proposed treatments clearly identified to enable development of a proposed treatment measure for the Karst Feature Treatment Work ▪ Responsible for the coordination through IFA with the Karst MOU Agencies ▪ Provide design documents with karst features and proposed treatments clearly identified to IFA for review and approval ▪ Addressing IFA-provided written comments to IFA's satisfaction prior to construction in karst feature locations 	<ul style="list-style-type: none"> ▪ Licensed Professional Geologies in Indiana ▪ Coordinated, designed and managed more than 1,000 hydrogeologic assessment/remediation projects ▪ Karst Survey – River Ridge Commerce Centre – Clark County, IN ▪ Karst Survey – Bridge No 80 Improvement – Taswell, Crawford County, IN ▪ Karst Survey Update – Plaza Drive Extension – City of Bedford, IN
Erosion and Sediment Control Manager	Dan Agan CBBEL	<ul style="list-style-type: none"> ▪ Comply with all environmental/erosion and sediment control ▪ Established Quality control checkpoints at stages of the construction progress ▪ Responsible for developing Erosion Control Plans ▪ Shall be supported by a staff of at least one erosion control inspector 	<ul style="list-style-type: none"> ▪ City of Indianapolis Infrastructure Inspection ▪ City of Indianapolis CSO Construction, Vortex, Inflatable Dam, Sluice Gate and Netting Structure
Maintenance of Traffic (MOT) Manager	Brad Faris VS	<ul style="list-style-type: none"> ▪ Will direct MOT, haul routes, and access in accordance with the PPA ▪ Will coordinate all MOT activities and changes to access with emergency service providers, school transportation officials, and all affected local public agencies. ▪ Coordinate all construction traffic impacts with IFA's PIP Manager and TMP team, as well as Developer's Certified Worksite Traffic Supervisor (CWTS) who is responsible to monitor daily MOT activities. ▪ Identify and receive approval for all necessary temporary traffic signals ▪ Methods and frequency of inspection and maintenance of all traffic control throughout the Project Limits ▪ Provisions to provide continuous access to established truck routes and any hazardous material (hazmat) routes ▪ Procedures for modification of the MOT as 	<ul style="list-style-type: none"> ▪ I-69 Interstate Rehabilitation – Grant and Huntington Counties (INDOT) ▪ R 65 Intersection Improvement (Owensville) – Gibson County, IN



Key Personnel	Name/Affiliation	Responsibilities	Experience
		needed to adapt to current Project Circumstances	

4.7 Experience Relevant to I-69

The table below demonstrates the I-69 team members' experience developing projects with characteristics similar to those of the I-69 Section 5 Project. The projects listed below incorporate experience by all team members including subconsultants and subcontractors.

	A-4 Madrid Ocaña Expressway (Spain)	Monterrey Saltillo Highway (Mexico)	Via Bahia Highway Concession (Brazil)	WETT (USA)	National Highway 8 (India)	Perote Xalapa Toll-Highway (Mexico)	CPTC (Brazil)	HSR Line, Tolosa-Hermialde (Spain)	Ferrol-Vilalba Motorway (Spain)	HSR Line, La Gineta - Albacete (Spain)	D4 I-595 Corridor Roadway (USA)	Interstate 10, State Route 303 (USA)
Design and construction of projects with karst geologic features.								✓		✓		
Design and construction of highways and interstates; in particular those with a construction value of \$200 million or more.	✓	✓	✓		✓	✓						
Permitting, coordination and oversight by U.S. federal agencies such as the Army Corps of Engineers and FHWA on environmentally sensitive transportation projects.				✓							✓	✓
Design and construction of highways and interstates in urban corridors with significant maintenance of traffic issues.	✓	✓	✓		✓	✓					✓	✓
Design and construction of projects with significant erosion control management.		✓	✓			✓		✓	✓		✓	✓
Operation and maintenance of highway and interstate transportation projects delivered under a Public-Private Partnership.	✓	✓	✓		✓	✓						
Public-Private Partnership, comprehensive development and exclusive development agreements for transportation projects to which such entity has been party with a construction value of \$200 million or more.		✓	✓		✓	✓						
Success in financing project finance and Public-Private Partnership projects (both equity and debt) with specific focus on comparable transportation infrastructure projects (particularly Public-Private Partnership transportation projects for highways and interstates).	✓	✓	✓	✓	✓	✓	✓					
As to Proposer and its Equity Members only, participation as an Equity Member in availability payment concessions.				✓			✓					
As to Proposer and its Equity Members only, where TIFIA financing, PABs and other credit and financing tools used in the U.S. and equity funding for Public-Private Partnerships.	✓	✓	✓	✓	✓	✓	✓					

4.8 Experience Working Together

	Isolux	Corsán-Corviam	AZTEC-TYPSA	Gradex	Force	E&B Paving	Burgess & Niple	C.B. Burke	Keramida	VS Engineering	PSI
Isolux		Y	Y								



Corsán	Y		Y								
AZTEC-TYPSA	Y	Y					Y				Y
Gradex					Y	Y	Y	Y		Y	Y
Force				Y		Y		Y			Y
E&B Paving				Y	Y		Y				Y
Burgess & Niple			Y	Y		Y			Y	Y	Y
C.B. Burke				Y	Y						Y
Keramida							Y				
VS Engineering				Y			Y				
PSI			Y	Y	Y	Y	Y	Y			

Projects on which team members have collaborated include:

Team Member	Project
Corsán-Corviam Isolux	<ul style="list-style-type: none"> Eight highway concessions with a total length of about 1,000 miles.
Corsán-Corviam AZTEC-TYPSA	<ul style="list-style-type: none"> Construction of the platform works for the high-speed north-northeast link. Orense-Santiago axis. Section: Orense-Lalin. Sub-section: Orense-Amoeiro. Corsán served as prime contractor; TYPSA was a subconsultant. \$277 million total project cost. Madrid Ocana A-4 Expressway, Madrid, Spain. Corsán served as prime contractor; TYPSA was a subconsultant. \$102.6 million total project cost. Construction project of the dock platform, east area, of the Madrid-Barajas Airport. Corsán served as prime contractor; TYPSA was a subconsultant. \$62 million total project cost.
Gradex Force	<ul style="list-style-type: none"> Musicland Distribution Facility in Franklin, IN.
Gradex E&B Paving	<ul style="list-style-type: none"> US 40, Johnson County: E&B served as prime contractor; Gradex was a subcontractor. \$16.5 million total project cost. CR 300 South, Hendricks County: E&B served as prime contractor; Gradex was a subcontractor. \$7.5 million total project cost. Worthsville Road, Johnson County: E&B served as prime contractor; Gradex was a subcontractor. \$9.4 million total project cost. City of Beech Grove (downtown street paving), Marion County: Gradex served as prime contractor; E&B was a subcontractor. \$600,000 (E&B portion of work).
Force E&B Paving	<ul style="list-style-type: none"> INDOT, B-28285-A, Olio Road Bridge over Geist Reservoir, Hamilton County, IN

4.9 LTA Conclusion Summary

The LTA has travelled to Indianapolis and met representatives of Corsán-Corviam, AZTEC-TYPSA, Gradex, Force and E&B Paving to review the project scope, status, their qualifications and the project site. The LTA has also been in regular contact with Isolux Infrastructure key members in the US and Spain, as well as with Rubicon Infrastructure (financial advisor to Isolux) staff in New York. All have been cooperative.



- The I-69 Development Partners LLC team combines local and international experience in highway design, construction, operations, maintenance and life-cycle rehabilitation and are well qualified to deliver the Project;
- There is reliance on expertise of local construction subcontractors (Force, Gradex and E&B Paving) and engineering subconsultants – all of which have past and current INDOT experience and some on the earlier sections of I-69;
- E&B Paving has access to local material supply depots near the Project;
- Force Construction, Gradex, and E&B Paving are all registered with INDOT, and are not barred from doing any work with INDOT;
- Force Construction does not currently have any outstanding claims with INDOT. Gradex and E&B Paving have typical and customary negotiations related to project changes in scope and extra work with INDOT;
- Burgess & Niple and CB Burke and the rest of the design subconsultants are pre-qualified with INDOT with the exception of iTunnel. iTunnel is intending to gain pre-qualification by INDOT;
- Isolux Infrastructure and Corsán-Corviam have ample international experience in highway construction, operations and maintenance;
- AZTEC-TYPSA (lead engineering firm) has experience in highway design management in the US;
- Isolux Infrastructure staff have provided good international experience with regards to highway O&M;
- The mitigants in regards to any risks associated with design and construction include local subcontractor's and subconsultant's knowledge, combined with the AZTEC-TYPSA's US and Isolux and Corsán-Corviam's international experience; and

Overall, the combination of international expertise and extensive local contractor knowledge makes the design and construction teams well-qualified to accomplish the necessary work associated with this Project.



5 DESIGN AND CONSTRUCTION REVIEW

5.1 Design and Construction Scope

The Project elements include:

- Conversion of 21 miles of existing 4-lane median separated state roadway along the existing State Route 37 into a limited access 6-lane (southern end) and upgraded 4-lane (northern end) interstate highway between Bloomington, IN and Martinsville, IN from 200 feet south of the intersection of That Road/SR 37 to the south bridge approach of the Indian Creek Bridge (Str. No. 37-55-3106);
- Construction of an additional north- and southbound access road, approximately 13 miles long in total, parallel to the highway in the Urban Areas, and modernization of other municipal and State road crossing along the corridor;
- Construction of a truck climbing lane approximately 3 miles long, in the northern/rural part of the Project;

- New interchanges at:

Fullerton Pike Interchange	Intersection of existing SR 37 and Fullerton Pike
Tapp Road Interchange	Intersection of existing SR 37 and Tapp Road
Sample Road Interchange	Intersection of existing SR 37 and Sample Road
Liberty Church Interchange	Approximately 500 feet south of the intersection of existing SR 37 and Liberty Church Road

- Upgraded interchanges at:

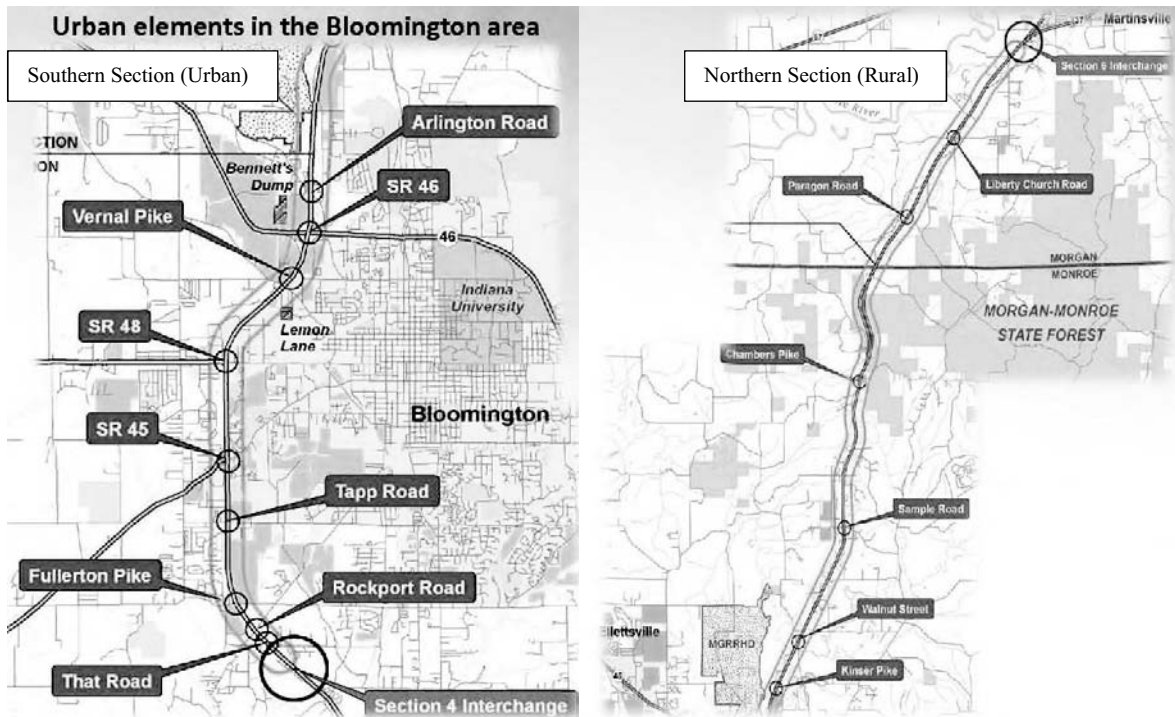
SR 45/2nd Street Interchange	Interchange of existing SR 37 and SR 45/2 nd St.
SR 48/3rd Street Interchange	Interchange of existing SR 37 and SR 48/3rd St.
Walnut Street Interchange	Interchange of existing SR 37 and Walnut Street
SR 46 Interchange	Interchange of existing SR 37 and SR 46

- Reconstruction of State Roads at:

SR 45 (Bloomfield Road)	From Liberty Drive (approx. Sta. 34+60 "S-SR45") to intersection with S. Basswood Drive, (approx. Sta. 64+15 "S-SR45"), excluding intersections with Liberty Drive and Basswood Drive
SR 48 (3rd Str/Whitehall Rd)	From Franklin Drive (approx. Sta. 40+60 "S-SR48") to North Gates Drive (approx. Sta. 58+00 "S-SR48"), excluding the intersections with Franklin Drive and North Gates Drive
SR46	From SB Ramps to NB Ramps

- Four overpasses for local roads at:

Rockport Road	Over I-69
Kinser Pike	Over I-69
Vernal Pike	Over I-69
Chambers Pike	Over I-69



- Overpasses and interchanges to generally accommodate bicycle and pedestrian traffic, following local design standards;
- Utility adjustments and relocations at all existing crossroads and parallel to I-69;
- Drainage improvements to accommodate widening;
- Construction of access roads;
- Improvements to four (4) existing interchanges;
- Construction of twelve (12) new bridges, and rehabilitation, widening or enhancement of fourteen (14) bridges across six (6) creeks, two (2) existing bridges will not be modified – some bridges consist of two structures (refer to section 5.8 for a list and description of structures);
- Widening of one (1) highway bridge over CSX Railroad;
- Improvements to local roadway system to accommodate new cul-de-sacs and changed roadway configuration due to I-69 new overpasses and interchanges;
- Traffic signals at I-69 Section 5 ramps with local municipal roads;
- Highway signing and lane marking;
- Lighting for urban area through Bloomington (Urban Area) at interchanges (per Addendum 1); and
- Construction period between 2014 and 2016, followed by 35 years of operation and maintenance commencing at Substantial Completion on Section 5 of the I-69.

The design alignment follows INDOT's anticipated alignment and therefore requires no changes to the rights-of-way or properties impacted: no requirement for any property acquisition by I-69 DP. As such, all risks with respect to property and right-of-way availability are placed with IFA.



The design team has identified that significant amount of imported soil and aggregate material will be utilized, mainly due to unsuitable soil conditions (please refer to the following sections regarding geotechnical). Some alignment profile, and embankment slopes are being adjusted by I-69 DP to optimize the design and also achieve cost savings in earthwork, soil import and haulage. However, because the Project mainly involves addition of lanes to an existing highway, there is limited opportunity for mainline profile adjustments, and any profile adjustments would be realized at road crossing and new overpasses, as well as on embankments.

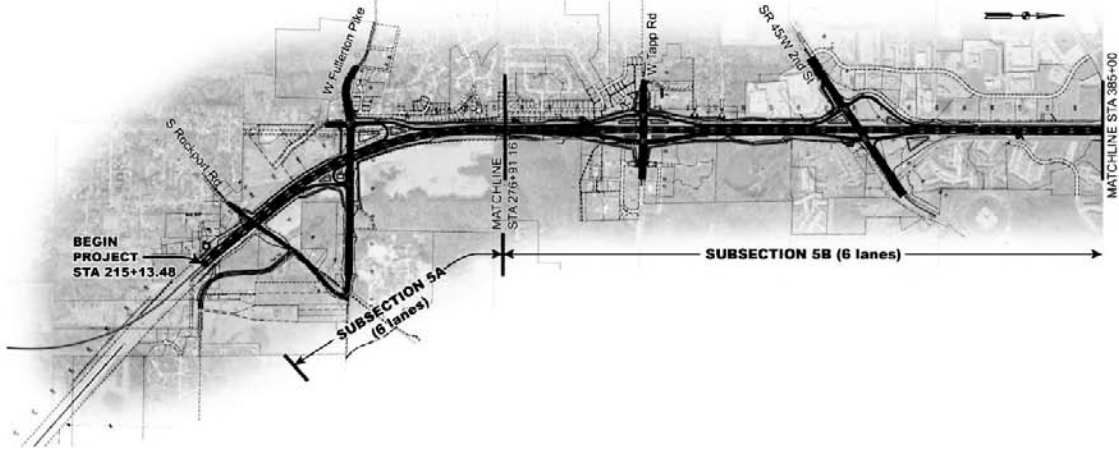
I-69 DP submitted a number of Alternative Design Concepts (ATC) to IFA for approval, seven of which have been accepted by IFA. Of the ones accepted by IFA, ATCs which will be implemented by I-69 DP include the following:

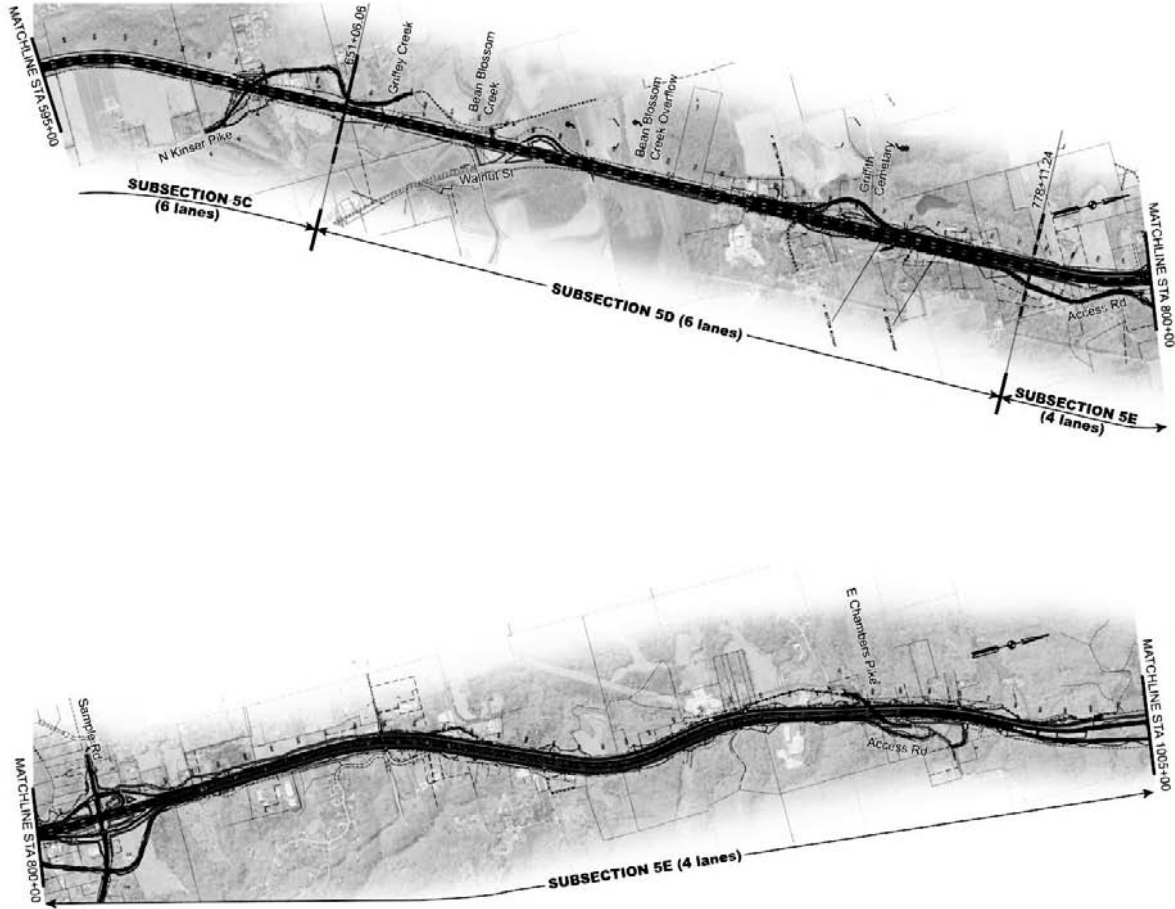
- Eliminate Collector-Distributor Road between Tapp Road and SR 45 / 2nd Street interchanges
- Raise Arlington Road bridge instead of reconstructing the I-60 pavement to achieve clearances
- Retain existing SR 45 / 2nd Street interchange configuration
- Use of Weed Barrier and gravel instead of seeding adjacent to cable barriers, which also lowers operations and maintenance costs
- Proposed alternatives to reduce utility relocation costs, which consist of design approach as well as reclassifying some utilities from one type to another

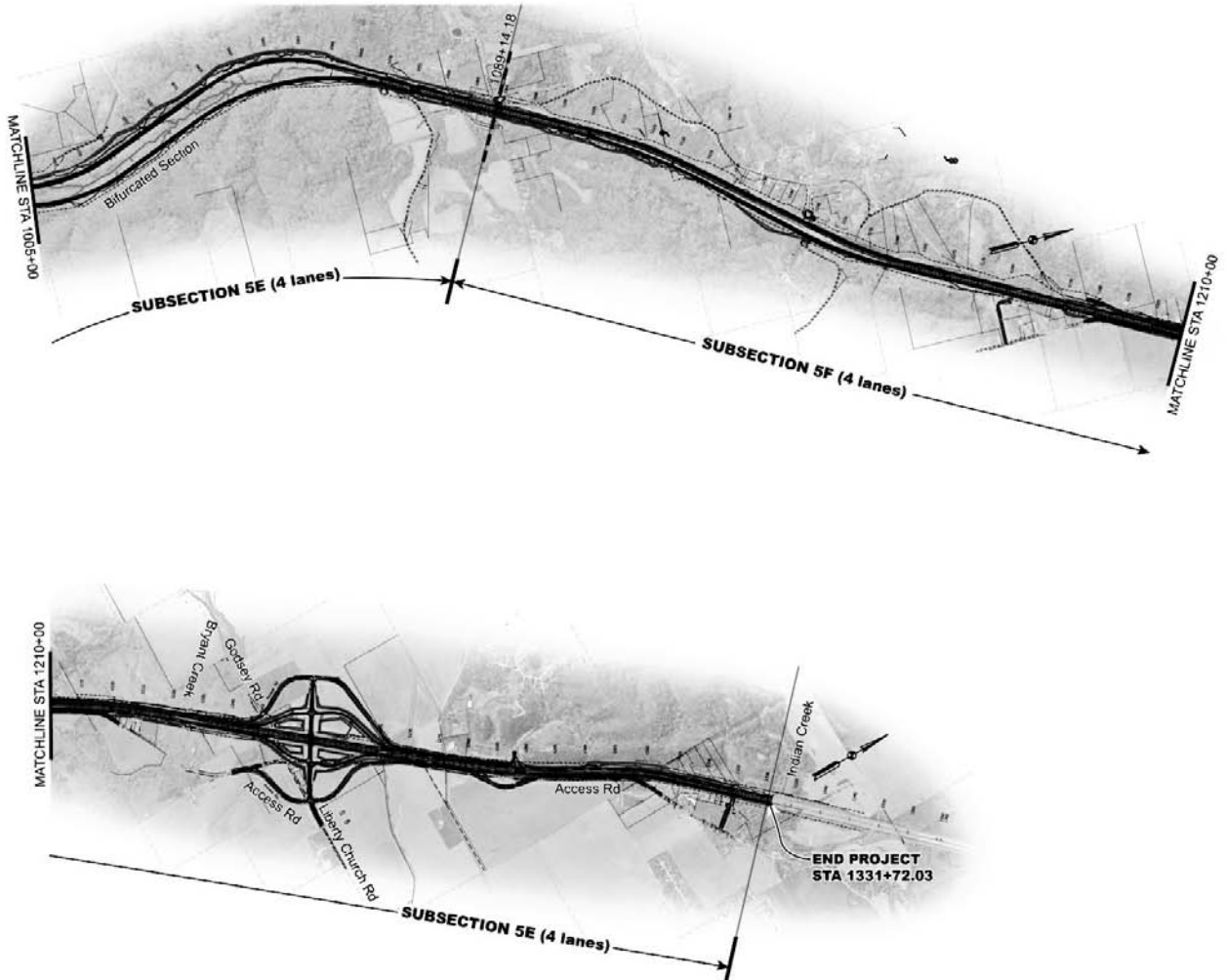
They generally provide savings in costs, construction timing, and some of them provide reduced operations and maintenance efforts. No adverse impact on life-cycle costing is anticipated. It is noted that for IFA to accept an ATC, the proponent must present any impact on the Project such as technical, cost, schedule, any impact on rights of way, environment, operations and maintenance. This approach is prudent and customary in good engineering design and in achieving schedule and costs savings.

Because of the construction of a number of new interchanges/overpasses, requiring retaining walls and abutments, substantial amount of imported fill will be required. Most widening is being done through adding lanes to the inside median, as well as adding shoulders to the inside and outside.

The following is a schematic of the project corridor, showing I-69 DP's approach and division of work areas.







5.2 General Obligations of the Developer

The Developer, in addition to performing all other requirements of the PPA Documents, (PPA Article 5, and Section 5.1) will:

- Furnish all design and other services, provide all materials, equipment and labor and undertake all efforts necessary or appropriate (excluding only those materials, services and efforts which the PPA Documents expressly specify will be undertaken by IFA or other Persons) to construct the Project and operate and maintain it during construction, so as to achieve Substantial Completion and Final Acceptance by the applicable Project Schedule Deadlines;
- Will ensure that the Project Manager identified in PPA Exhibit 2-H (Equity Members, Contractors and Key Personnel Commitments) or otherwise approved by IFA at all times:
 - will have full responsibility for the prosecution of the D&C Work;
 - will act as agent and be a single point of contact in all matters on behalf of Developer at least until Final Acceptance;



- is present (or his or her approved designee is present) at the Site when Design Work or Construction Work is performed; and
- will be available to respond promptly to IFA or its Authorized Representative;
- Comply with, and require that all Contractors comply with, all requirements of all applicable Laws applicable to the D&C Work;
- Cooperate with IFA and Governmental Entities with jurisdiction in all matters relating to the Work, including their review, inspection and oversight of D&C Work; and
- Use commercially reasonable efforts to mitigate delay to design and construct the Project and mitigate damages due to delay in all circumstances, to the extent possible, including by re-sequencing, reallocating or redeploying Developer's and its Contractors' forces to other work, as appropriate.

The scope of the initial D&C Work will consist of all Work necessary to complete the Project as set forth in Section 1 of the Technical Provisions.

5.3 Design Process

5.3.1 Design Approval Process

Notice to Proceed 1 (NTP1¹⁹), allowing limited investigation and design to proceed, was issued by the IFA to the Developer on April 8, 2014, concurrently with the execution of the PPA. (PPA Article 5, Section 5.3.1). NTP1 is issued prior to Financial Close. The Developer will submit a Design Review Plan and Schedule within 45 days of NTP1 (TP Section 20, Table 20.1). The Design Review Plan, (TP Section 3.7) which is a component of the Design Quality Management Plan (DQMP) will:

- address design stages, plan completeness, and the design QA/QC process for each Design Unit²⁰;
- describe the level of design that the Designer is to accomplish for each of the planned stages of design development;
- provide a description and checklist for each Design Unit that clearly identifies the Design Documents that will be reviewed; and
- include review times for each design check and Design Review, including the review dates and durations for IFA, unless noted otherwise in the Technical Provisions or otherwise agreed to by IFA at the Design Workshop.

Before commencing design work (and in particular, submission of designs to the IFA for approval), the Developer will also have:

¹⁹ NTP1 and NTP2, the notices to proceed on further design and commence construction are explained more fully in following sections in this Chapter.

²⁰ A "Design Unit" is a term introduced in TP Section 3.3 and PPA Exhibit 1. Basically it means any logical grouping of components of Project Design assembled into a single package for the purposes of managing the design process. The Developer is required to identify its Design Units in a *Design Unit Report* due for submission to the IFA for review and comment within 30 days of NTP1. (TP Section 20, Table 20.1). Report contents will include, for each unit, the Engineer of Record, a description of the unit, the location where design work will be performed, scope of the design work, the planned review stages and dates (from NTP1 date) and percentage complete represented by each review.



- obtained approval of all those components of the Project Management Plan (PMP) covering design issues. Other components of the PMP will address:
 - approvals required prior to commencement of Construction and;
 - approvals 180 days prior to substantial completion);
- established current, appropriate Professional Liability Insurance Policies with respect to design work (including written binding verifications of coverage from the issuers);
- approval of any required revisions to Developer's Workforce Diversity and Small Business Performance Plan;
- made all deposits to the Intellectual Property Escrow(s) and Financial Escrow (PPA Article 23, Sections 23.5 and 23.6);
- certified to IFA that the Developer and the Design-Build Contractors' relevant personnel, hold all necessary or required registrations, permits or approvals and valid licenses to practice as are necessary for performance of relevant portions of the Design and Construction Work and as are otherwise necessary to comply with the Technical Provisions (TP);
- satisfied any other requirements or conditions for commencing Design Work set forth in the Technical Provisions, including participation in an environmental orientation workshop and training as is obligated under the Environmental Compliance and Mitigation Training Program (TP, Section 7.3); and
- approval from the IFA for the Developer's proposed final DBE Performance Plan (PPA Article 7, Section 7.10.3.1).

5.3.2 Design Development

The Project Design Review Plan and Schedule will define a design check and Design Review for each defined stage of design development, as proposed by the Developer and agreed to in the Design Workshop (TP Section 3.8).

Within each stage of Design Review there is a prescribed 3-phase process (TP Section 3.9) carried out at the Project Office, starting with presentations by the Engineer of Record and other design staff to the IFA reviewers, moving on to more focused examinations for sensitive or complex features, (including discussions on design intent and reviewer's issues), an including comments by reviewers. Meetings will be held between the Developer design staff and IFA/INDOT reviewers to address comments.

The formal design development will proceed in 6 stages:

- (i) *Stage 1 Design Review* – is a stage at which the design concepts are checked for compliance with the PPA, that they are supported by site investigation and analysis, ROW requirements are addressed, applicable Standards are being applied, design concepts are buildable and the design meets quality requirements and procedures in the Design Quality Management Plan (DQMP).

The Developer will submit the Stage 1 Design to the IFA for review and comments.

- (ii) *Stage 2 Design Review* (as needed) – this stage will verify that concepts and parameters as established in Stage 1 are being followed, requirements of the PPA continue to be met and any changes to information at Stage 1 are presented in writing to the IFA.

The Developer will submit the Stage 2 Design to the IFA for review and comments.



- (iii) *Released for Construction (RFC)* – After Stage 1 and 2, the RFC stage ensures that requirements of the PPA continue to be met. All certifications by Design Quality Manager (DQM) must be completed, all non-conformances cleared and any issues raised in the IFA reviews resolved to the IFA's satisfaction.

RFC Designs must be stamped, signed and dated by the Developer's Lead Engineer and submitted to the IFA for review and comment.

- (iv) *Final Design* – Design Documents are 100% complete. The Developer will specifically highlight, check and bring to the attention of the IFA in writing any changes to information presented at previous design reviews.

The Developer will submit the Final Design documents to the IFA for review and comments.

- (v) *Working Drawings* – are required for construction and will include supplemental design information such as construction details, erection plans, fabrication plans, bending diagrams, falsework plans, material samples etc. The Developer will carry out all QM checks and certifications prior to issue for construction.

The Developer will submit working drawings to the IFA for review and comment. The IFA will provide comments within 14 days.

- (vi) *Record Drawings* – The final set of drawings, post construction.

The Developer must submit Record Drawings for acceptance by the IFA as a condition of Final Acceptance²¹ (PPA Article 5, Section 5.8.5).

5.3.3 Design Reviews

The Developer's Design Quality Manager (DQM) will certify to the Developer that all designs comply with the Design Quality Management Plan (DQMP) prior to submission to the IFA. The IFA will not accept designs for review which have not been previously certified by the DQM. The DQM responsibilities will also include identification and reporting of Nonconforming Work, and the tracking, monitoring and reporting on the status of outstanding, design related non-conformance reports. The DQM is one of the Key Personnel in the Developer organization, as specified in PPA Exhibit 2-H.

The scheduling of design checks, design reviews and the submission of checked designs will be the responsibility of the Developer; duration of a typical design review is expected to be 15 days.

The Final Design Review will be conducted when the Design Documents and the Construction Documents are 100% complete. The Developer will give a written commentary on any changes to information presented at previous Design Reviews.

Record Drawings will be submitted to the IFA in accordance with the PPA documents and TP Section 3.12.2.2. The Developer has noted that the approval of Record Drawings by the IFA is a condition of Final Acceptance.

²¹ Final Acceptance is more fully described in Section 3.8 of this Report, but basically refers to discharge of Punch List items and other relatively straightforward requirements such as submission of Record Drawings, as built surveys and other documents and certifications of record and final landscaping and other non-structural works.



5.3.4 Design Quality Manager

All design and construction activities come under the overall Quality Management Plan (QMP) (a component of the Project Management Plan, PMP) to be prepared by the Developer. The objective of the QMP is to ensure that Work conforms to the requirements of the PPA documents.

Before designs are submitted to the IFA for approval, they must first be certified as compliant with the DBFOM Quality Management Plan by the Developer's Design Quality Manager (DQM) (TP Section 3.2.6). The internal quality management requirement to certify prior to submission to the IFA in effect adds another step to the quality management process; certification first by the Developer's own, independent personnel, then approval by the IFA. This additional step is not unusual for a project of this size and scope.

The Developer is responsible for providing Design Documents, Plans, and Construction Documents to complete the Work in accordance with the PPA Documents and in accordance with Developer's Design Quality Management Plan (DQMP).

Reviews by the IFA of Developer's Design Documents, Plans, and Construction Documents do not relieve the Developer of the responsibility for the satisfactory completion of the Work.

5.4 Construction Approval Process

5.4.1 Administrative Constraints

Before commencing Construction, the Developer will receive a Notice to Proceed 2 (NTP2). The conditions to be fulfilled prior to receiving an NTP2 are (PPA, Article 5, Section 5.6.1.1):

- The Developer has achieved Financial Close (PPA, Article 13, Section 13.7.5);
- Each Payment Bond and instrument of Performance Security, in form and from a Surety or issuer approved by IFA, (PPA, Article 17, Section 17.2.1);
 - has been obtained, meets the prescriptions (PPA, Article 17, Section 17.2.1) and is in full force and effect; and
 - the Developer has delivered to IFA either the originals of each Payment Bond and instrument of Performance Security or, certified and confirmed copies of the originals, if the originals are to be held by the Collateral Agent for the Initial Senior Project Debt;
- Required Insurance Policies (PPA, Article 17, Section 17.1) have been obtained and are in full force and effect, and the Developer has delivered to IFA written binding verifications of coverage from the relevant issuers of such Insurance Policies;
- All required representations and warranties of the Developer (PPA Article 18, Section 18.1) remain true and correct in all material respects, and the Developer has delivered to IFA a certificate certifying to the same;
- The guarantees in favor of IFA, if any (PPA Article 17, Section 17.4) have been executed, obtained and delivered to, and received by, IFA and are in full force and effect;
- There are no Developer Defaults outstanding, other than:
 - a monetary default that the Developer has disputed in writing, or



- a non-monetary default, which the Developer has a right to cure and is diligently pursuing the cure within the applicable cure period; and
- IFA has approved the Developer's proposed-final Workforce Diversity and Small Business Performance Plan (PPA Article 7, Section 7.11.1).

Once an NTP2 has been issued, the Developer (PPA Article 5, Section 5.6.1.2) prior to commencing construction, will meet the following conditions:

- All Governmental Approvals necessary to begin Construction Work in the applicable portion of the Project have been obtained. The IFA will be copied on any such Governmental Approvals which the Developer is responsible for obtaining. (PPA Article 4, Section 4.3);
- All rights of access acceptable to IFA for the part the Project Right of Way necessary for commencement of construction of the applicable portion of the Project have been:
 - identified, conveyed and recorded to IFA;
 - the IFA has obtained possession thereof through eminent domain, or
 - all necessary parties have validly executed and delivered a possession and use agreement therefor on terms acceptable to IFA;
- The Developer has satisfied, all applicable pre-construction requirements contained in the NEPA Documents and other Governmental Approvals, for the applicable portion of the Project;
- The Developer has developed and delivered to IFA and IFA has approved those component parts, plans and documentation of the Project Management Plan requiring approval by the IFA prior to Construction. (TP Attachment 1-1) and the PPA Article 3, Section 3.2.4 and in the TP, Section 1.5.2.5);
- The Developer has developed and delivered to IFA, and IFA has approved, a Temporary Traffic Control Plan for the applicable portion of the Project, (TP, Section 12.3). The Submittal review period for the TTCP Provisions (TP, Section 12.1) has run without comment from IFA or with all comments addressed (PPA Article 3, Section 3.1.7);
- The Developer has delivered to IFA, and IFA has accepted and approved, as applicable, all other Submittals relating to the Construction Work required by the Project Management Plan and PPA Documents;
- The Developer has satisfied any other requirements or conditions for commencing Construction Work set forth in the Technical Provisions, including TP Section 7.4 (Government Approvals and Modifications) of the Technical Provisions; and
- The Developer has adopted written policies, approved by IFA, establishing ethical standards of conduct for all Contractor-related Entities, including the Developer's supervisory and management personnel in dealing with (i) IFA and the Department and (ii) employment relations (PPA Article 7, Section 7.8.1).

The Developer will ensure timely fulfillment of NTP2 conditions by deploying a very experienced design-build team. The key initiators, the Project Manager, the Deputy Project Manager and the Quality Manager, plus the operational managers (Construction manager and the O&M Manager) are experienced with PPP projects.



5.4.2 Construction Works to Commence

The Developer will commence bona fide and continuous Construction Work within thirty (30) days following issuance of NTP2 and satisfaction of the conditions precedent to commencement of Construction Work set forth at PPA Article 5, Section 5.6.1.2.

Issuance of NTP2 authorizes the Developer to perform all other Work and activities pertaining to the Project, subject to satisfaction of those conditions which are precedent to commencement of the Construction Work, as set forth in the PPA Documents.

5.4.3 Construction Quality Management

The responsibility to ensure that all procurement, shipping, handling, fabrication, installation, cleaning, inspection, construction, testing, storage, examination, repair, maintenance, and required modifications of all materials, equipment, and elements of the Work will comply with the requirements of the PPA Documents will lie with the *Construction Quality Manager*, one of the Key Personnel identified by the Developer. The Developer's Construction Quality Management Plan (CQMP) must be submitted and accepted *before construction commences*. Overall Construction Quality Management responsibilities extend to all Work and products of Contractors, fabricators, Suppliers, and vendors, both on- and off-Site.

The Developer has developed their own P3 Project Management System (P3PMS) from experience on over 1,000 miles of P3 transportation projects. The P3PMS is an umbrella document, to be applied as appropriate. It notes that the Developer has the background and experience to implement all of the many procedures associated with the QM and the self-monitoring NCE tracking system right from Project commencement.

5.4.4 Construction Quality Check Points

The Construction Quality Management Plan (CQMP) will include a schedule for a series of check points as work progresses, at which documentation and procedures for QA and QC, including material certifications, daily inspection records, material testing results, survey results, permits and material placement records will be reviewed. Quality Check Points (QCP) will be scheduled and conducted (TP Section 4.3.3) when:

Environmental:

- After the establishment of erosion and sediment control measures for defined earth disturbance area; and
- At the end of each month to review weekly and post-storm inspections.

Embankments:

- After the completion of drainage and Utility Adjustments and prior to backfill;
- After clearing, grubbing, and excavation to check subgrade;
- Per specifications for lift requirements at 5-foot intervals of embankment construction;
- After the completion of mechanically stabilized earth wall panel placement; and
- At the completion of embankment placement to establish the settlement monitoring baseline.

Structures:



- At the completion of placement for bridge deck reinforcement and prior to the placement of concrete;
- At the completion of placement for abutment wall reinforcement and prior to the placement of concrete;
- After the completion of pile-driving at each structure support, including pile-driving results and records;
- At the completion of placement for footing reinforcement steel and prior to the placement of concrete;
- At the completion of excavation for drilled shaft foundations and prior to concrete placement;
- After setting rails for screed machine and prior to placing concrete overlays;
- After the completion of the first component to receive specified aesthetic wall treatment/form liner and prior to proceeding with the construction of subsequent components; and
- After the completion of every 500 feet of noise wall posts and panels.

Utilities:

- Existing utilities requiring avoidance, protection or relocation will be identified and addressed accordingly;
- After the installation of direct-burial duct banks and prior to backfill operations;
- For concrete-encased duct banks, after the installation of conduits and prior to the placement of concrete; and
- For all utility lines intended to transport pressurized materials and lines intended to carry liquids, after the installation and prior to the completion of pressure testing.

Paving and sidewalks:

- Before the placement of each course above subgrade on permanent roadway components;
- Before the placement of each lift of asphalt or Portland cement concrete; and
- Prior to the placement of concrete for sidewalks.

The IFA will be informed when an identified check point has been reached and will be expected to respond to an invitation to attend within 4 working hours. A Nonconformance report will be issued by the IFA if work is still being performed at the time of the checkpoint meeting, or if insufficient time is allowed to complete the QCP review (TP Section 4.3.3).

Comments on the Developer's P3PMS made previously in Section 5.4.3 (Construction Quality Management) of this Report apply equally to the management of Construction Quality Check points.

5.5 Documentation and Material Certifications

5.5.1 Documentation

The Developer will collect and preserve all documentation of progress and observed performance throughout the Construction Work. The documentation will be in a digital format acceptable to IFA and will include:



- daily inspection reports;
- Record Drawings;
- secure databases, such as spreadsheets, standard database software, and computation books;
- materials approval records;
- photographs; and
- field change sheets.

Daily manpower and equipment reports for Developer and each Contractor for Construction Work activities will be prepared, collected and maintained by the Developer using the standard Department forms or other forms with a format acceptable to the IFA.

A daily log for Construction Work activities will be prepared and maintained by the Developer's Project Manager. The daily log will contain all significant occurrences on the Project in a narrative form, including unusual weather, asserted occurrences, events, and conditions causing or threatening to cause any significant delay or disruption or interference with the progress of any of the Work, significant injuries to person or property, and a listing of each activity depicted on the current monthly plan update that is being actively prosecuted. The log will also contain, in the Project area, traffic accidents and lane Closures in effect at the time of the accident.

For Utility-related activities, such data will be maintained separately in a log for each Utility facility.

For Hazardous Materials Management, such data will be maintained separately in a log for each Site.

Performance records will document all QC operations, inspections, activities, and tests performed, including the Work of Contractors. Such records will include any delays encountered and Work noted that do not conform to the requirements of the PPA Documents or design together with the corrective actions taken regarding such Work.

Documentation will be completed and submitted at the following times and frequencies:

Monthly – summary report of progress and summary analysis of QC and QA efforts.

Weekly – records that include factual evidence that required activities or tests have been performed, including the following:

- type, number, and results of QC and QA activities, including reviews, inspections, tests, audits, monitoring of Work performance, and materials analysis;
- closely related data, such as the qualifications of new QC or QA personnel on the project, new procedures implemented, and new equipment used;
- the identity of Developer QC inspector or data recorder, the type of test or observation employed, the results and the acceptability of the Work, and action taken in connection with any deficiencies noted;
- nature of Nonconforming Work and causes for rejection;
- proposed corrective action;
- corrective actions taken; and
- results of corrective actions.



Similar comments on the Developer's readiness to apply the tracking/recording procedures using their P3PMS as a basis are appropriated with respect to the processing of Quality Management documents and material certificates.

5.5.2 Material Certifications

The Developer will present information regarding the fabricators of any fabricated structural steel, other metal fabricated structural members and prestressed/precast structural members to IFA. Copies of documentation for all sources of *supply* shall be provided to the IFA as soon as they are known, but not less than 30 days prior to delivery to the Project (TP Section 4.11).

The Developer will use the Department's list of qualified manufacturers, producers, and fabricators for the specified materials, unless otherwise approved by the IFA.

When the Developer purchases materials from Suppliers on the Department approved list, the Developer will be provided with a materials certification, or a certificate of delivery/analysis/compliance. All documentary evidence that materials and equipment conform to the procurement requirements will be submitted to the IFA or its representative, at the same time as the Developer receives such documentary evidence.

If the Developer purchases materials from a Supplier not shown on the list of qualified manufacturers the Developer will submit a request for approval to the IFA.

Documentary evidence that materials and equipment conform to the procurement requirements will be available at the jobsite no less than 24 hours prior to installation or use. This documentary evidence will be retained at the jobsite and be sufficient to identify that the specific requirements, (Construction Documents, Project Standards, and applicable Laws, etc.) are fulfilled by the purchased materials and equipment.

The substitution of specified materials will not occur without prior approval by the Developer's Lead Engineer. Failure to acquire this prior approval will result in the issue of a Nonconformance Report. The Construction Quality Manager will assess the effectiveness of the QC procedures at intervals consistent with the importance, complexity, and quantity of the product or services being performed. IFA reserves the right to audit and review these documents at any time.

Prior to Final Acceptance of the Project, a certificate of compliance shall be submitted to the IFA. The certificate of compliance shall be signed by the Developer's Project Manager, Lead Engineer and the CQM indicating that all materials incorporated in the Project conform to the requirements of the PPA Documents.

5.5.3 Construction Quality Control for Final Acceptance

IFA will determine when the Developer achieves Final Acceptance pursuant to PPA Article 5, Section 5.8.5. The Developer will complete all Work and provide all documents, certifications, and other information in accordance with the requirements of the PPA Documents.



5.6 Geotechnical

5.6.1 Karst Formations

Karst is a distinctive type of landscape or topography. Karst landscapes usually occur where carbonate rocks (limestone and dolostone) underlie the surface. Freely circulating slightly acidic rainwater and the water in the soil slowly dissolve the fractures in the limestone and create sinkholes, caves, and other features that characterize karst landscapes. These features are susceptible because most of the surface water flows directly into them and, therefore, is not filtered by soil and bedrock.

Karst formations underlay the Project corridor, including some in the construction corridor. Karst formations have been mapped in the area and impacts to bridge substructures have been defined and are being mitigated. The effects of existing karst formations is not expected to be a significant component of risk associated with the construction and rehabilitation of bridges.

Addressing karst situations in the context of drainage design is a little more problematic but not beyond normal design procedures and treatments. The I-69 DP's local staff has the required expertise and experience and addressing drainage problems to accommodate karst formations is not expected to introduce significant financial risk.

A karst expert is included on the team to address any particular design challenges. Further discussion on karst formations is given in this report, Chapter 9, Environmental Review.

5.6.2 Other Geotechnical Items

Preliminary geotechnical data obtained by IFA for the Work are included as Reference Information Documents. The Developer will take responsibility for interpreting the geotechnical data and determining its suitability and sufficiency for meeting the geotechnical requirements of the Project.

There are no major cuts or adjustments to vertical alignment. At this stage the rock surfaces are not fully defined by the available geological data. Further investigations will be undertaken at NTP1. However because the upset limits of rock excavation are small, this this lack of definition does not pose a significant element of risk to estimates for excavation.

All of the critical tasks and reporting are to be carried out by personnel who are first subject to review and acceptance by the IFA. For example geotechnical investigations must be carried out by a geotechnical consultant approved by the INDOT Office of Geotechnical Services. All supervision and execution tasks must be carried out by preapproved technicians or professionals, including, for example, pile driving inspections.

Similarly planning investigation documents, investigation results, designs, final geotechnical reports, testing programs, remedial action plans and analyses will be submitted to the IFA. No blasting is foreseen as part of the Project implementation as proposed by I-69 DP. If there were any, Blasting Plans would be submitted to both the IFA, and independently to the Indiana Fire Marshal, possibly Vectren, the natural gas pipeline operator and the two rail utilities, potentially a multi-stage submission. In such cases, the Developer will also obtain written consent from owners of privately owned property prior to accessing the property to perform surveys, vibration monitoring, repairs or other related activities (TP Section 7.8).

While unfavorable soil conditions exist, with regard to geotechnical issues in general, no unusual risk situations which are not within the experience/knowledge domain of the Developer is expected. These



risks would be understood and effectively managed by those individuals with the appropriate experience and knowledge of these requirements.

Geotechnical survey data provided by IFA is being utilized in the design, which also includes identification of areas where rock may be encountered. I-69 DP is expecting to undertake further geotechnical investigations after issuance of NTP1.

5.7 Roadway and Pavements

5.7.1 Roadway

The Developer will design and construct the roadway in accordance with the applicable requirements of the PPA Documents, including Project Standards and the TP, Section 9; Governmental Approvals; and applicable Laws.

The Reference Design provided in the Reference Information Documents (RID) conveys the general intent of the Project (RID (RD 09.08)). Elements that may not be changed are:

- Number and location of ramps, overpasses, underpasses, and interchanges as shown on the plan sheets;
- Number of Interstate, state road, and local road lanes as shown on the typical sections;
- Lane, shoulder, and ramp widths as shown on the typical sections;
- Median widths on Mainline and median widths outside ramp termini on State and local roadways as shown on the typical sections; and
- Project termini for I-69 Section 5 as shown on the plan sheets.

Adjustments to the Reference Design are allowed without IFA approval, provided the adjustments are consistent with the PPA Documents, Laws, Governmental Approvals, and meet the following requirements:

- The adjustments do not result in the need to acquire additional ROW; and
- The Developer shall not implement any adjustments that cause the proposed level of service (LOS) to fall below the minimum LOS specified in TP Section 11.9.1.4.

In the Urban (southern) portion of the Project the roadway design generally consists of widening existing lanes in the existing median corridor to add an additional lane in each direction and also improving/widening shoulders, followed by paving the entire corridor. In the Rural (northern) section of the Project, new wider shoulders are added and the existing roadway is paved. Truck climbing lanes are also added in selected locations in the Rural areas. Ramps and collector /distributor lanes are also added throughout the Project, which are required as result of eliminating all existing I-69, Section 5, level road crossings. A number of local roads are turned into cul-de-sacs or access is provided through the new collector-distributor lanes parallel to the highway.

The roadway design and construction is straightforward. As implemented by the experienced and qualified personnel of the DB Contractor, roadway design and construction are routine.



5.7.2 Pavements

Within the O&M Limits the Developer will design, maintain and rehabilitate roadway pavements. The Developer will prepare and submit Preliminary Pavement Design Reports for review and comment by IFA with the Stage 1 Design Documents. Final Pavement Design Reports shall be signed and sealed by a Registered Professional Engineer and submitted for review and approval by IFA prior to the RFC submittal.

Pavement Design Reports shall include, at a minimum, the following:

- All design inputs, including design method, design life, analysis parameters, performance criteria, traffic load spectra, climate, pavement structural cross section, subgrade and subbase drainage, materials characteristics and input parameters including soil subgrade;
- Discussion of the input parameters, rationale and assumptions used;
- Site plan showing the limits of the roadway element covered by the design report; and
- Typical cross section drawings for the recommended pavement design strategy.

Prior to Handback, the Developer will provide calculations and condition distress surveys that address both pavement functional and structural requirements.

All pavement widening will be hot mix asphalt. Existing highway pavement structure includes a combination of concrete, hot mix asphalt, or one overlaying the other.

The pavement design has followed the 2013 Indiana Design Manual. Hot mix asphalt is selected for the entire corridor – widening areas as well as overlay of existing road. Areas of the existing roadway have been identified for selective repair before paving. The pavement design is based on the assigned road classification- and the applicable design criteria as determined by INDoT. The pavement structure design has been based on the traffic loading, mixture and growth predictions included in the Final Engineer's Report (FER) provided by the IFA. Traffic loading projections beyond 2035 (approximately mid-point of the operations period) have been based on an engineer's report based on a 1.5% compound growth. The design has considered a design life of 15 years – requiring major rehabilitation at that point and 15 years after – just before handback.

The pavement design and life-cycle considerations were prepared by Michael Barker Corporation and also reviewed and finalized in December 2013 by Professional Services Industries (PSI) – an engineering firm – which included considering alternative designs and life-cycle optimization; as well as considering condition of existing pavements and localized repairs required in certain sections prior to final paving. That report has recommended a pavement strategy, which I-69 DP is planning on implementing.

The pavement design and construction are routine.

5.8 Structures

5.8.1 Bridges – Summary

The following provides a summary of structures involved in the Project.

- Bridge Structures:
 - There are 32 bridge structures proposed within the Project, of which:
 - 19 are existing structures that will undergo rehabilitation and widening
 - 1 is an existing bridge that will not be modified



- 12 are new structures to provide grade-separation crossings over I-69 and cross creeks
- Project structural work will cover both new and existing structures. At present there are no bridges being considered for replacement

The Developer is proposing the bridge program provided in the table following.



Project Bridge Structures Program

	Bridge Structure Location	Status/Action	Structure Type	Spans	Foundations
1	Liberty Church SB Exit Ramp over Jordan Creek	New	Prestressed Concrete Box Beam	57.5'	Integral on Driven HP Piles
2	Liberty Church W. Access Rd over Little Indian Crk	New	Prestressed Concrete Bulb-Tee	77.25'	Integral on Driven HP Piles
3	Liberty Church W. Access Road over Jordan Crk	New	Prestressed Concrete Box Beam	57.5'	Integral on Driven HP Piles
4	Liberty Church E. Access Road over Jordan Crk	New	Prestressed Concrete Box Beam	51.25'	Integral on Driven HP Piles
5	Liberty Church Rd over I-69	New	Prestressed Concrete Bulb-Tee	89'-9'	Integral on Driven HP Piles
6	Sample Road over I-69	New	Prestressed Concrete Bulb-Tee	103'-89'	Integral on Driven HP Piles
7	Chambers Pike over I-69	New	Prestressed Concrete Bulb-Tee	94'-119'-119'	Integral on Driven HP Piles
8	Kinser Pike over I-69	New	Prestressed Concrete Bulb-Tee	110'-103'	Integral on Driven HP Piles
9	Vernal Pike over I-69	New	Prestressed Concrete Bulb-Tee	131'-120'	Integral on Driven HP Piles
10	Rockport Road over I-69	New	Prestressed Concrete Bulb-Tee	98'-110'	Integral on Driven HP Piles
11	Fullerton Pike over I-69	New	Prestressed Concrete Bulb-Tee	105'-119'	Integral on Driven HP Piles
12	Tapp Road over I-69	New	Prestressed Concrete Bulb-Tee	83'-83'	Integral on Driven HP Piles
13	SR48/3rd Street over I-69	Existing, Widen	Welded Steel Plate Girder	117'-117'	Expansion on Driven HP Piles
14-15	I-69 NB/SB over CSX Railroad	Existing, Widen	Rolled Steel Beam	60'-75'-70'	Expansion on Driven HP Piles
16-17	I-69 NB/SB over Bean Blossom Crk	Existing, Widen	Welded Steel Plate Girder	90'-112.5'-90'	Expansion on Driven HP Piles
18	I-69 NB over Bean Blossom Creek Overflow	Existing, Widen	Prestressed Concrete Box Beam	38'-38.5'-38.5'-38'	Expansion on Driven Pipe Piles & Driven HP Piles
19	I-69 SB over Bean Blossom Creek Overflow	Existing, Widen	Rolled Steel Beam	38'-38.5'-38.5'-38'	Expansion on Driven HP Piles
20	I-69 NB over Bryants Creek	Existing, Widen	Prestressed Concrete I-Beam	44.6'-53.1'-44.6'	Expansion on Driven HP Piles
21	I-69 SB over Bryants Creek	Existing, Widen	Rolled Steel Beam	44'-54.5'-44'	Expansion on Driven HP Piles
22-23	I-69 NB/SB, Little Indian Crk	Existing, Widen	Rolled Steel Beam	75'	Expansion on Driven Timber Piles & Driven HP Piles
24-25	I-69 NB/SB over Jordan Creek	Existing, Widen	Reinforced Conc. Beam w. Monolithic Deck	43'	Expansion on Driven Timber Piles & Driven HP Piles
26	I-69 NB over Griffy Creek	Existing, Widen, Lengthen	Prestressed Concrete I-Beam	55.5'-55.5'-57'-56.25'-55.5'	Semi Integral & Expansion on Driven HP Piles
27	I-69 SB over Griffy Creek	Existing, Widen	Prestressed Concrete I-Beam	55.5'-55.5'-57'-56.5'-55.5'	Expansion on Driven HP Piles
28	SR45/2nd Street over I-69	Existing, Reconfigure	Welded Steel Plate Girder	149'-146'	Expansion on Driven HP Piles
29	Walnut Street Overpass	Existing, Enhance	Welded Steel Plate Girder	133'-129'	Semi Integral Driven HP Piles
30	SR46 over I-69	Existing, Enhance	Post-tensioned Concrete Bulb-Tee	131.8'-131.8'	Integral on Driven HP Piles
31	Indiana Railroad Overpass	Existing, Remain As-is	Welded Steel Through Plate Girder	77.5'-77.5'	Full height on Spread Footings
32	Arlington Road over I-69	Existing, Remain As-is	Welded Steel Plate Girder	110'-110'	Expansion on Spread Footings



5.8.2 Bridge Rehabilitation

The RID Final Engineer's Report, Vol. 1, lists 26 bridges potentially in need of rehabilitation in some way.

An indication of the range of existing bridge ages is given in table following:

Existing Bridges – Range of Construction Years	No. of Bridges
1935 – 1971	7
1972	15
1973 – 2000	4

Note that one bridge (File # 37-55-3632A, Little Indian Creek) was rehabilitated in 1972, twelve of the bridges were rehabilitated between 1988 and 2000, one bridge was rehabilitated in 2010 and the remaining 12 have not been rehabilitated. The average age of the bridges listed is 43 years.

The I-69 DP has determined that there is no total replacement of bridges required at this stage, based on posted load ratings from the INDOT Final Engineers Report.

TP Section 14.2.5 notes that for bridge rehabilitations, existing beams may not be overstressed by more than 5%. Analysis by the Developer has indicated that the existing bridge over Griffy Creek (the northbound direction structure) may be already overstressed by more than 5% and thus may be in need of rehabilitation. This matter has been brought to IFA's attention and discussions are continuing and will be further addressed during detailed design.

TP Section 14 makes specific reference to Developer requirements to:

- remove and patch all unsound concrete at interior bents and piers in accordance with rehabilitation technique SF-1 in IDM Chapter 72 and take responsibility for determining all quantities of concrete removal and patching;
- retrofit cover plate and diaphragm details on steel bridges to result in a fatigue resistance detail exceeding Category C;
- for bridge deck overlays, remove and patch all unsound concrete in accordance with rehabilitation technique BD-1 in IDM Chapter 72 prior to placing overlay material (quantities of concrete removal and patching to be determined by the Developer); also remove and replace the last 5 feet, at a minimum, at each end prior to placing the overlay; and
- replace all bearings with elastomeric pads.

Both the scope and the nature of the works will only be finally known after the rehabilitation works commence – it is noted that any existing structure conditions discovered during construction, which were not known or could not have been known, provide a Relief Event.

The Project has an operations and maintenance, including life-cycle, horizon of 35 years.

5.8.3 Bridge Configuration and Types of Existing Bridges

Only one bridge, the 78 year old Little Indian Creek Bridge (5500125 (NBI) Morgan 161) on the old SR 37 is atypical with a Reinforced Concrete Arch bridge in the Bridge Inspection Reports, Appendix L, in the Final Engineer's Report. Other bridge types listed in the Inspection Report are:

- Continuous Prestressed Concrete Box Beam (CPCBB);
- Continuous Prestressed Concrete I-Beam (CPCIB);



- Continuous Post-Tensioned Concrete Bulb Tee BEAM (CPTCBTB);
- Continuous Steel Beam (CSB);
- Compositing Continuous Steel Beam (KCSB);
- Compositing Continuous Steel Girder (KCSG);
- Compositing Steel Beam (KSB);
- Multi-Plate Arch Under Fill (MPAUF);
- Reinforce Concrete Girder (RCG);
- Steel Beam (SB);
- Steel Pony Truss (SPT);
- Welded Steel Thru Girder (WSTG); and
- Prestressed Concrete Box Beam (PCBB).

The proposed structure types are typical and use common construction practices and materials, and they would not introduce added repair/rehabilitation operations over and above those posed by normal deterioration and age.

5.8.4 New Bridges

The new bridges are all of conventional proven design based on prestressed concrete box beams or prestressed concrete bulb-tee beams. Spans are of the order of 100 feet, not excessive for this selection of structural type. A list of new structures and construction components was provided earlier in section 5.8.1.

5.8.5 Other Structures

Retaining Walls – There are approximately 33 retaining walls in the design scenario for an approximate length of 2.5 miles. Fifteen are constructed around end bents of new bridges crossing I-69. Eighteen of the retaining walls are located along the I-69 mainline or crossroads to reduce cut (2) and fill (16) slopes. Mechanically Stabilized Earth (MSE) retaining walls with concrete facing panels will be used in fill condition and concrete cast in place structure will be used in cut conditions.

Noise Walls – There are three noise walls ranging in height from 12-18 feet for a total length of approximately 2 miles. Two of the noise walls are ground mounted, one is atop a retaining wall. Noise walls will be constructed of pre cast concrete panels with limestone veneer.

Design and construction of these structures would follow routine procedures.

5.9 Drainage

The Developer will design and construct surface drainage conveyance that ensures effective drainage as it relates to the design requirements for runoff generated within and/or that which drains to the Project Limits. The Developer will maintain the existing drainage patterns unless approved by IFA. The surface drainage conveyances include but are not limited to storm sewer systems, inlets, culverts, roadside ditches, open channels, water quantity and quality devices, outlet protection, and energy dissipaters.



The Developer will prepare a Concept Drainage Report to address all applicable items in the IDM, including all applicable storm sewer, Best Management Practices (BMPs), and other drainage items and requirements of the cities and counties. At a minimum, the report will include:

- Map/drawing showing each drainage area, clearly showing the details within each drainage area;
- Separate maps for existing and proposed conditions;
- Proposed stream realignments;
- Locations of all detention facilities, including points of inlet and outlet for these detention basins;
- Drainage boundaries for each drainage district clearly identified with a unique boundary color, allowing areas and runoff coefficients to be verified; and
- Location of known karst features, and superfund sites.

Calculations for the drainage infrastructure, including detention basins, are routine and follows well-established engineering standards.

The I-69 DP has developed a list of culverts and the proposed methodology to add, augment or upgrade. The I-69 DP is also optimizing the size of drainage ditches to generate additional borrow material where suitable. Erosion and sediment control Best Management Practices are also being utilized.

The Developer is required to submit a draft Concept Drainage Report to the IFA for comments and after addressing IFA comments will submit a final Concept Drainage Report to the IFA for approval. This approval of the final Concept Drainage Report will be obtained before proceeding with design for the Stage 1 submittal, as described in the TP, Section 3 (Design Quality Assurance, Quality Control, and Oversight).

The I-69 DP intends, to the extent possible, to make use of the existing drainage structures during construction. I-69 DP has prepared a list of all existing drainage.

The drainage design and construction are straightforward.

5.10 Utilities

There are a number of utilities reported by the INDOT as having potential adjustments within the corridor. The INDOT has established and released an existing utility matrix which includes contact details and a classification of the utility adjustment type. (TP Section 15.1.2). The listed active utilities are:

Utility Company/Agency	Utility Type (Adjustment)
AT&T - Distribution (Bloomington)	2
AT&T - Distribution (Martinsville)	2
AT&T Long Distance	3
City of Bloomington Utilities Dept.	2
City of Bloomington	2
Cinergy Metronet	no impact
Comcast Central Indiana (Bloomington)	3
Duke Energy	3
Ellettsville – Water/Sanitary/Storm (municipal)	no impact
Hoosier Energy Rural Electric Cooperative Inc.	3
Indiana University	2
City of Martinsville Utilities	3
Smithville Communications, Inc.	3



Utility Company/Agency	Utility Type (Adjustment)
South Central Indiana REMC	3
Southern Monroe Water Corp.	1
US Signal Company	no impact
Utilities Department of Western Indiana REMC	no impact
Vectren Energy Delivery (Gas Dist.)	3
Vectren Energy Delivery (Gas Trans.)	3
Washington Township Water Corporation	1
Windstream Communications	no impact
Zayo Fiber Solutions	3

The I-69 DP has developed a utilities plan: identifying locations and optimizing their approach to design, utility relocations, protection or avoidance – as applicable; and, has contacted some utilities to obtain information.

The I-69 DP will begin tracking all potential utility adjustments as soon as the PPA is executed. By assigning adjustments into priority tiers, based on the cost and complexity of the individual adjustment, the I-69 DP will be able to better communicate with the relevant utility and prioritize the adjustments to accommodate the construction schedule.

5.11 Electrical Systems – Lighting, Signalization

The Developer will design and construct:

- Highway Lighting – design and install interchange highway lighting at the I-69 interchanges with Fullerton Pike, Tapp Road/2nd Street/SR 45, 3rd Street/SR 48, SR 46, Sample Road and Liberty Church Road; and maintain existing highway illumination in all other locations – Addendum 1 to the PPA notes installation of highway lighting at interchanges only.

The DBFOM Contractor will install highway lighting in accordance the Aesthetic and Enhancement Implementation Plan as submitted and approved by the IFA (TP Section 5.3.1). Street lighting be a part of Landscaping Work Amount (PPA Article 5, Section 5.10.3).

- New Traffic Signals
 - I-69 northbound and southbound ramps (2) at Fullerton Pike
 - I-69 northbound and southbound ramps (2) at Tapp Road
- Modernizing Existing Signals
 - I-69 northbound and southbound ramps (2) at SR45/2nd Street
 - I-69 northbound and southbound ramps (2) at SR48/3rd Street
 - SR45/2nd Street at Basswood Drive
 - SR45/2nd Street at Liberty Drive
 - SR45/3rd Street at Franklin Road

The Developer is responsible for the design and installation of all traffic signals on the Project, including any required interconnection with existing signals. The design and construction stages must go through the submittal and review procedures as outlined in Chapter 5 of this Report (TP Section 11.6 and TP Section 3).



This includes all Work, materials, and costs (including coordination with the power company) required to obtain power supply for all lighting. It also includes all permits necessary to secure power supplies to the lighting. The design of Electrical Systems, Lighting and Signalization is routine. There is no requirement for intelligent traffic systems or electronic message signs.

5.12 Pavement Markings and Signage

The Developer is responsible for the design and installation of all Pavement Markings and traffic signage within the Project limits according to Project Standards.

The design and construction stages must go through the submittal and review procedures as outlined in Chapter 5 of this Report (TP Section 11.5, Section 11.8 and TP Section 3).

The design of pavement markings and signage is routine and should pose no special problems to the Developer.

5.13 Aesthetics and Landscape Architecture

The Developer will design and construct landscape architecture elements and plantings associated with the Project in accordance with this TP Section 5 and the PPA Documents. The Developer will submit evidence to IFA setting forth the Aesthetics and Landscaping Work Amount as specified in PPA Article 5, Section 5, and further described in PPA Article 5, Section 5.10.

The Landscaping Work Amount shall be used for elements including:

- Unified corridor bridge enhancements for: SR46 Bridge, Walnut Street Bridge, 3rd Street Bridge, 2nd Street Bridge, Tapp Road Bridge, Fullerton Pike Bridge, and Sample Road Bridge as described in TP Attachment 5-1 (Conceptual Aesthetic and Landscape Plans), including the following:
 - Enhanced architectural railings for bridges with sidewalks;
 - Community identifiers - architectural letters identifying counties (e.g., Monroe), cities (e.g., Bloomington, Ellettsville), and universities (e.g., Indiana University);
 - Use of Indiana Limestone veneer/texture/shapes and color in bridge elements, abutments and retaining walls; and
 - Ornamental lighting for bridges with sidewalks and with coordination and approvals with/from local municipalities/ jurisdictions;
- Other corridor bridges – design elements related to bridge enhancements noted in this Section 5:
 - Consistent colors, textures, patterns, and coatings;
- Feature landscaping SR46E Interchange Transition to SR45/46 Bypass and the I-69/SR46 Interchange as described in TP Attachment 5-1 (Conceptual Aesthetic and Landscape Plans), including the following:
 - Large native shade trees;
 - Native plantings – flowing masses/drifts of varied height, color, texture, and scale;
 - Native wildflowers/grasses;
 - Use of limestone block retaining walls; and



- Placeholders for future markers/sculpture;
- Enhanced corridor/median plantings; and
- Architectural/artistic noise barriers as shown in TP Attachment 5-2 (Noise Barriers).

“Standard” landscaping and aesthetic treatments are specified in the applicable PPA documents for items such as:

- Earthwork, topsoil, seeding, sodding, erosion control;
- Standard lighting fixtures;
- Standard traffic and pedestrian railings;
- Standard bridge painting and surface sealing – emphasis on warm, natural colors;
- Standard noise barriers;
- Re-vegetation as specified by the Hoosier Heritage Roadside Program; and
- Reforestation as specified in TP Section 7.5.2.

These activities are not included in the landscaping work but are considered to be part of the work for the entire project.

Fulfilling the aesthetic and landscaping requirements of the PPA require routine design and implementation set of activities.

5.14 LTA Conclusion Summary

- The design and construction activities are routine and not complex. The project is well defined and involves improvements and upgrades to a transport corridor which has been in use for many years. The geology and geotechnical environment is explored to acceptable project levels;
- The structures and the roadway (including pavement design) are in keeping with the accepted standard approaches for the area and region;
- The designers and construction staff are experienced in local conditions and on existing structures on Section 5 of the I-69, and the PPA provides a Relief Event in case new conditions become known for existing structures;
- The design and construction approach has considered rehabilitation life-cycle;
- The PPA includes a comprehensive, multi-layered, project-wide Quality Management Plan, which includes both Design Quality Management and Construction Quality Management. There are three quality management staff identified as “Key Personnel.” Every aspect of the works are subject to review and comment by the IFA, including:
 - staff qualification and certifications;
 - equipment suitability;
 - plans and sub-plans;
 - designs;
 - investigations;
 - construction of sub-components;



- material tests;
- materials certifications, etc.;
- Timely response from the IFA will depend on equally skilled and experienced IFA counterpart staff. IFA has already developed two other comparable transportation P3 projects:
 - The East End Crossing project, with a construction cost of \$763 million. This DBFOM project reached financial close on March 2013; and
 - The Indiana Toll Road Lease. This privatization deal included the lease of a 157- mile road for 75 years.
- The I-69 DP can address the risks of delays in the process of obtaining approvals from IFA by adopting rigorous processes for handling all submittals and non-conformances and implementing thorough and frequently refreshed training for all I-69 DP staff involved;
- In summary the technical aspects of the project are routine and not complex; and
- With the I-69 DP's international experience in combination with the extensive local experience of its sub-contractors, the team has the expertise to effectively deliver the design and construction.



6 PERMITS, APPROVALS/REVIEWS, COORDINATION (INCLUDING UTILITIES AND RAILROAD)

6.1 Introduction

This section of our Report addresses the obligations, requirements and risks with respect to the Public-Private Agreement (PPA) for the following:

- Permits, Licenses, Approvals and Agreements (PPA Article 4, relevant sections of Article 5, Article 11);
- Access and Use of Lands and Identified Encumbrances (PPA Article 2, TP Section 17);
- Utilities (PPA relevant sections of Article 5, TP Section 15); and
- Relief Events (PPA Article 15) and Noncompliance Events (PPA Article 11).

6.2 Government Approvals Necessary to Complete the Works

The Developer will secure all Governmental Approvals necessary to complete the Work, unless designated otherwise in following table. IFA is in the process of obtaining certain IFA-Provided Approvals (TP Section 7.4). The Developer will provide the conditional information requested by the permitting agencies, based on the Final Design.

Agency	Permit/Approval	Responsible Party
2013 ROD	FHWA	IFA (obtained)
Indiana Department of Environmental Management (IDEM)	Section 401 Water Quality Certification Permit	IFA ¹ Developer ²
US Army Corps of Engineers (USACE)	Section 404 of the Clean Water Act Permit	IFA ¹ Developer ²
Indiana Department of Environmental Management (IDEM)	National Pollution Discharge Elimination System (NPDES)	Developer
Indiana Department of Environmental Management (IDEM)	Isolated Wetlands	Developer ³
Indiana Department of Natural Resources (IDNR)	Construction in a Floodway (CIF)	Developer
Indiana Department of Environmental Management (IDEM)	Rule 5 – Storm water	Developer
INDOT, IDNR, IDEM, and U.S. Fish and Wildlife Service (USFWS)	Karst MOU (1993) and Section 5 Karst Agreement (2013)	IFA Developer ⁴
Federal Aviation Administration (FAA)	Tall-Structure Permit	Developer
United States Environmental Protection Agency (US EPA)	Class V Injection Well Permit	Developer

Notes:

- 1) IFA has filed Section 401/404 permit application packages included in Attachment 7-1 (PPA) with the permit agencies in an effort to advance preconstruction environmental permits. IFA is responsible for these permits. Developer shall comply with these preconstruction permit requirements or be responsible for securing any required permit modifications and performing the additional mitigation.
- 2) The Developer is responsible for obtaining all preconstruction environmental permits required for the O&M Work.
- 3) No isolated wetlands were identified by IFA within the advance preconstruction environmental permit limits. If the Developer proposes to work in isolated wetlands, the Developer shall be responsible for securing the required permits and performing the additional mitigation.
- 4) IFA is in the process of obtaining an executed I-69 Section 5 Karst Agreement included in Attachment 7-2 with the permit agencies. The Developer shall comply with karst agreement requirements as specified in Section 7.5.1.1 of Technical Provisions, Section 7.



The Section 401 and 404 approvals are either in place or awaiting detailed design information from the successful Developer. There appear to be no difficulties in securing the permits listed in Table 6-1, based on the opinions of the seasoned, local staff within the DB Contractor organization.

6.3 IFA Review of DBFOM Activities

6.3.1 Commencement of Design, Design Implementation and Submittals, NTP1

Authorization allowing the Developer to proceed with work is issued in a two stage “notice to proceed”, NTP1 and NTP2. Broadly speaking, NTP1, plus compliance with specified conditions, allows the Developer to proceed with design. The IFA has issued NTP1 concurrently with the execution and delivery of the PPA (TP Section 3.7 and PPA Article 5, Section 5.3).

The Developer will submit a Design Review Plan and Schedule within 45 days of NTP1 (TP Section 20, Table 20.1). The Design Review Plan, (TP Section 3.7) which is a component of the Design Quality Management Plan (DQMP) will:

- address design stages, plan completeness, and the design QA/QC process for each Design Unit²²;
- describe the level of design that the Designer is to accomplish for each of the planned stages of design development;
- provide a description and checklist for each Design Unit that clearly identifies the Design Documents that will be reviewed; and
- include review times for each design check and Design Review, including the review dates and durations for IFA, unless noted otherwise in the Technical Provisions or otherwise agreed to by IFA at the Design Workshop.

As a condition to IFA issuing NTP1, the Developer has obtained and delivered to IFA written binding verifications of coverage from the relevant issuers of all Insurance Policies required at or prior to issuance of NTP1 under PPA Article 17, Section 17.1 (excluding Professional Liability Insurance Policies with respect to Design Work) and of PPA Exhibit 18, Section 15 and such Insurance Policies are then in full force and effect.

Issue of NTP1 allows the Developer to:

- commence performance of the Work, but excluding all Design Work, Construction Work, and Work for which achievement of Substantial Completion is required as a condition precedent; and
- carry out customary construction engineering activities, field staking, conduct of surveys, discussions and initial coordination with Utility Owners about potential utility adjustments and geotechnical investigations.

²² A “Design Unit” is a term introduced in TP Section 3.3 and PPA Exhibit 1. Basically it means any logical grouping of components of Project Design assembled into a single package for the purposes of managing the design process. The Developer is required identify its Design Units in a *Design Unit Report* due for submission to the IFA for review and comment within 30 days of NTP1. (TP Section 20, Table 20.1). Report contents will include, for each unit, the Engineer of Record, a description of the unit, the location where design work will be performed, scope of the design work, the planned review stages and dates (from NTP1 date) and percentage complete represented by each review.



As specified, the Developer will notify the IFA prior to commencement of such portions of the Work, a description of intended activities and the dates, times and locations of such activities. Having received the NTP1, the Developer will fulfill *additional requirements* of the IFA before commencing design work. These requirements generally cover the headings given below, which are given in more detail in section 5.3.1 preceding of this Report.

- *Project Management Plan “A” Items;*
- *Professional Liability Insurance Policies;*
- *Diversity and Small Business Performance Plan;*
- *Project Baseline Schedule;*
- *Deposits to the Intellectual Property Escrow(s) and Financial Escrow;*
- *Registrations, permits, licenses to practice, etc.;*
- *Other provisions from TP, including mandatory training; and*
- *DBE Performance Plan.*

Having fulfilled these requirements, the Developer will begin preparation of designs, plans and specifications in accordance with the PPA Documents. All Final Design Documents will be signed and sealed by the Engineer(s) of Record.

6.3.2 Commencement of Construction, NTP2

Prior to commencement of construction, (all work excluded from the scope of Work in respect of NTP1, but exclusive of the O&M Work) the Developer will obtain an NTP2. The conditions which the Developer will satisfy prior to obtaining an NTP2 are summarized following, but are given in more detail in Section 5.4 preceding in this Report (PPA Article 5, Section 5.6.1.1):

- *Financial Close;*
- *Payment Bond and Performance Security;*
- *Required Insurance Policies;*
- *Warranties;*
- *Guarantees;*
- *Uncured Developer Defaults; and*
- *Workforce Diversity and Small Business Performance Plan.*

Once an NTP2 has been issued, the Developer will meet the following conditions prior to commencing construction (PPA Article 5, Section 5.6.1.2) (these are presented in summary form, a fuller description has been given in Section 5.4.1 of this Report):

- *Governmental Approvals: (PPA Article 4, Section 4.3);*
- *Rights of Access;*
- *NEPA and Government Approvals;*
- *Project Management Plan: “B” Column items, (approved prior to construction)(TP, Section 3.2.4 and TP, Section 1.5.2.5), (labeled “B” in the column titled “Required By” in TP Attachment 1-1);*



- *Temporary Traffic Control Plan (TTCP):*(TP, Section 12.3)(TP, Section 12.1)(PPA Article 3, Section 3.1.7);
- *Submittals for Construction Works;*
- *Other provisions from TP:* Technical Provisions, including TP, Section 7.4; and
- *Written Policies:* (PPA Article 7, Section 7.8.1).

6.3.3 Authorization to Proceed With Additional Works under NTP1

Having received an NTP1, the Developer will proceed with additional authorized works to be completed within the NTP1 Conditions Deadline as follows (PPA Article 5, Section 5.7.2.1):

- *Project Management Plan “A” Items:* perform (or continue performance of) the portion of the Work necessary to obtain IFA’s approval of the component parts, plans and documentation of the Project Management Plan labeled “A” (TP Attachment 1-1). This work comprises the bulk of the elements which make up the PMP, the outline of which is given in the following table:

PMP Chapter	Chapter Title
1	Project Administration
2	Quality Management Plan
2A	Design Quality Management Plan
2B	Construction Quality Management Plan
3	Environmental Management
4	Public Involvement Plan
5	Safety Plan
6	Communications Plan
7	Operations and Maintenance Plan
8	Durability Plan

- *Revise DBE Performance Plan:* make any required revisions to the DBE Performance Plan;
- *Entrance to Project ROW:* enter the Project ROW which the IFA owns (or holds a valid right of entry) in order to conduct surveys and site investigations, including geotechnical, Hazardous Materials and Utilities investigations, and to engage in the other activities referenced in the Technical Provisions as permitted following issuance of NTP1;
- *Project Baseline Schedule:* prepare and submit to IFA for its review, comment and approval the Project Baseline Schedule, (PPA Article 5, Section 5.7.5 and TP Section 1.5.2.1);
- *Project Specific Locations:* identify and acquire Project Specific Locations, but not set up, mobilize or open any pit, borrow area, laydown area, equipment location or fabrication yard or plant;
- *Equipment purchase/rental, materials:* commence equipment purchase or rental, and to place orders for the purchase of materials and components with long lead times for fabrication and delivery, subject to IFA’s prior written approval in its good faith discretion;
- *Developer Utility Agreements:* subject to PPA Article 5, Section 5.3.2, negotiate Developer Utility Agreements; and
- *Mobilization:* carry out mobilization and management reasonably necessary for the foregoing activities, and, subject to IFA’s prior written approval in its good faith discretion, to carry out other mobilization for the D&C Work.



The Developer will commence bona fide and continuous Construction Work within thirty (30) days following issuance of NTP2 and satisfaction of the conditions precedent to commencement of Construction Work set forth at PPA Article 5, Section 5.6.1.2.

Issuance of NTP2 authorizes the Developer to perform all other Work and activities pertaining to the Project, subject to satisfaction of conditions precedent to commencement of the Construction Work set forth in the PPA Documents.

6.3.4 The Quality Management Processes

The entirety of works under this project is subject to the Quality Management Process (QMP), with the objectives of ensuring that all works and outputs meets the requirements of the PPA. This encompasses elements such as:

- preparation, control, and distribution of the QMP;
- internal quality audits;
- management review of QMP;
- review, verification, and validation of design products;
- document issue, approval, and revision;
- verification and control of computer programs used in design;
- inspecting workmanship;
- sampling and testing of materials;
- calibrating testing equipment;
- resolving Nonconforming Work;
- traceability of deliverables, such as Design Documents, Construction Documents, and Record Drawings;
- corrective/preventive actions;
- handling, storing, packaging, tracking, and delivering PPA deliverables;
- environmental compliance; and
- training.

The structure of each process also comes within the domain of Quality Management requirements, including:

- scope;
- Key Personnel;
- organizational/technical interfaces;
- input requirements;
- output requirements (deliverables);
- IFA and Department participation;
- levels of responsibility and authority;



- actions to produce Work that conforms to requirements;
- controls to ensure compliance to requirements; and
- method of verifying compliance to requirements.

Quality management by the Developer is handled by Key Personnel, who are directly responsible to the Project Management, not to the design or construction managers. A well organized and trained QM organization with the appropriate resources, working in close cooperation with the IFA counterpart QM group, will serve to minimize risks associated with inadequate planning and inadvertent lapses in design and construction methodologies. It is a significant and important component of the planning/approval process leading to fulfillment of all PPA requirements.

The I-69 DP has appointed an experienced Quality Manager reporting directly to the I-69 DP Project Manager. They have adequate experience in operating the Quality Management Processes, conducting audits and imposing corrective actions where non-conformances arise and the document reporting and control associated with a well-run QM System.

6.4 Utility Adjustments

The Developer is responsible for identifying and resolving all potential Utility conflicts resulting from the Project design and construction, including responsibility for all costs involved in the utility adjustment. Existing Utility Information, as is known, is included in the RID, but the Developer is responsible for confirmation and verification. A list of all known Utility Owners, along with contact information is provided in the RID.

The order of precedence for adjustment of utilities is:

1. Avoid the conflict;
2. Minimize the conflict by modifying the design;
3. Protect in place avoiding direct impact; and
4. Adjust the Utility.

Three types of utility adjustments are anticipated:

Type 1: in which the Utility Owner performs design and construction of the Utility Adjustment and is reimbursed by IFA. A Developer Utility Agreement is not required for these Adjustments. Final Design Documents prepared by the Developer for the Project shall accommodate Utility Adjustments performed as Type 1 Utility Adjustments. There are approximately 7 Type 1 utilities.

Type 2: in which the Developer will negotiate a Utility Agreement with the Utility Owner and perform the design and will be responsible for the design and construction costs and perform the Utility Adjustment Work accordingly utilizing a contractor acceptable to the Utility Owner – the Developer will be reimbursed for any Betterment of utilities based on the negotiated Utility Agreement There are currently approximately 147 Type 2 utilities (some Type 3 utilities may shift to Type 2).

The Developer Utility Agreement will include:

- specifics of the Type 2 Utility Adjustments, including design and construction requirements;
- the Utility Adjustment Plan review and construction inspection;



- details of the Developer's obligations to reimburse the Utility Owner for costs associated with any additional easements or other property interests; and
- any Betterments or Enhancements.

For Betterments, the Developer shall seek reimbursement from the Utility Owner in accordance with PPA Article 5, Section 5.5.

Type 3: in which the Developer coordinates Final Design with the Utility Owner and negotiates a Developer Utility Agreement but the owner performs the final adjustment design and works according to Developer Utility Agreement. The Developer will be responsible for the cost of the adjustment design and construction work. There are currently approximately 58 Type 3 utilities (some Type 3 utilities may shift to Type 2). The Developer Utility Agreement will include:

- specifics of the Type 3 adjustments, including design and construction requirements;
- Utility Adjustment plan review and construction inspection;
- details of the Developer's obligations to reimburse the Utility Owner for costs associated with any additional easements; and
- any Betterments or Enhancements.

For Betterments, the Developer shall seek reimbursement from the Utility in accordance with PPA Article 5, Section 5.5.

Type 1 adjustments are being carried out prior to the project commencement and do not appear to pose significant risks to the Developer, although because adjustments are being undertaken prior to final design and input from the Developer, there is always the possibility that an adjustment will not be ultimately compatible with final design or construction conditions.

However the Type 3 adjustments do carry risk to the Developer because of potential delays to timely completion of works because of internal constraints/problems within the utility involved.

Not all utilities identified will require relocation as some may have no impact on the road alignment, some can be avoided through design, or can be protected in place without any impact.

PPA Section 5.5.11 Utility Costs and Utility Milestones and PPA Exhibit 4, Milestone Payment Amounts indicate utility milestone payments totalling \$20 million as outlined below:

- Utilities Milestone #1 – \$5 million: After the Developer submits a valid Utilities Milestone Application compliant with PPA Section 5.5.11 including a cost estimate for eligible Utility Adjustment Work exceeding \$5 million; and
- Utilities Milestone #2 – \$15 million: After the Developer submits a valid Utilities Milestone Application compliant with PPA Section 5.5.11 including a cost estimate for eligible Utility Adjustment Work exceeding \$20 million (inclusive of \$5 million in respect of Utilities Milestone 1).

6.4.1 Utility Design and Construction Constraints

All Utility Adjustments, Utility Enhancements, and newly installed Utilities for the Project, whether designed or constructed by the Developer or the Utility Owner, will comply with:

- the applicable Utility Owner Adjustment Standards;



- IFA utility regulations, policies, and procedures;
- INDOT Utility Accommodation Policy;
- the terms and conditions of applicable encroachment permits; and
- any addition provisions under PPA Article 5, Section 5.5 governing Utility Adjustment Work.

The Developer, in coordination with the Utility Owner, will be responsible for verifying that each Utility Adjustment, Utility Enhancement, or new installation, as designed and constructed, is compatible with and interfaces properly with the Project Final Design.

6.4.2 Utility Agreements and Permits

Discussions and initial coordination with Utility Owners about potential utility adjustments and geotechnical investigations can commence as NTP1 has been issued, so long as the Developer gives the IFA prior notice of intended activities and the dates, times and locations of such activities.

All Developer Utility Agreements and Utility Adjustment Plans must be submitted to the IFA for review and comment. Utility Adjustment Plans will be transmitted to the Department for review and comment and issue of a Utility permit by the appropriate permitting agency. The Developer is responsible to obtain, or ensure the utility has obtained the required permits before adjustment construction begins.

Unreasonable and unjustified delay by a utilities owner is a Relief Event, provided the Developer has met specified conditions to assistance by the IFA and delays associated with failure to complete the adjustment work are deemed reasonable and justified (PPA Article 5, Section 5.5.7).

6.4.3 Additional Easements

Utility owners are responsible for acquiring utility easements and for following the environmental processes including adhering to the environmental commitments of the Project, obtaining categorical exclusions, and executing potential mitigation requirements associated with Utility easements and Adjustments. The Developer is responsible for coordinating environmental commitment requirements with the Utility Owners.

All costs, time and coordination of effort associated with acquiring Utility easements for Type 2 and Type 3 Utility Adjustments are reimbursable by the Developer, for which I-69 DP has made allowances.

6.4.4 Construction Record and the Utility Adjustment Master Plan

The Developer shall maintain a record of the Utility Adjustment Work performed by the Developer. Individual files shall include a record of the following information:

- Utility Adjustment Plans that have been reviewed by the Utility Owner and received review and comment by IFA;
- Notification of construction dates;
- A record of meetings with the Utility Owner;
- A signature of the Utility Owner's representative on the Utility Adjustment Plans;
- A record of the Utility Owner's representation at design and construction meetings;
- Any revisions to the Utility Adjustment Plans;



- Dates of construction completed;
- All other as-built requirements stipulated in the applicable Adjustment Standards;
- Developer Utility Agreements; and
- Two sets of the Record Drawings, as they pertain to Utilities, shall be provided to IFA.

The IFA has provided Utility Information in the RID regarding the existing Utilities within the Project ROW. The information is based on Utility Owners' record plans; field locations; and, in some instances, vertical elevation.

Within 30 days after the issuance of the NTP1, the Developer will submit an initial Utility Adjustment Master Plan to IFA for its records showing all known existing Utilities and proposed Utility Adjustments. The Utility Adjustment Master Plan shall be a living document throughout the life of the Project; the Developer will update it and submit it to IFA monthly to reflect all changed information then known to the Developer, and will distribute copies for discussion at scheduled Utility meetings. Updates will be submitted to IFA for review and comment (TP Section 15.5.4).

6.5 Railroad Coordination

CSX Transportation and the Indiana Rail Road Company own existing tracks that cross Project ROW near SR48/3rd Street at SR 37. CSX Transportation facilities cross beneath SR 37, while Indiana Rail Road Company facilities cross above SR 37.

The Developer will coordinate the Project design with the owning and operating railroads, including meetings, plan submissions, and resolution of pertinent commentary provided by the railroad and will consult the railroads as necessary to ensure compliance with all standards and a viable Final Design. The railroad has final approval rights for the design of work affecting its facilities.

During negotiation and design coordination, the Developer will obtain an estimate of all anticipated costs from each owning and operating railroad. The costs will be reviewed by the Developer and IFA and determined as compliant with federal and state standards and will be the basis of the Railroad Agreement. The Developer will submit the estimate review and comment to the IFA, who will respond within ten (10) Business Days.

The Developer will maintain a record of all negotiation, coordination, and construction efforts in relation to the railroad involvement and will provide a copy to IFA as completed. Specific documents required include: correspondence, meeting minutes, negotiations, Force Account Estimates from the railroad for their work, design comments, agreements, inspection records, invoices, and change orders.

The Developer will be responsible for obtaining all required approvals, permits, petitions, and agreements required for any railroad-related work. All costs, fees, and work associated with these matters will be the responsibility of the Developer, who will be responsible for including and incorporating all railroad-related items into the Project Schedule. No time extensions will be granted to the Developer for the railroad-related work.

The Developer will prepare any required draft Railroad Agreement and all the documentation required to obtain the Railroad Agreement, including:

- any Railroad Agreement documents on behalf of IFA; and
- the Plans and Construction Documents.



The Developer shall revise the documentation as necessary and submit it to the IFA for review and comment. After comments have been incorporated or satisfactorily resolved by the Developer, railroad, and IFA, the Developer will sign the Railroad Agreement, submit it to the railroad for signature, and then provide the final Railroad Agreement to IFA for execution.

The Developer will comply with all requirements contained in the Railroad Agreement which are part of Work in the PPA. The Developer will pay the railroad's relevant expenses which the Railroad Agreement specifies as payable by IFA, within the time specified in the Railroad Agreement, including all costs associated with railroad flaggers. The Developer will consult with the railroad owners for clarification and confirmation of the validity of the standards represented in these provisions and will comply with all construction requirements and specifications set forth by the owning and operating railroads, including those requirements set forth in the Railroad Agreements.

The Developer will be responsible for scheduling the work to be completed by the owning and operating railroads or their contractors, including any work to be completed by the railroad's own forces. The Developer shall be responsible for all costs associated with the Railroad Force Account Work and with reimbursing all costs the owning and operating railroads incur in adjusting their facilities or operations to accommodate the work under the PPA.

The Developer will monitor the costs associated with the construction of the Project as it relates to railroad coordination and will provide, at a minimum, monthly reports to IFA on the usage of a railroad flagman (TP Section 15.6).

6.6 Change in Law

New or revised statutes adopted after the Setting Date will be treated as a Change in Law (clause (r) of the definition of Relief Event) rather than an IFA Change to Technical Provisions (PPA Article 15, Section 15.7.8); however, changes in Adjustment Standards caused by new or revised statutes shall constitute neither a Change in Law nor an IFA Change. Changes to Adjustment Standards are not likely to affect adjustments costs radically, so should be within normal construction contingency allowances.

A Non-Discriminatory O&M Change that IFA requires in order to comply with or implement a Change in Law shall be treated as a Change in Law.

In no event shall Developer be entitled to compensation for increases in costs of O&M Work, whether Extra Work Costs or Delay Costs, due to a Change in Law, except for capital costs of required major new improvements or required major repair, reconstruction, rehabilitation, restoration, renewal or replacement of any Element. Again costs from such a changes which don't affect capital costs should be within normal construction cost contingencies.

The Developer will be entitled to compensation for the full amount of any applicable state or local real property taxes arising from a change in law. Since the Developer is unlikely to be involved with real property during the course of the Project, this provision will have no effect.

6.7 LTA Conclusion Summary

The I-69 DP's risk mitigation with respect to Permits, Approvals/Reviews, Coordination (including Utilities and Railroad) encompass the following:

- The Notices to Proceed 1 and 2 involve separate and independent activities and requires cooperation and coordination between designers/quality management/ administrative staff.



Potential issues will normally be handled by earlier appointment/assignment of experienced staff to the Key Personnel positions, which the I-69 DP is proposing;

- Inclusion of required appropriate durations in the Construction Schedule for Permits and Approvals will minimize risks of delays;
- Interfacing requirements with Railroads is required. Sufficient planning and schedule needs to be accommodated within the construction schedule to satisfy these requirements;
- Overall, these processes are known and can be effectively managed and mitigated for by qualified individuals/teams put forward by an experienced I-69 DP with local input; and
- The permitting and approval process for this Project is routine and not complex and can be addressed by experienced staff.



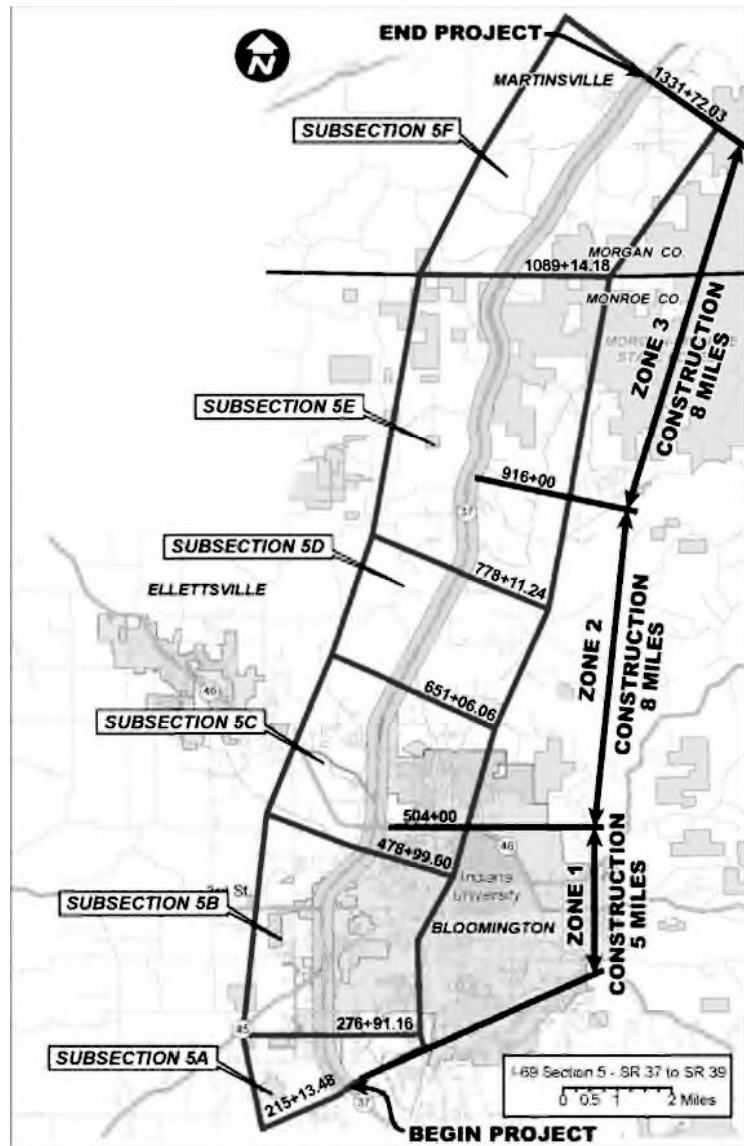
7 CONSTRUCTION SCHEDULE

7.1 Introduction

The I-69 DP's Detailed Project Schedule was submitted as Appendix H-3 to Volume 2 of their Technical Submission to IFA indicating dates for sequence of activities such as the agreement process, design & engineering, procurement, pre-construction planning and the construction works.

The works will be designed and constructed in three distinct Zones, plus a Pavement Rehabilitation Phase. The 3 Zone approach is based on resources optimization, the fulfillment of various milestone (restriction) dates and the climate and environmental constraints.

Climatic have been considered and the following schedule would enable the DB Contractor to establish the work teams in a progressive way and allow for some early starts on some critical Zone 1 activities. The I-69 DP's milestones are summarized in the following table.





Project Milestones	From	To
Notify Preferred Proponent		2014-Feb19
Execution of Public-Private Agreement (achieved)		2014Apr08
Effective Date (achieved)		2014Apr08
Initial Site Access Permit, NTP1		2014Apr08
Start of Design (including utilities)		2014May08
Financial Close		2014Jul15
NTP2		[2014Jul31]
Finish of Design (including utilities)		2015Dec30Dec
Construction Mobilization Commences	01Aug14	2014Aug25
Commencement of Construction		2014Aug
Zone 1 Construction	Aug2014	2016Sep
Zone 2 Construction	Aug2014	2016Oct
Zone 3 Construction	Apr2015	2016Oct
Pavement Rehabilitation (summary)	Jul2015	2016Oct
Landscaping	Nov2015	2017Oct
Paving Winter Restriction	01December	31March
Indiana Bat Work Restriction	01April	15August
In Stream Work Restriction	01April	21July
Baseline Substantial Completion		2016Oct31
Final Acceptance Deadline (120 days after Baseline Substantial Completion)		2017Feb28
DB Long Stop Date (90 days before Project Long Stop Date)		2017Jul31
Long Stop Date (365 days after Substantial Completion)		2017Oct31

The I-69 DP is organizing construction into “Work Teams”, which are broadly defined as shown in the following table, which is of course subject to modification as the schedule evolves and the design is optimized. Seasonal constraints have been considered.

<u>Work Team 1</u>	<u>Work Team 2</u>	<u>Work Team 3</u>	<u>Work Team 4</u>	<u>Work Team 5</u>	<u>Work Team 6</u>
<ul style="list-style-type: none"> • Mainline Station 215+13.46 to 504+00 • Tapp Road Interchange • SR 48/3rd Street Interchange • State Roads 	<ul style="list-style-type: none"> • That Road (East) • Rockport Road • Tapp Road • Distributor Road (NB & SB) • Danlyn Road • Barger Lane • South Yonkers Street • Rex Grossman Blvd. • Maple Leaf Drive • Oak Leaf Drive • Whitehall Crossing Boulevard 	<ul style="list-style-type: none"> • Vernal Pike • Industrial Park Road • North Packinghouse Road • Crescent Drive • Bryants Creek Road • Petro Road • Cooksey Lane • Paragon Road 	<ul style="list-style-type: none"> • Griffith Cemetery Access Road • 17th Street • Wayport Access Road – South of Sample Road Interchange • Showers Road • Wayport Access Road – North of Sample Road Interchange • Access Road Southbound 	<ul style="list-style-type: none"> • Pine Boulevard • Old SR 37 #1 Access Road • Old SR 37 #2 Access Road • Godsey Road • Liberty Church Road • Old SR 37 Access Road 	<ul style="list-style-type: none"> • Local Service Road One • Local Service Road Two • Local Service Road Three



7.2 Labor Availability

Labor availability is not anticipated to be an issue in delivering the Project. In addition to labour, there are available a number of INDoT prequalified subcontractors with skills in various construction areas. It is also noted that upon being selected as the preferred proponent, the successful team will presumably also have access to the other three unsuccessful team's subcontractors and potentially labour force.

7.3 Schedule Achievability

7.3.1 Construction All Year Round

The schedule and Construction Management Plan indicates that the I-69 DP intends to construct all zones year-round, and has allowed seasonal restrictions as applicable to certain components. Items such as major paving activities are avoided during winter, with an emphasis switching to bridge construction during winter.

7.3.2 Hours of Work

The schedule proposed hours of work as 5 days per week. Construction can be on a 6-day work week with extended hours. Additional crews can be deployed on multiple sites as the construction evolves.

The Developer has submitted a memo dated December 20, 2013 that they have analyzed the schedule and with adjustments to working hours, paving durations, they are able to achieve a 3-month time saving achieving Substantial Completion 3 months before October 31, 2016.

7.3.3 The Critical Path, Task Sequences and Task Durations

Certain schedule completion milestones have been fixed by IFA as follows:

- Local access roads and improvements associated with That Road – Jun 1, 2015
- Overpass and local road improvements associated with Rockport Road – Jun 1, 2015
- Interchanges and associated entrance and exit ramps at Fullerton Pike and Tapp Road – Dec 31, 2015
- Interchanges and associated entrance and exit ramps at Vernal Pike – Dec 31, 2015
- Baseline Substantial Completion – Oct 31, 2016

In addition, the schedule incorporates Limitations of Work as specified in the PPA, as well as hot mix asphalt winter restrictions, as follows:

- Hot mix asphalt restriction – December 1 to March 31
- No work within jurisdictional stream – April 1 to June 30
- Indiana bat work restriction – April 1 – August 15

Based on the above, the construction critical path items after issuance of NTP2 are expected as follows:

Project Construction Critical Path
Zone 1 Construction
Main Line Median - Station 215+13.46 to 504+00
Temporary erosion and sediment control
Tapp Road Interchange
Pavement Rehabilitation



Project Construction Critical Path
Fullerton Pike Interchange
Zone 2 Construction
Main Line Median - Station 504+00 to 9815+00
Temporary erosion and sediment control
Pavement Rehabilitation

Within the Zone definitions, the tasks and sub-tasks appear to be logically linked and sequenced. In particular:

Bridges: The task sequence is logical. The task durations are reasonable on the basis that the main structural components are precast/prefabricated and foundations are driven piles. The longest duration tasks are the “Installation of Bridge Superstructure”, which reflects the high labor content in the construction and the curing time of cast in situ deck elements.

Roads: The task sequence is logical. The task durations are more difficult to assess since they will vary according to the length of the specific piece of road. Based on a simple proportioning on the basis of road length, the durations appear to be consistent between roads and reasonable for the tasks involved.

Pavement Rehabilitation Items: Similar comments apply to those for road construction.

7.3.4 Utilities Adjustments

The planning of utilities adjustments is scheduled to commence at the start of design, within 6 weeks of the issue of NTP1. Construction of adjustments is scheduled as the first construction activity for all Zone groupings. Given the advance status of utility identification and pre-negotiation contacts already achieved, it would appear that utility adjustments will be well planned and achievable within the schedule.

7.3.5 Comments on Schedule Achievability

The LTA has reviewed the schedule’s activities, logic and overall achievability. The level of detail, sequencing of activities, durations and logic is appropriate for the scope and complexity of the work at this stage of planning. The construction duration of approximately 27 months from Financial Close is deemed reasonable providing adequate resources and pro-active management are allocated to the project.

The current schedule is based on a 5-day work week. This can be extended to 6-day work weeks and also extended working hours. During construction, two lanes in each direction of the highway mainline have to be maintained between 6am and 9pm. The highway mainline can be reduced to one lane in each direction between 9pm and 6am. Also, the Developer may submit innovative temporary traffic control plans during construction that can alter these requirements, if approved by IFA.

7.4 Traffic Availability

Section 12 of the TP (Maintenance of Traffic, Haul Routes and Access) gives the detailed Project requirements for permitted closures, including the requirements for analysis to support performance requirements for proposed closures (e.g. maximum permitted queuing lengths and delay times). The



Developer is expected to respond to IFA's requirements in terms of an equally and appropriately detailed Temporary Traffic Control Plan (TTCP)²³.

The detailed requirements of the TTCP and the planned submittal date of 15 July, 2014 are strong indications that the Developer will have *planned* to meet all traffic availability requirements (or, alternatively made financial allowances for those non availabilities which make for more efficient construction scheduling). Thus subject to the limits of localized traffic modeling, and effective management and scheduling of the works, it would appear that there will be adequate planning to achieve traffic availability, and thus the required traffic availability will be achieved.



7.5 LTA Conclusion Summary

The construction duration of 27 months from Financial Close expected 23 July 2014 to Scheduled Substantial Completion Date of October 31, 2016 is reasonable providing adequate resources and proactive management are allocated to the project.

The schedule and the details provided are reasonable in terms of the PPA requirements and in achievability. The level of detail, sequencing of activities, durations and logic is appropriate for the scope and complexity of the work at this stage of planning.

The current schedule shows Substantial Completion on 31 October 2016. Based on the current review of the schedule, and the durations currently included, there appears to be room for shortening the schedule.

Utility scheduling/planning of adjustments appears to be detailed and adequate and appropriate to the importance of achieving timely adjustments. This does not totally exclude the possibility that particular adjustments with some utilities may be problematical, but Relief should be available if there are very difficult negotiations. In general, provided that good planning and adequate resources are applied, the utility adjustments should be in accord with the schedule.

The PPA requires detailed planning within the PMP/TMP/TTCP hierarchy of plans (including a very detailed prescription of what information must be included in the plans) to be submitted and approved by the IFA, prior to construction commencing. The I-69 DP has indicated in its schedule that it will be making a timely submission of the TTCP prior to construction commencing.

The current schedule appears flexible enough to allow for accelerated implementation if timely completion of individual activities becomes critical.

²³ The Project Management Plan (PMP) (TP Attachment 1-1) will include a project wide Transportation Management Plan (TMP), Each TMP must be approved by the IFA before initiation of any Construction/O&M Work and will embody analyses of the performance of temporary traffic controls. Within the TMP umbrella planning, a Temporary Traffic Controls Plan (TTCP) will be prepared for each Design Unit, (TP Section 12.3.2). Threshold queue lengths and delay times apply during construction. These must be modeled as complying in the TTCP submission.



8 ENVIRONMENTAL REVIEW

8.1 Introduction

The State has conducted extensive coordination with the public and various state and federal environmental and regulatory agencies. The requirements of the Technical Provisions include the commitments arising out of the 2013 FEIS, and the ROD (August 7, 2013) processes that IFA will delegate to Developer to complete.

8.2 Responsibilities

Other than IFA-Provided Approvals, the Developer will obtain all necessary Governmental Approvals and comply with all conditions and requirements of all Governmental Approvals. The following table summarises the required approvals.

Agency	Permit/Approval	Responsible Party
2013 ROD	FHWA	IFA (obtained)
Indiana Department of Environmental Management (IDEM)	Section 401 Water Quality Certification Permit	IFA ¹ Developer ²
US Army Corps of Engineers (USACE)	Section 404 of the Clean Water Act Permit	IFA ¹ Developer ²
Indiana Department of Environmental Management (IDEM)	National Pollution Discharge Elimination System (NPDES)	Developer
Indiana Department of Environmental Management (IDEM)	Isolated Wetlands	Developer ³
Indiana Department of Natural Resources (IDNR)	Construction in a Floodway (CIF)	Developer
Indiana Department of Environmental Management (IDEM)	Rule 5 – Storm water	Developer
INDOT, IDNR, IDEM, and U.S. Fish and Wildlife Service (USFWS)	Karst MOU (1993) and Section 5 Karst Agreement (2013)	Developer ⁴
Federal Aviation Administration (FAA)	Tall-Structure Permit	Developer
United States Environmental Protection Agency (US EPA)	Class V Injection Well Permit	Developer

Notes:

- 1) IFA has filed Section 401/404 permit application packages included in Attachment 7-1 (PPA) with the permit agencies in an effort to advance preconstruction environmental permits. IFA is responsible for these permits. Developer shall comply with these preconstruction permit requirements or be responsible for securing any required permit modifications and performing the additional mitigation.
- 2) The Developer is responsible for obtaining all preconstruction environmental permits required for the O&M Work.
- 3) No isolated wetlands were identified by IFA within the advance preconstruction environmental permit limits. If the Developer proposes to work in isolated wetlands, the Developer shall be responsible for securing the required permits and performing the additional mitigation.
- 4) IFA is in the process of obtaining an executed I-69 Section 5 Karst Agreement included in Attachment 7-2 with the permit agencies. The Developer shall comply with karst agreement requirements as specified in Section 7.5.1.1 of Technical Provisions, Section 7.

8.3 Specific Environmental Requirements

8.3.1 Karst Topography

The Developer will work in accordance with the current Karst MOU and the relevant Karst Agreement included as (TP Attachment 7-2).

If previously undiscovered karst features are discovered during construction, all work must stop within 100 feet of the feature and IFA designated personnel must be notified. If the previously undiscovered



karst feature is defined as a Relief Event, the Developer is responsible for the first \$6,000,000 in Extra Work Costs arising from the Karst Feature Treatment Work; thereafter the IFA shares equally in costs over \$6,000,000 and assumes sole responsibility for all Extra Work Costs over \$10,000,000.

However Contractor Claims for Delay Costs relating from a Relief Event are specifically excluded. Such delay costs may be marginally greater than expected if undiscovered karst features (PPA Article 15, Section 15.7.10) are encountered.

8.3.2 Groundwater

The Developer will design for temporary and permanent erosion and sediment control, in close conformity with all mitigation measures as identified in the FEIS. The design is routine.

8.3.3 Surfacewater

The I-69 DP has noted adoption of Best Management Practices and application of existing standard erosion and sediment control measures, permanent water quality methods and other measures included in the INDOT Standard Specifications and Recurring Special Provisions.

8.3.4 Aquatic Biota

The I-69 DP has acknowledged precautions against the spread of Zebra Mussels (*Dreissena polymorpha*), as specified. Note that after primary treatment, all construction equipment used in infected waters must be allowed to air dry for a minimum period of 14 days. This could lead to significant equipment down time if the mussel infection is widespread. The I-69 DP Team has reviewed the extent of Zebra Mussel infection and has made provision for decontamination accordingly (TP Section 7.5.1.4).

8.3.5 Impact to Wetlands and Waterways, Best Management Practices, Temporary Impacts

The IFA imposes stringent conditions for the management of work in Wetlands, Waterways, karst features and floodplains. However apart from karst provisions, none of the provisions are outside of normal good practice in design and construction. The DB Contractor will meet these requirements within normal work practices. The mandatory specified Best Management Practices and the associated Training Programs will be maintained and all contractor personnel on site will be made fully aware of their responsibilities with regard to protecting the environment. A Karst Specialist has been appointed as one of the Key Personnel, to provide specialist expertise in this area.

8.3.6 Reforestation

The PPA Technical Provisions address Forest Impact Avoidance and Minimization, and Forest Mitigation. The provisions are straightforward and implementing the requirements will impose no additional demands on the Developer, over and above that involved in using experienced and competent staff to design and carry out associated works.

8.3.7 Wildlife Avoidance and Impact Minimization, Including Endangered, Threatened and Rare Species

The PPA Technical Provisions address issues associated with Wildlife Avoidance and Impact Minimization, including measures to minimize disturbance on the living environment of rare and



threatened species. The I-69 DP will use experienced and competent staff to design and carry out associated works. There are no additional financial risks identified in implementing these tasks.

8.4 Cultural Resources

The IFA has or will conduct the required cultural/archaeological surveys within the Project Right of Way, including Cemetery Development Plans for five cemeteries. The Developer will consult the appropriate authorities within 24 hours if any unidentified archaeological site is encountered or any unanticipated effect is observed at a previously identified historic property (TP Section 7.6). Such an event is a Relief Event and may add some small additional costs to the Developer if delays to normal construction progress result.

8.5 Noise Barriers and Noise Attenuation

The PPA specifies noise barriers to be constructed at three locations. The Developer will design and construct of all noise barriers according to INDOT Noise Policy Guidelines, which is routine and well known.

8.6 Blasting Operations and Construction Vibrations (if required)

No blasting is planned by I-69 DP as part of this Project. If required at a later date, the Developer will plan all blasting operations and monitor resulting vibrations at specified sites. The Blasting Plan will be submitted to the IFA for review and comment, and also to the Indiana Fire Marshal.

The Developer will submit a detailed blasting plan to Vectren, the gas transmission utility, for review prior to conducting any blasting near Vectren's pipeline. Blasting near active pipelines may be allowed on a case by case basis, and only under Vectren's approval.

Blasting near the railroads is also constrained. The Developer will submit a detailed blasting plan to the railroads. A representative of the railroad company must be present for every blasting operation.

In addition the Developer will engage a historic professional to evaluate the condition of all potentially affected structures prior to blasting. The Developer will undertake to repair of any damage to structures or other property, caused by the blasting or construction generated vibrations. The following properties and structures have been identified as requiring monitoring if blasting operations are undertaken:

- Daniel Stout House
- Maple Grove Road Rural Historic District
- Monroe County Bridge No. 83
- Stipp-Bender Farmstead
- Maurice Head House
- North Clear Creek Historic Landscape District
- Hunter Valley Historic Landscape District
- Reed Historic Landscape District
- Monroe County Bridge No. 913
- Morgan County Bridge No. 161
- Morgan County Bridge No. 224
- I U Health Bloomington (2620 Cota Drive)



8.7 Hazardous Materials

8.7.1 Known Hazardous Materials:

Sites have been identified as listed in the following table ([TP Section 7.9](#)).

	Known Hazardous Material and Waste Sites	Impact Assessment by I-69 DP
HM-1	C & H Stone * – 4000 Rockport Road	Potential Impact
HM-2	Sam's Club ** – 3205 West SR 45	Potential Impact
HM-3	Coca Cola Bottling Facility – 1701 Liberty Drive	No Impact
HM-4	Kmart Parking Lot – 3175 West 3 rd Street	No Impact
HM-5	Former Amoco Unit #10116 – 3100 West 3 rd Street	No Impact
HM-6	Former Marathon Unit #2572 – 2850 West 3 rd Street	No Impact
HM-7	Lemon Lane Landfill Bloomington / Illinois Central Spring Bloomington ***	No Impact
HM-8	Hanna Trucking/United Rentals/Dave Omara Contractor Inc. – 2520 Industrial Dr.	Potential Impact
HM-9	Sturgis Auto Salvage ** - 2810 West Hensonburgh Road	Potential Impact
HM10	Dotlich Crane Service * - Crescent Road and West 17 th Street	Potential Impact
HM-11	Bennett Stone Quarry SR 37 and SR 46 – aka Bennett's Dump ***	No Impact
HM-12	INDOT Sub-District Maintenance Facility – 2965 North Prow Road	No Impact
HM-13	Hoosier Energy ** – 7398 North SR 37	Potential Impact
HM-14	Johnson Oil Bigfoot #071 - aka BP Circle K ** 7340 North Wayport Road	Potential Impact
HM-15	Bloomington Auto Parts ** - 7650 North SR 37	No Impact

* Phase I ESA recommended location

** Phase II ESA recommended location

*** Superfund site

The Developer will avoid potential residual contamination at such locations if practicable. If avoidance cannot be confirmed, an Environmental Site Assessment (ESA) may be required. The estimated number of ESA required may be available during the preliminary design stage, and thus any exposure minimized.

8.7.2 Accidental Spills

Spillage or release of hazardous materials by accident is a separate issue. The Developer will prepare a Hazardous Materials Management Plan (HMMP) ([TP Section 7.9.1](#)) as part of the Project Management Plan. Such a plan will address spill prevention and response, thus minimizing financial impact of spills, but it will not entirely eliminate the possibility of accidental spills.

The following provisions ([TP Section 7.9](#)) apply to the spillage or release of Hazardous Materials during the construction or operation of the Indiana portion of the Project:

- Construction Work: Hazardous Material releases, oil spills, fish/animal kills, and radiological incidents shall be reported to the Indiana Department of Environmental Management (IDEM) Office of Emergency Response (OER), at (888) 233-7745. This shall occur as soon as action has been taken to either contain/control the extent of the release, or protect persons, animals, or fish from harm or further harm. Appropriate response actions for spills occurring on Project Sites, in order, are as follows:
- Identify the spilled material from a safe distance;



- Contain the spilled material or block/restrict its flow using absorbent booms/pillows, dirt, sand or by other available means;
- Cordon off the area of the spill;
- Deny entry to the cordoned off area to all but response personnel;
- Contact OER/IDEM, then Operations Support; and
- Operations: INDOT *Hazardous Material Accidents/Incidents Policy*, February 1992 (revised July 1998 or most recent version).

8.8 Air Quality

Air quality requirements should be manageable, provided all machinery is maintained in proper mechanical condition and the INDOT Standard Specifications are followed.

8.9 Sustainable Management Plan

Requirements of the Sustainable Management Plan will be within the bounds of normal good practice by the Developer.

8.10 Construction Noise

The Developer will conform to provisions in the FHWA *Construction and Noise Handbook (FHWA-HEP-06-015)*, and state and laws within the City of Bloomington, (Ordinance Chapter 14.09 (Noise Control) prohibited activities between 10 p.m. and 6 a.m.) There appears to be no issues associated with the Construction Noise. These limitations are considered in the development of the construction schedule.

8.11 Do Not Disturb Zones

The requirements are routine with respect to observance of “Do Not Disturb Zones”.

8.12 Environmental Management System

The Developer will develop and implement an Environmental Management System (EMS), in order to achieve and maintain the environmental requirements and commitments within the PPA. (PPA Article 7, Section 7.3).

8.12.1 Environmental Compliance and Mitigation Plan (ECMP)

The EMS will be embodied in an Environmental Compliance and Mitigation Plan (ECMP) while partnering with IFA. The Environmental Compliance and Mitigation Plan shall include all environmental commitments and required mitigation listed in the Technical Provisions.

The Developer will prepare a checklist that documents all impacts and anticipated impacts to environmental resources that are identified in the PPA Documents Environmental Approvals, and any Governmental Approval. The checklist will be submitted with the ECMP for IFA review and approval and will stipulate those requirements that are to be reviewed by the Department for concurrence and those requirements that are expected to be reviewed for concurrence in the subsequent quarter.



8.12.2 Environmental Compliance Manager (ECM)

The Developer will appoint an on-Site Environmental Compliance Manager (ECM) to be responsible for the Contractor's compliance with all the environmental commitments and conditions of Environmental Approvals required for the Project. The ECM is a Key Personnel with a minimum of 10 years of experience, and demonstrated expertise with construction management; permitting compliance; and overall environmental compliance on large-scale, complex transportation projects with environmentally sensitive areas.

The ECM shall report directly to Developer's Project Manager and will be the primary liaison to IFA for environmental issues. The ECM is a full-time, on-Site member of Developer's staff and will have the authority to stop or redirect Construction Work as needed to maintain environmental compliance.

8.12.3 Environmental Compliance and Mitigation Training

The Developer will develop and implement a mandatory environmental compliance and mitigation training program that will be presented to the Contractor's supervisory personnel, equipment operators, and all other Contractor construction personnel that will enter within the Project ROW boundaries to perform the Work. The training shall provide an understanding of the necessary environmental compliance requirements and any environmentally sensitive areas for the Project. (PPA Article 7, Section 7.3).

The environmental compliance and mitigation training program is a component part of the PMP. The Developer will not allow personnel to enter the Project ROW without completing the required training and this training would be documented for the IFA. The Developer will provide annual updates to this training program to meet current requirements and implement the training to the appropriate personnel.

8.13 LTA Conclusion Summary

Perusal of the Mitigation Commitments Summary Form indicated that no extraordinary mitigation measures have been identified; all measures can be implemented by following established state and federal processes as appropriate, and/or applying normal, good professional practice in design and construction of the appropriate mitigation works. Generally, achieving the appropriate environmental standards and providing mitigation should fall within the bounds of normal design/construction costs.

Within the project implementation, the following environmental elements are considered:

- delay costs incurred while addressing a Relief Event. Costs in addressing a Relief Event may be claimed, but delay costs are not recoverable. Good planning for alternative scenarios to maintain progress will minimize exposure in this area;
- IFA is responsible for procuring major environmental permitting;
- costs associated with equipment made unavailable following exposure to and decontamination from Zebra Mussels. Affected areas would be identified in the early design stages, and provision made for loss of use of critical equipment items during the 14 day "drying off" period; and
- Unforeseen issues arising from karst formations in or near the site can be mitigated by adequate levels of funding and well planned site investigations, plus contingency allowances sufficient to counter potential construction delays – as well as unknown sites are a Relief Event.



9 OPERATIONS, MAINTENANCE, LIFE-CYCLE AND HANDBACK

9.1 Operation and Maintenance

The Developer will be responsible for developing and providing the resources, equipment, materials, and services required for operating and maintaining the infrastructure within the O&M Limits in accordance with the requirements of the PPA Documents during construction and throughout the Operating Period, including the following:

- Maintain the Project and Related Transportation Facilities within the O&M Limits in a manner appropriate for a facility of the character of the Project and in compliance with the requirements of the PPA Documents;
- Minimize delay and inconvenience to Users and, to the extent Developer is able to control, users of Related Transportation Facilities;
- Identify and correct all Defects and damages to the Project from Incidents;
- Monitor and observe weather and weather forecasts to proactively deploy resources to minimize delays and safety hazards due to heavy rains, snow, ice or other severe weather events;
- Remove debris, including litter, graffiti, animals, and abandoned vehicles or equipment from the Project ROW;
- Minimize the risk of damage, disturbance to or destruction of third party property during the performance of maintenance activities;
- Coordinate with and enable the Department and, as applicable, others with statutory duties or functions in relation to the Project or Related Transportation Facilities to perform such duties and functions;
- Perform systematic Project inspections, periodic maintenance, and routine maintenance in accordance with the provisions of the OMP, Developer's Maintenance Plan and Developer's Safety Plan;
- Provide an Operations and Maintenance Plan (OMP) that identifies all of the functions, procedures, and manuals necessary to operate and maintain the Project;
- Provide sufficient, trained personnel, on and off-Site facilities, storage areas, garages, fleet vehicles, computer hardware and software, tools, and other items as required to comply with the PPA; and
- Coordinate with IFA and provide operations and maintenance training of at least 10 Department personnel upon Substantial Completion and again prior to the Termination Date so the Department personnel have a complete understanding of the facility, the method of operating all aspects of the O&M Limits, the maintenance program, plans, tasks, reports, and activities for the maintenance scope of the Project.

These Operations and Maintenance activities are based on a comprehensive set of performance criteria covering every aspect of Project O&M as currently defined by the PPA. The performance criteria are subject to annual (or more frequent) review by the Developer, so that the Table of Performance and Measurement continues to define all maintenance activities throughout the life of the Project. By linking maintenance performance criteria to the system for tracking and sanctioning



NCEs, the performance based maintenance criteria segue into a comprehensive set of financial and other sanctions which apply when maintenance performance is unacceptable.

9.1.1 O&M Limits

Conceptual O&M Limits have been provided by IFA in the Reference Information Documents. As part of the Developer's design process, the Developer shall update and prepare Final O&M Limits Drawings identifying Construction Period O&M Limits and Operating Period O&M Limits. The Developer shall submit Final O&M Limits Drawings to IFA for approval and obtain approval before commencement of Construction Work.

The Construction Period O&M Limits shall include all areas of the Operating Period O&M Limits plus all Elements and ROW of each local and state road within the Project Limits.

The Operating Period O&M Limits of I-69 Section 5 shall start at the intersection of That Road West/SR 37 and extend to the south bridge approach of the Indian Creek Bridge (Str. No. 37-55-3106), and include the I-69 Mainline, all I-69 Mainline bridges, I-69 entrance and exit ramps, bridges that cross the I-69 Mainline, and fences along the Mainline.

The Operating Period O&M Limits shall include the following items:

- Where the limited access Project ROW is coincident with the Project ROW boundaries, all areas and Elements extending to the Project ROW boundaries;
- Where the limited access Project ROW does not coincide with the Project ROW boundaries, the Mainline and all areas and Elements between the Mainline and the limited access Project ROW boundaries, consistent with the principles and extents defined on the Conceptual O&M Limits drawings, including any traffic barriers separating the adjacent cross road or frontage road from the Mainline and any drainage structures associated with the barrier;
- Where cross roads have interchanges with I-69, all areas and Elements of the cross roads within Project ROW boundaries up to the ramp termini, consistent with the principles and extents defined on the conceptual O&M Limits drawing; and
- All temporary right of way in effect prior to Final Acceptance.

The O&M Limits also comprise an operating facility that shall be available 24 hours per day, seven days per week, 365 days per year. Developer shall provide staff for these hours of operation. The Developer is not responsible to provide staffing for a TMC.

The O&M Limits for Operating Period O&M Limits do not include the following items:

- Frontage roads and cross roads beyond the ramp terminals where such roads have interchanges with I-69; and
- The Indiana Rail Road Company overpass located approximately 1,300 feet south of the SR-48 interchange.

9.1.2 Operations and Maintenance Plan (OMP)

The Developer will prepare an *Operations and Maintenance Plan (OMP)* prior to Construction commencing. The OMP will be submitted for O&M During Construction and updated for O&M After Construction. The OMP shall be updated annually or more frequently, as necessary, to indicate changes to operating



protocols, agreements, and interactions with other entities and to indicate the revised operating requirements for equipment and systems that have been revised, upgraded, and, as applicable, replaced.

The OMP will identify the operating protocols, agreements, and interactions with other entities and agencies, such as adjacent roadway authorities, police, and fire.

These operating procedures and protocols will include:

- All traffic control, Incident response, and other procedures as necessary to operate the facility;
- the requirements for work zone safety, vehicular accident tracking, weather-related Incidents/Closures, security-related Closures, Hazardous Material Management, and roadway traffic Closure/shutdown procedures;
- All requirements of the TMP applicable to O&M Work;
- The operation of the systems as necessary to maintain a safe environment on the roadway and bridges to meet the Performance Requirements, including all of the Technical Provisions; and
- Any ancillary facility operating procedures and protocols as necessary for the reliable, safe operation of the systems equipment.

9.1.2.1 Maintenance Plan

The Maintenance Plan (MP) is a component of the OMP. The Developer will prepare and submit to the IFA a Maintenance Plan (MP) which will conform to the maintenance-related aspects of the Operations and Maintenance Plan (OMP) requirements. The MP must be submitted 9 months before opening the O&M segments to the public. The MP will include:

- Performance requirements, measurement procedures, and threshold values at which maintenance is required for each physical Element of the Project in accordance with this TP Section 18;
- Inspection procedures and frequencies, and subsequent maintenance to address noted deficiencies of the physical Elements; (TP Section 18.5); and
- Response times to mitigate hazards, permanently remedy, and permanently repair Defects, which shall, at a minimum, be in accordance with the Performance and Measurement Table TP Attachment 18-1.

The Developer will update the MP at least annually (or more frequently as necessary) to indicate the maintenance requirements for the equipment and systems as they are revised, upgraded, rehabilitated, and, as applicable, replaced. The MP shall cover the Operating Period throughout the O&M Limits.

The MP shall be a complete document that includes a brief description of the assets within the O&M Limits. In addition to the items listed above, the MP shall include the following minimum requirements:

- Overview description of all assets within the O&M Limits to be maintained by the Developer;
- A logical system breakdown of the assets within the O&M Limits and the levels of maintenance to be provided by the Developer's staff;
- Description of the staffing plan and related workshop, maintenance garages, major equipment, vehicles, storage facilities, etc., as necessary to support the maintenance program;
- List of the Project's major systems and equipment manufacturers/vendors, including their contact information;



- List of O&M Contractors used to perform any maintenance activities and the identification of the services expected to be provided;
- A list of preventive maintenance procedures;
- Planned Maintenance schedule indicating the tasks and the required frequency;
- A list of unplanned but anticipated maintenance activities;
- Diagnostic procedures for equipment and systems;
- Detailed preventive maintenance procedures;
- Detailed reactive maintenance procedures;
- Spare parts inventory procedures;
- A list of spare parts inventory (on-site and off-site);
- Repair procedures for repairs that are anticipated;
- Systems and equipment manufacturer's operations and maintenance manuals;
- Software manuals;
- Wiring diagrams, schematic drawings, logic block diagrams, etc.;
- Assembly and disassembly drawings clearly identifying the components;
- Copies of all inspection forms, checklists, etc.;
- Lane Closure plans; and
- Summary listing of all maintenance tasks categorized by system/discipline and the related maintenance classifications and Noncompliance Points.

The annual Planned Maintenance schedules will be submitted to IFA for review and approval at least 90 days prior to the commencement of the year scheduled. Monthly Planned Maintenance and Routine Maintenance schedules, except for the first month of the year scheduled, will be submitted to the IFA for review and approval at least 30 days prior to the commencement of the month scheduled.

During each year of the Operating Period, the Developer will incorporate all Planned Maintenance, Routine Maintenance and Rehabilitation Work into the MP, which will be submitted to IFA for review and approval at least 90 days prior to the commencement of the planned calendar year.

The MP will describe, for each segment, all planned Rehabilitation Work activities, dates and expected durations as well as the total quantity of Planned Maintenance hours, subdivided into Routine Maintenance, Rehabilitation Work and any other activities requiring Planned Maintenance Closures.

The MP will address both the next calendar year and the next 5 calendar years. The one-year MP will be a moving plan submitted every quarter and shall be updated to identify the Rehabilitation Work completed, major maintenance work remaining and any changes to the plan.

A 5 year plan shall be submitted annually and shall indicate the Rehabilitation Work activities planned over the next 5 calendar years. A Rehabilitation Work Schedule conforming to PPA Article 6 Section 6.8 will be included in the MP.



9.1.2.2 Snow and Ice Control Plan (SICP)

Developer shall prepare and implement a Snow and Ice Control Plan that contains detailed operational procedures for performing the Snow and Ice Control work within the O&M Limits for O&M During Construction and O&M After Construction. The SICP will comply with all applicable Law, codes, and regulations governing the operation of snow removal equipment on public highways, Good Industry Practice, the Department's Total Storm Management Manual, along with the requirements of the PPA.

The SICP shall address the following:

- Advance preparation procedures
- Call-out procedures
- Response protocol
- Operational requirements
- Training
- Recordkeeping/Reporting
- Environmental management
- Anti-icing and de-icing chemical storage
- Anti-icing and de-icing materials, including salt and alternative substances
- Equipment

The SICP shall be updated annually and submitted to IFA for its review and approval in its good faith discretion prior to July 30 each year, and incorporate any changes in strategy, equipment levels, etc., designed to rectify faults identified by the Developer, and IFA in the snow and ice removal operations during the preceding winter season.

9.1.3 Computerized Maintenance Management System (CMMS)

The Developer will be required to use the INDOT Computerized Maintenance Management System database to provide a record of all maintenance activities. The Department will provide the CMMS software at no cost to the Developer, who will provide personnel familiar with the use of such software. The Developer will be responsible for creating the asset database based on Final Design. The CMMS database shall include all of the assets to be maintained, including a description of the item/equipment, location, tag number, equipment nameplate data (model number, serial number, size, etc.).

The Department will provide training for Developer personnel on the CMMS, such that Developer personnel have a complete understanding of the program, the program's capabilities and functions, and how to apply the program to the Project. This database must be effectively operational before Construction will be allowed to commence.

9.1.3.1 Inspection Frequencies

The Developer will establish inspection procedures and carry out inspections so that:

- All Category 1 Defects are identified and repaired such that the hazard to Users is *mitigated* within the period given under "Category 1 Hazard Mitigation" in the Performance and Measurement Table (TP, Attachment 18-1);
- All Category 1 Defects are identified and *permanently remedied* within the period given "Category 1 Permanent Remedy" in the Performance and Measurement Table; and



- All Category 2 Defects excluding those items which have no impact on any parties other than the Developer are identified and *permanently repaired* within the period given under “Category 2 Permanent Repair” in the Performance and Measurement Table.

The periods in the Performance and Measurement Table start on the date the Developer first obtains learns of, or reasonably should have learned of the Defect. The Developer will investigate reports and complaints on the condition of the Project from all sources and will record these as O&M Records together with details of all relevant inspections and actions taken in respect of Defects, including temporary protective measures and repairs.

9.1.3.2 Inspection Standards

Developer’s inspections to identify Category 1 and Category 2 Defects will conform, at a minimum, to the inspection standards given in Performance and Measurement Table.

9.1.3.3 General Inspections

The Developer will perform General Inspections in accordance with the MP so that the repairs of all Defects are included in planned programs of work. O&M Records in respect of General Inspections will include details of the manner of inspection (e.g., center lane closure or shoulder), the weather conditions and any other unusual features of the inspection.

General Inspections will be performed such that Category 2 Defects are identified and repaired within the period shown in the Performance and Measurement Table. If the Defect is not specified in the Performance and Measurement Table, the defect must be repaired within six months of the Defect occurring, provided that Defects which require special equipment to identify or are listed under the heading of Specialist Inspections in TP Section 18.5.4 may have different identification periods.

9.1.3.4 Specialist Inspections

The Developer will undertake Specialist Inspections for Elements listed in the table following and shall include the inspection results as O&M Records.

Element	Frequency
Roadway	Annual survey of pavement condition for the O&M Limits, including Mainline lanes, ramps, local and state roads, and frontage roads, undertaken using automated condition survey equipment to measure all necessary criteria including: ruts, skid resistance and ride quality according to the inspection and measurement methods set forth in the Performance and Measurement Table.
Bridges	Inspections and load rating calculations at the frequency specified in the Technical Provisions. In addition, NBIS inspections as per FHWA regulations and at the frequency specified in FHWA regulations.
Electrical supplies to lighting, signs, traffic signals and communications equipment	Inspections as required by FHWA or electrical regulations.

9.1.3.5 Performance Inspections

The Developer will carry out Performance Inspections of randomly selected Performance Sections for audit purposes annually. The Developer will submit proposed Performance Sections to IFA for approval



90 days prior to anticipated Substantial Completion. Any Performance Inspection undertaken will include at least 5% of the total available Performance Sections. The Developer will assess the condition of each Element of the Project using the indicated inspection and measurement method. The Developer's Performance Inspections will include physical inspection of those Elements that are safely accessible without traffic control. Where the measurement method would require specialist equipment or would require traffic lane closures to implement, the Developer will assess the condition of the relevant Element by reference to the current O&M Records held in the Developer's database.

The Developer will create a new O&M Record for each Element physically inspected. The Developer's Performance Inspections will be undertaken to a schedule agreed with the IFA on Performance Sections randomly selected by the IFA. The IFA shall be given 7-day notice should they wish to accompany the Developer on the physical inspections associated with the Performance Inspection.

9.2 Life-Cycle

9.2.1 PPA Requirements

The operational life of all Project elements assets is expressed in terms of performance criteria. When performance approaches or drops below criteria specified in the Tables 18 A & B, Performance and Measurement Table (TP attachment 18-1), the Developer is required to respond.

The base level of performance at the award of the PPA is established through Baseline Asset inspections to determine the condition of each applicable Element, 2 and the delivery of the Baseline Asset Condition Report (BACR) to the IFA, to be completed 30 days prior to NTP, applicable during construction.

Before commencing inspections, the Developer will submit to the IFA the proposed scope of Baseline Inspections, together with the methodology/tests and a list of three or more qualified testing organizations which are financially independent of the Developer.

Upon IFA's approval, the Developer will arrange the inspections. IFA will be given a minimum of 10 Business Day notice to witness the inspections.

9.2.2 Developer's Rehabilitation Strategy

The Developer rehabilitation strategy at this stage is series of scheduled activities. The structures area a combination of new and existing (rehabilitated). The Developer has used experience on similar projects to propose a schedule of works as follows, which is a combination of rehabilitation and maintenance strategy.

Element	Rehabilitation Intervention Frequency (estimated)
Pavements	2
New Structures	
Rehabilitation – Wearing Surface and Deck	2
Rehabilitation and Handback allowance	1
Bearings	1
Rehabilitated/Modified Structures	
Wearing Surface and Deck	Frequently as staged work



Element	Rehabilitation Intervention Frequency (estimated)
Deck	2
Bearings	1
Painting	2
Drainage	
Drainage	3
Traffic and Safety	
Guardrail	Regularly
Concrete Barriers	Regularly
Overhead and Roadside Signs	3 and as required
Traffic Signals	2
Pavements markings	Annual
Paint and Thermoplastic	
Lane Markings Paint	Annual
Thermoplastic – Lane Lines and Markings	Undertaken regularly (2-3 years)
Electrical	
Luminaries	3
Ancillary	
Fencing	2 and as required
Lighting Poles	1
Landscaping	
Landscaping & Irrigation	Annually

9.3 Reports and Records

The Developer shall maintain the following:

- The O&M Records, as well as any other records required under the Public-Private Agreement (PPA) and as required in this TP Section 18;
- Complete records of Incidents that affect operation and maintenance of the O&M Limits;
- Complete records of all inspections, executed test and assessments, as well as results of all tests, assessments, and the results of those inspections;
- Details of all of the Rehabilitation Work executed;
- All data in relation to all original tests, graphics, and other records in relation to measurement equipment, certifications, and calibration records;
- Complete series of quarterly reports; and
- Monthly records in relation to lane Closures on the O&M Limits.

In general, O&M Records will be drafted or maintained by the Developer, or, if applicable, its Contractors. The O&M Records and records will adhere to the approved quality management system and will meet the following minimum requirements:

- *Quarterly Operations Report* Within the first 20 days of each quarter, beginning upon issuance of NTP 2 and continuing each quarter until the Termination Date, the Developer will deliver to IFA



an Operations Report containing the information specified in TP Section 18, plus any other reports required by the PPA for that Operating Period;

- *Maintenance Work Report* The Maintenance Work Report will comply with the requirements of TP Section 18.4.1.3;
- *Rehabilitation Work Report* The Developer shall comply with the requirements of TP Section 6.7.2 of the PPA; and
- *Rehabilitation Work Schedule* The Developer will prepare and submit a Rehabilitation Work Schedule not later than 90 days before the beginning of the second full calendar after the Substantial Completion Date (PPA Article 6, Section 6.8.1).

9.3.1 Operations Report

The quarterly Operations Report will identify all of the Defects, Incidents, accidents, Incident response times, operations logs, service requests, severe weather Incidents, and security Incidents that occur over the preceding quarter. The reports will include a system for referencing each activity/event and the time and date of commencement and date of resolution. The Quarterly Operations Report will include:

- Summary of the status of all segments for the month identifying all Closures, Permitted Closures, and Unavailability Events as defined by the PPA;
- Summary of Closures, Permitted Closures, compliance hours, and Planned Maintenance hours for the coming month. This report shall include details describing the location, duration, and reason of each;
- Non-Conformance Reports: For each Defect in the Project Elements, the report will identify the location, the nature and cause of the Defect and the steps that will be, or have been, taken to address the Defect;
- O&M Contractor event log data, including all operator actions and event details for traffic and systems events, Incidents, security Incidents, weather Incidents, and the details of Developer's Incident response, including response time data, response records, etc.;
- Developer's Incident response logs, including a time-based report of all actions and activities performed by Developer;
- Quality assurance review of the O&M Contractor actions and lessons learned where appropriate;
- Summary of staff and hours worked for the month;
- Summary of Closures, Permitted Closures, and Planned Maintenance hours for the coming month. This report shall include details describing the location, duration, and reason of each; and
- Maintenance Work Report.

9.3.2 Maintenance Work Report

The Maintenance Work Report will identify:

- Planned Maintenance and Rehabilitation Work for the period;
- the actual Work performed for the period; and
- confirmation that the all Work performed was in compliance with the maintenance procedures;



and will be submitted quarterly, broken down for each month of the quarter.

At a minimum, data and information as follows will be included:

- Summary of the Planned Maintenance and Rehabilitation Work for each month of the quarter;
- Summary of the Planned Maintenance and Rehabilitation Work performed and completed for the month;
- Summary of the Planned Maintenance and Rehabilitation Work that was not completed for the month, including reasons for the non-completion a summary of deferred days for each deferred item;
- Summary of the maintenance activities performed for the month beyond the Planned Maintenance and Rehabilitation Work, such as unplanned maintenance and repairs;
- Detailed results of all Planned Maintenance and Rehabilitation Work and other maintenance work that was performed during the month;
- Summary of Planned Maintenance Closures for the coming month. This report shall include details describing the location, duration, and reason of each;
- Detailed results of all inspections, assessments, and testing activities, including the procedures, forms, etc.;
- Equipment Out-of-Service Report. This report shall list all traffic control and traffic surveillance, mechanical, and electrical equipment that was not functional at some time during the month, including durations, reasons and cross-references to any events or Incidents that may be related to the out-of-service equipment;
- Quality assurance review of all maintenance personnel actions, lessons learned, etc.;
- Summary of staff and hours worked for the month; and
- A listing of all assets in the operation and maintenance program, including individual equipment and assets, with a summary of all of the maintenance activities performed during the month and the complete history of maintenance for the asset as reported by the Computerized Maintenance Management System (CMMS).

9.3.3 Winter Maintenance Report

The Developer will prepare a winter patrol diary that is completed, dated, and signed daily during the winter season and submits to IFA within 24 hours upon request. The Developer shall document daily information in the diary, which, at a minimum, includes the following:

- Weather condition
- Date
- Printed name and signature
- Work completed during the day and equipment and material used (to include, but not limited to, salt, slurry, agricultural by-product, brine, mag chloride)
- When patrols are completed, areas patrolled, deficiencies noted
- Discussions with the public (name the individual)
- Discussions with IFA (name the individual)
- Equipment that cannot be operated at full capacity and why
- Calls from the police services and action taken



- Accident information

Developer shall complete the winter operations record or a report of a similar nature that shall record the following information for each winter vehicle:

- Date and time each winter vehicle is called for work
- Time operator arrived at the yard
- Time the winter vehicle is left at the yard
- Quantity of salt/liquid used
- Lane miles serviced
- Rate of application
- Total hours worked
- Unit number
- Page number (e.g., page 1 of 2)
- Comments
- Time drivers dismissed or relieved

Each daily entry shall be signed by the operator of the winter vehicle at the start of performing winter operations and at the end, when relieved. A printed name is also required to clearly identify the operator's name.

The Developer shall collect the bare pavement data, and report its performance of achieving the Performance Requirements on a monthly basis. Data shall be reported in an electronic format. The Developer shall submit the report of bare pavement data and performance on or before the close of business seven Days following each month's end for each month that has a winter maintenance event.

The Developer shall collect and report the following information for each storm event as part of the monthly bare pavement report:

- Dates and times event started and ended
- Dates and times bare pavement were lost and regained
- Type of event
- Bare pavement regained time is N/A (if applicable)
- Comments

9.3.4 Rehabilitation Work Report and Schedule

The Developer shall prepare and submit to IFA for review and comment a Rehabilitation Work Schedule, not later than ninety (90) days before the beginning of the second full calendar year after the Substantial Completion Date, and updated annually thereafter

Not later than ninety (90) days after the end of each calendar year, the Developer shall deliver to IFA a written report of the Rehabilitation Work performed in the immediately preceding calendar year. The report shall describe, by location, Element as listed in the Rehabilitation Work Schedule and other component, the type of work performed, the dates of commencement and completion and the cost, as well as the total cost of all Rehabilitation Work performed during the calendar year. During the period the Handback Requirements Reserve Account is in effect, the report also shall set forth the total draws from the Handback Requirements Reserve Account in the immediately preceding calendar year and the Approvals and Laws. If Developer has not received written comments, objections, exceptions and recommendations from IFA within the applicable time period set forth above, Developer may deliver a Notice to IFA stating that IFA's failure to issue written comments, objections, exceptions and



recommendations within ten (10) days shall constitute waiver of the right to do so with respect (and only with respect) to the subject Rehabilitation Work Schedule or update.

9.4 Handback Requirements

9.4.1 General

The Developer will prepare a Handback Plan that contains the methodologies and activities undertaken to ensure that the Handback Requirements in the PPA are achieved at the end of the Term of the Agreement. The Developer will submit the Handback Plan, including a Residual Life Methodology plan to IFA for review and approval at least 60 months before the anticipated expiration of the Term or earlier termination of the Agreement.

TP Section 19, Table 19-1, lists all components comprising the Project infrastructure and gives:

- the residual/useful life (as appropriate to the component) required at Handback;
- the inspection requirements; and
- a minimal Residual Life Methodology to be applied to determine Residual Life.

The Developer will perform all work necessary for components to meet or exceed the Residual Life requirements contained in TP Section 19, Table 19-1 by the time of Handback of the Project to IFA.

The Developer will also cause to perform all Residual Life *Inspections* as and when required by the PPA Documents. At the point of Handback, the Developer will certify that all physical Elements of the Project comply with the Residual Life requirements defined in the PPA.

Where a Residual Life at Handback is specified in TP Section 19, Table 19-1, the estimated Residual Life at Handback will be equal to or greater than the specified Residual Life.

For any Element of the Project for which a required final Residual Life is not specified in TP Section 19, Table 19-1, the Element shall have a required final Residual Life equal to the documented serviceable life of the Element or 5 years, whichever is less.

9.4.2 Requirements

The Developer will prepare and submit to IFA for approval a Residual Life Methodology, 60 months before the scheduled Handback. The inspection requirements and Residual Life Methodology requirements identified in TP Section 19, Table 19-1 are minimum requirements. The submittal will contain the evaluation and calculation criteria used for the calculation of the Residual Life at Handback for the Elements of the Project. The scope of any Residual Life testing will be included, together with a list of all independent Residual Life testing organizations proposed by the Developer. These organizations will be submitted to IFA for approval, have third party quality certification, be financially independent of the Developer and not be an Affiliate.

IFA's approval of the Residual Life Methodology, including the scope and schedule of inspections, will be required before any Residual Life Inspections.

9.4.3 Inspections

Inspections and testing shall be performed with appropriate coverage such that the results are representative of the whole O&M Limits within the Project as described in TP Section 19, Table 19-1.



The following schedule of inspections will be undertaken for all elements set forth in TP Section 19, Table 19-1:

- First Inspection (57 - 60 months before the end of the Term);
- Second Inspection (15-18 months before the end of the Term); and
- Final Inspection (90 days before the end of the Term).

The Developer will submit to IFA the findings of the inspection, including Residual Life test results, the report of the independent testing organization(s), the Developer's Residual Life calculations and the Developer's calculation of Residual Life at Handback for all Elements.

Results will be submitted to the IFA within 30 days.

The IFA will be given the opportunity to witness any of the inspections and/or tests and will be given a minimum of 10 Business Day notice prior to the inspections/tests. The Developer will deliver the output data arising from inspection/testing to the IFA within 10 days.

In the event that the Developer fails to undertake inspections within the relevant time periods described below, the IFA shall be entitled to undertake or arrange the relevant inspections itself, following 30 days written notice to the Developer.

9.4.4 Rehabilitation Work Schedule at Handback

The Rehabilitation Work Schedule for each of the five years before Handback will include, in addition to any other requirements specified in the PPA Documents:

- Developer's calculation of Residual Life for each Element calculated in accordance with the Residual Life Methodology and taking into account the results of the inspections set forth above; and
- The estimated cost of the Rehabilitation Work for each Element at the end of its Residual Life.

9.4.5 Useful Life Requirements

Where a Useful Life is specified in TP Section 19, Table 19-1 in place of a Residual Life at Handback, the Useful Life created at the time of its last reconstruction, rehabilitation, restoration, renewal or replacement before the end of the Term will be equal to or greater than the "Useful Life" in Table 19-1. The Rehabilitation Work Schedule will estimate the cost of the next Rehabilitation Work (after the end of the Term) on the assumption that Rehabilitation Work will be performed in order to create a new Useful Life of the same duration.

For the pavements:

- **Pavement Surface Condition** – The pavement surface, including lanes and shoulders, shall be free of any evidence of structural weakness, pitting, potholes, ravelling, segregation, scaling, delamination, localized roughness and all other deficiencies. All cracks and joints will be sealed with a sealant acceptable to the Department. The pavement surface will be free and clear of dirt, sand and other debris; and
- **Structural Requirements** – At the time the Department assumes responsibility of the roadway, the structural capacity of each and every lane and shoulder of the roadway will be such that a rehabilitation design for 10 years of traffic loading starting at the date the Department assumes responsibility for the roadway will require no more than a 2-inch hot mix asphalt overlay or



equivalent treatment for the pavement type. The 10 year traffic loading will be determined based on traffic estimates at the time, but in no case will it exceed 30 million equivalent single axle loads for any lane of any section of roadway.

Pavement strength testing to determine the structural capacity and the rehabilitation needed for the requirement above will be completed by an independent consultant retained and paid for by the Department and acceptable to both the Department and the Developer, who will be responsible for providing all traffic accommodation to allow pavement strength testing or other testing (either destructive or non-destructive), as required.

9.5 LTA Conclusion Summary

9.5.1 Operations & Maintenance

The Operations and Maintenance scope and limits of work are clearly defined and are reflective of a typical highway O&M concession. The Developer's proposed approach is reasonable and based on its past experiences in similar conditions.

To achieve the IFA operations and maintenance objectives the Developer will ensure adequate supervision and training of all maintenance staff within the maintenance organization such that all the performance based activities associated with maintenance on the Project are carried out according to the requirements of the PPA. This is facilitated by the in-house approach taken by the Developer by self-performing most of the routine O&M activities. More complex activities requiring specialized skills will be subcontracted to an appropriately qualified party. The Developer has identified and approached a number of qualified local subcontractors regarding potential opportunities for collaboration on such activities upon award of the contract. This early contact mitigates the availability risk of securing these subcontractors.

A key aspect of the O&M Plan is the I-69 DP self-performing most of the O&M activities. Routine maintenance activities (cleaning, sweeping, small repairs, drainage cleaning, lighting replacements, vegetation control, etc.) and operation-related activities (snow and ice removal, customer contact, incident response, etc.) will be self-performed by in-house resources. Specialist input and contractors will be retained in areas such as structure and pavement inspections and testing, life-cycle rehabilitation.

9.5.2 Lifecycle

The I-69 DP intends on subcontracting out lifecycle-related rehabilitation work. The proposed approach to life-cycle management is reasonable.

9.5.3 Systems, Databases and Reporting Requirements

The Noncompliance Database (PPA Article 11, Section 11.2.1) and the Computerized Maintenance Management System, (CMMS) (TP Section 18.4.1.3) are critical to fulfilling the self-monitoring obligations of the Developer. These databases must be fully functional prior to Construction Commencement in order to successfully manage the Operations and Maintenance in a way that minimizes contractual sanctions. Even though the Developer may be applying sufficient and effective resources to the O&M activities to achieve acceptable performance, (i.e. zero or very minimal level of NCE points) the PPA also requires the evidence/proof of performance from the self-monitoring systems prescribed.



The I-69 DP will implement a Road network conservation management's software named ICARO by RAUROSZ with an integrated platform with CMMS. This software has been implemented and used on more than 30,000 miles of road network around the world, and should fulfill the requirements of this project.

9.5.4 Inspection and Handback Requirements

The Handback requirements are reasonable and the strategy proposed by the Developer is expected to meet those requirements. Inspections and testing commence in stages approximately 60 months before end of Term. It is also noted that generally issues regarding handback surface prior to the end of term and during annual inspections.



10 PRICING

10.1 Construction Price

The Developer is responsible for the Design and Construction and commissioning of the Project in accordance with Article 5 of the Public Private Agreement.

The Developer's risk related to the Construction Price is transferred to the Design-Build Contractor in accordance with the Design-Build Contract.

Operations and maintenance, as well as responsibility for rehabilitation (life-cycle) and meeting Handback requirements are retained by the Developer.

- Summary of comments regarding Construction (Design-Build Contractor) Price:
 - We are of the opinion that the Construction Price of \$307 million is reasonable and achievable. Our review of the construction costs has included a review of Isolux's costing methodology, proposed scope and activities, and our independent elemental costing considering local cost data and input.
 - The Construction Price includes a combined construction management, contingency and profit of 20.4% of the Design-Build Contractor direct construction costs, plus another 8.3% for the design.
 - A total of 28.7% of the direct construction costs is allocated for the design, construction management, general Design-Build Contractor activities, contingencies, risks and profit. This amount is reasonable and within an acceptable range considering that this project is not complicated and the scope is well-defined.
 - The contingencies allowed are reasonable for this project. The above numbers do not include the developer costs, which brings the Design and Construction Capital Cost to \$325.5 million, as submitted to the IFA.

10.1.1 Design-Build Contractor Contract Price Development Methodology

The I-69 DP team has developed a detailed construction costing. This costing was based on detail quantity estimates developed for each element of construction, which was priced based on their anticipated sub-contract and market rates.

10.1.2 Subcontracting Approach

A substantial amount of the construction works are expected to be subcontracted out by the DBJV to its three major subcontractors, as follows:

- Gradex Inc. (Earthworks and Drainage);
- Force Construction Company, Inc.(Bridges and Structures);
- E&B Paving, Inc. (Paving);

10.2 Operations, Maintenance and Rehabilitation (Life-Cycle) Costing

Total cost of O&M is detailed as follows:



Cost item	Total (M) (rounded numbers)
A. O&M During Construction (up to Substantial Completion)	\$12.8*
B. O&M After Construction (after Substantial Completion – Operating Period)	\$124.2
C. Renewals (Life-Cycle)	\$63.6

* O&M During Construction, includes the Design Build Contractor's and the Developer costs, as submitted to IFA on PPA form O-1 (Design and Construction Capital Cost Table).

10.3 LTA Conclusion

The LTA has reviewed the construction and operations and maintenance costs. In determining the project costs, the LTA has conducted its own costing based on local cost unit rates and the proposed project plans. The I-69 DP costing is reasonable and within an expected range for the planned scope of work.

Based on this review and an independent costing exercise by the LTA, the following comments are provided:

- Construction Price – The I-69 DP's Construction Price of \$307 million correlates with the LTA's elemental estimate, the project scope anticipated and the project schedule provided. We have not identified any areas of concern as it relates to the costing provided. The Design and Construction Capital Cost as submitted to IFA, which includes the Developer costs, is \$325.5 million. The LTA has used local cost data and has based its estimate on the current design.
- Operations and Maintenance Price – The I-69 DP has applied a methods-based approach to estimating O&M costs, based on experience in meeting typical performance standards. The I-69 DP's approach is consistent with other experienced developers and operations, maintenance and life-cycle costing. The LTA has reviewed the operations and maintenance costing based on the scope of work provided in the PPA, as well as its past experience in highway projects.
- Rehabilitation (life-cycle) Price –The I-69 DP has identified rehabilitation schedules, which are reasonable for this Project.

Based on the review of the design and approach to Construction, O&M and Rehabilitation, the LTA expects that the I-69 DP has the experience and knowledge to deliver the project at these costs.



11 CONTRACTS AND SECURITY PACKAGE

11.1 Introduction

This section of our Report summarizes the key terms of the following contract documents:

- Design-Build Contract, executed April 8, 2014;
- Operations, Maintenance and Rehabilitation Contract – this contract does not exist since I-69 DP will self-perform this work as described in this section.

11.2 Performance Security Package - Summary

The Performance Security Packages is summarized as follows:

Description	Design-Build Contract
Parent Company Guarantee	<ul style="list-style-type: none"> ▪ Corsán Spain will be providing a guaranty under the Design-Build Contract
Limit of Liability (Liability Cap)	<ul style="list-style-type: none"> ▪ Maximum aggregate liability 50% of the Design-Build Contract Price (Contract Sum, including delay Liquidated Damages)
Payment Bond (Per PPA)	<ul style="list-style-type: none"> ▪ Payment bond securing the payment obligations of Design-Build Contractor to its sub-contractors, workers, suppliers, laborers and designers (remains in place until date that is 1 year following the Substantial Completion Date). ▪ The Payment Bond will be equal to approximately 5% of the Total Project Capital Cost (excluding O&M during Construction)
Performance Bond (Per PPA)	<ul style="list-style-type: none"> ▪ Performance bond or letter of credit securing the completion of the D&C Work (remains in place until date that is 1 year following the Substantial Completion Date). ▪ The Performance Bond will be equal to approximately 25% of the Total Project Capital Cost (excluding O&M during Construction)
Compensation and Payment	<ul style="list-style-type: none"> ▪ Fixed Lump Sum Design-Build Contract for D&C Work and for O&M During Construction ▪ Payment Schedule – Design Builder to provide a payment schedule, under which the Design Builder will be paid monthly ▪ Advance Payment – Entitled to Advance Payment of 10% of the Design-Build Contract Sum included in the monthly payment schedule no later than 15 days after the first disbursement to Developer from the bond proceeds account. The Advance Payment will be deducted from the subsequent monthly Design-Build Contract Sum as agreed. The Design Builder shall provide a letter of credit or surety bond for the amount of Advance Payment that will be reduced proportionally as work advances ▪ Developer Retained Amount (Retainage) – The Developer will retain a proportional amount of each of the monthly payments to be made to the Design-Build Contractor under the Design-Build Contract such that the aggregate amount of such withholding equals, as of the Substantial Completion Date, \$13 million (the “Retainage”). The Developer will not retain any portion of the Advance Payment for purposes of the Retainage. The Retainage will be paid to Design-Build Contractor following Substantial Completion in stages subject to payment made by IFA and any deductions from IFA.
Letter of Credit	<ul style="list-style-type: none"> ▪ Advance Payment Letter of Credit – One or more transferable bank guarantees or letters of credit equal to 10% of the Design-Build Contract Price as security for the Project Advance Payment Security; and ▪ Design-Build Letter of Credit – 7.5% of the Design-Build Contract Price as partial security from Design-Build Contractor:



Description	Design-Build Contract
	<ul style="list-style-type: none"> ▫ Reduced to 4% upon reaching Substantial Completion; and ▫ Reduced to 2% upon reaching Final Acceptance.
Liquidated Damages	<ul style="list-style-type: none"> ▪ Delay Liquidated Damages of \$82,200 per day until DB Substantial Completion occurs; and ▪ Milestone Delay Liquidated Damages – If any Milestone is not achieved by the applicable Scheduled Milestone Achievement Date, Design-Build Contractor will pay Milestone Delay Liquidated Damages (Exhibit 4 to the DB Contract) to cover additional cash needs of Developer as a result of the failure of Design-Build Contractor to achieve the Milestone by the applicable Scheduled Milestone Achievement Date. The milestone liquidated Damages range \$1,300 to \$8,000 per day depending on the Milestone. <p>The Design-Build Contractor's liability for liquidated damages is capped (LD Cap) at 10% of the Contract Sum.</p>
Warranties	<ul style="list-style-type: none"> ▪ Warranty – 24 months following Final Acceptance ▪ Latent Defect Period – 10 years following Final Acceptance
Key Dates	<ul style="list-style-type: none"> ▪ 2014 – Bloomington Area Work to commence ▪ June 1, 2015 – “That” Road overpass, Rockport Road Improvements and open to traffic ▪ December 31, 2015 – Fullerton Pike and Tapp Road, Vernal Pike overpasses and improvement completed and open to traffic ▪ DB Substantial Completion (Baseline Substantial Completion) Date – October 31, 2016 ▪ Long Stop Date – 12 months after the Baseline Substantial Completion Date. ▪ Design-Build Contractor Long Stop Date – 90 days prior to the PPA Long Stop Date ▪ Bond Holder Long Stop Date – Two months before PPA Long Stop Date

11.2.1 Limitation on Design-Build Contractor's Liability

The maximum aggregate liability of Design-Build Contractor under the Design-Build Contract will not exceed 50% of the Design-Build Contract Price for the Construction Period.

11.2.2 Warranties / Latent Defects

The Warranty Period is the 24 months following the Final Acceptance Date. During the Warranty Period, Design-Build Contractor shall remedy any defects and correct any Work that does not meet all requirements of the Design-Build Contract. The Design-Build Contractor will maintain the Design-Build Letter of Credit at 2% of the contract price until the end of the Warranty Period of 24 months.

The Latent Defect Period is the 10 years following the Final Acceptance Date or such longer period as may be provided by law. During the Latent Defect Period, Design-Build Contractor will be given a reasonable opportunity to carry out, or cause to be carried out, the corrective work, and will remain liable for the cost of any corrective work incurred by Developer if Design-Build Contractor does not carry out, or cause to be carried out, the corrective work.

11.2.3 Long Stop Date(s)

The Long Stop Date is 12 months after the Baseline Substantial Completion Date.

The DB Long Stop Date will be the date that is 90 days prior to the Long Stop Date under the PPA.

The Bondholder Long Stop Date is the date that is two months prior to the Long Stop Date.



11.3 Design Build Contractor Replacement Analysis

The LTA has conducted an estimate of the cost of Design Build Contractor replacement. The following are used in our calculations:

- Construction Price of \$307 million; and
- Construction Schedule.

Based on our review of the Construction Schedule, we consider that a default during Q4 of 2015 to have maximum impact on schedule and construction costs. At this point in the Construction Schedule, construction will be well advanced and all the major subcontractors will be working on site. The potential schedule impact is 3-6 months, based on a default during Q4 of 2015.

We have assessed the premium (impact) on the Construction Price of \$307 million to be approximately 15.5%. However, the assessed immediate liquidity requirements for the initial six-month period is estimated to be approximately 7.25% in the event of a default. The percentages exclude the liquidated damages. Our assessment is predicated on the immediate availability of funds from the liquid performance support (letter of credit). This assessment presumes that it will take approximately six months to access the bonds (Performance Bond and Payment Bond) posted as security.

Based on the above, the Letter of Credit of 7.5% is reasonable.

11.3.1 Assumptions

The assessment of the potential cost to replace the Design-Builder assumes the following:

- The assessments include the assumption that the previous month's payables have not been paid to subcontractors prior to a Default by the Design-Builder. This assumption is a significant component in the overall percentage assessment. The assessment of this component of the Design-Builder replacement is an unlikely scenario whereby there would be no advance warning of a Default. It is more likely that there would be signals of an impending default and advance feedback from the marketplace. The combination of rigorous procedures for the approval of monthly advances and the provision of Statutory Declarations from subcontractors for prior payments would mitigate the magnitude of this event;
- Stakeholders would react quickly to mitigate the delay in replacing the Design-Builder;
- Existing knowledge base and management staffing of the Project would remain largely intact;
- No outstanding or unresolved major disputes between the parties prior to the default;
- Project is progressing on time and on budget, with no major deficiencies prior to the default;
- Detailed and comprehensive payment approval draw process during the Construction Period;
- No legal impediments to the continuation of the Project are encountered, such as fraudulent acts;
- A cooperative partnering approach by the Lenders, the Design-Builder and IFA to resolve the Project completion issue(s);
- Ownership of any offsite materials can be easily established and transferred; and
- No allowance for liquidated damages has been included in the potential cost to replace the Design-Builder.



11.3.2 Design Builder Replacement

I-69 DP team includes 3 main subcontractors performing substantial amount of the work as currently contemplated. In case one of the contractors is to be replaced, there would be available others who can perform highway construction and additionally, the unsuccessful proponents pursuing I-69 Project 5 could be available as well, some of those contractors include:

- Lane Construction
- Ames Construction
- Gohman Asphalt Construction
- Dave O'Mara Construction
- White Construction
- Interstate Highway Constructors
- Kolb Grading
- Granite Construction
- Fred Weber Inc.
- Walsh Construction

Indiana Department of Transportation has a published list of prequalified contractors performing highway work, that list includes contractor's names and types of construction prequalified for.

11.4 Major Subcontracts

We have received and reviewed the Memorandum's of Understanding ("MOU") between Corsán-Corviam and its three major subcontractors; Gradex Inc. (Excavation and Underground Utilities); Force Construction Co. Inc. (Bridges and Structures) and E&B Paving Inc. (Concrete and Asphalt).

The three subcontractors are headquartered in Indiana and have substantial experience in the state including a long-standing working relationship among themselves on a number of projects in Indiana as well as extensive work for the Department. In addition, the I-69 DP Team will benefit from the recent experience of Gradex and Force Construction in other segments of the I-69 corridor.

The Parties agree that each party will enter into a more detailed Subcontract for the respective scopes of work. The Subcontract will be generally consistent with the terms of the MOU's, unless otherwise mutually agreed by the parties.

11.5 Operations, Maintenance and Rehabilitation Contract

Isolux Infrastructure will self-perform the operations and maintenance related to the Project, excluding lifecycle and specialized activities, which will be subcontracted, but managed by Isolux. As a result of this strategy, no Performance Security will be posted for the Operations and Maintenance activities during the Term.

Isolux Infrastructure is currently performing O&M activities on more than 1,000 miles of roads, including highways with two or three lanes in each direction, two lane roads and urban highways. Isolux is currently managing 8 highway concessions totaling over 850 miles of roadway: two are under construction, 3 are operational, and 3 involve upgrades and expansions to existing roads that are simultaneously under construction and in operation, which is a feature of the I-69 Section 5 Project.

11.5.1 Maintenance Contractor Replacement

In Indiana highway maintenance is managed by INDOT. There are a number of prequalified subcontractors on INDOT list of contractors who can perform some highway maintenance. Isolux, as



part of I-69 DP, is intending to self-perform OM and life-cycle, through subcontracts and with its own forces.

Prequalified subcontractors are available in Indiana for performing aspects of highway maintenance. However, a management team will be required to manage the operations, maintenance and life-cycle works.

Typically highway maintenance in the PPP sector is contracted out, or is done through an “O&M Company” set up by the joint venture partners – all or some of the partners. Life-cycle activities are typically borne as part of and managed through the Developer, or passed on to contractors.

11.5.2 Life-Cycle Reserve Account

The Major Maintenance Reserve Account (life-cycle look-forward account), commencing at Substantial Completion and on a rolling basis, consists of the following:

- 100% of the forecasted Life-Cycle cost requirements for the first year of calculation (the immediate year looking forward); plus
- 50% of the forecasted Life-Cycle cost requirements for the second successive year of calculation; plus
- 25% of the forecasted Life-Cycle cost requirements for the third year of successive calculation.

The Major Maintenance Reserve Account would be developed before Substantial Completion. It is noted that there is a role for the Lender's Technical Advisor to monitor and audit the Project and the Major Maintenance Reserve Account.

The Major Maintenance Reserve Account strategy is acceptable.

11.6 LTA Conclusion Summary

The LTA has reviewed the packages in light of similar transactions. Mitigants include the following:

- Letter of Credit or bond equal to 10% of the Design-Build Contract Price for the Advance Payment. This is a reasonable proposal;
- Letter of Credit equal to 7.5% of the Design-Builder Contract Price to secure Design-Build Contractor's obligations under the Design-Build Contract. The amount may be reduced to 4% at Substantial Completion and further reduced to 2% at Final Acceptance until expiry of the Warranty Period. We have assessed the immediate liquidity requirements for the initial six-month period to be approximately 7.25% in the event of a default. Our assessment is predicated on the immediate availability of funds from the liquid performance support (letter of credit). This assessment presumes that it will take approximately six months to access the bonds (Performance Bond and Payment Bond) posted as security;
- Retention – Excluding the Advance Payment, the Developer will retain an amount from each monthly payment. Retention is \$13 million and retainage will be 4.23% until the total is \$13 million;
- Limitation on Liability, subject to standard exclusions, not exceeding 50% of the Design-Build Contract Price for the Construction Period. The proposal is reasonable;



- Liquidated Damages is capped at 10% of the Design-Build Contract Price. The proposal is reasonable;
- Reported financial strength of the Design-Builder;
- Experience of the Design-Builder on similar projects;
- Use of local subcontractors who have past and current experience with the Indiana Department of Transportation. A number of the local subcontractors have experience on prior sections of I-69;
- Available pool of INDOT prequalified contractors, and especially from unsuccessful I-69 bid teams; and
- Transparent payment approval process.



12 PAYMENT MECHANISM

12.1 Introduction

The Payment Mechanism in the Public Private Agreement (PPA) follows the process for highway projects across North America, using a design, build, finance, operate and maintain (DBFOM) contract framework. Through this contract, the Developer is obligated to finance, develop, design, construct, insure, manage, and in respect of the O&M Limits, to operate, maintain and repair, and perform Rehabilitation Work on and for, the Project.

This Payment Mechanism applies to activities undertaken through both the Design and Construction and Operations periods.

The Design and Construction period will be in effect from the Notice to Proceed (NTP2) until the realized Substantial Completion Date.

The Operations and Maintenance period will be in effect for a term of thirty-five years, beginning at the earlier date of either the Baseline Substantial Completion Date, or the realized Substantial Completion Date. The Operations and Maintenance period may be extended beyond this term by the IFA, subject to the terms provided in Section 15.4.2(e) of the PPA, as a part of compensation for a claim.

12.2 Payments

Through this contract, the Developer will be entitled to Milestone Payments during the Design and Construction period, and Availability Payments during the Operations and Maintenance Period.

12.2.1 Milestone Payments

IFA agrees to make payments (each a “Milestone Payment”) in the amounts as calculated pursuant to PPA Exhibit 10 (Payment Mechanism) and Exhibit 4 and according to the schedule set forth in the following table:

Milestone	Description	Amount (in millions)
1	Utilities Milestone 1 – Developer has submitted a valid Utilities Milestone Application compliant with the requirements set forth in <u>PPA Section 5.5.11</u> and including a cost estimate for eligible Utility Adjustment Work exceeding \$5,000,000 in aggregate.	\$5
2	Utilities Milestone 2 – Developer has submitted a valid Utilities Milestone Application compliant with the requirements set forth in <u>PPA Section 5.5.11</u> and including a cost estimate for eligible Utility Adjustment Work exceeding \$20,000,000 in aggregate (including such amounts contemplated in Utility Milestone 1).	\$15
3	The local access roads and improvements associated with That Road and the overpass and local road improvements associated with Rockport Road have been completed and opened to traffic without the necessity of further Closures	\$10
4	The interchanges and associated entrance and exit ramps at	\$30



	Fullerton Pike and Tapp Road and the overpass and improvements associated with Vernal Pike have been completed and opened to traffic without the necessity of further Closures.	
5	Substantial Completion	\$20
Total Milestone Payments		\$80

When Milestone Payments are earned, payments will be made up to the lowest limiting amount that is in effect at that time, with additional monthly payments being due, subject to the actual limiting amount each month until all milestone payments that have been earned are paid.

The limiting amounts are as follows (Section 4.4(1) of Exhibit 10 of the PPA):

Timing	Maximum Aggregate Amount
From December 1, 2014 through August 14, 2015, inclusive	\$15 million
From August 15, 2015 through August 14, 2016, inclusive	\$60 million
On or after August 15, 2016	\$80 million

Milestone Payments will be limited to actual earned value of work completed as determined by the Developer's monthly schedule status report, as approved by IFA.

12.2.2 Availability Payments

Availability Payments following the Substantial Completion Date is based on, and is subject to, the O&M Limits being open and available for public travel as measured through Developer's compliance with the PPA Documents.

Each Availability Payment constitutes a single, all-inclusive payment with no fixed component and no separation of payments for operations, capital, maintenance, Rehabilitation Work, Handback or Rehabilitation Work.

The Maximum Availability Payment, and any payment adjustments are adjusted for inflation on an annual basis using CPI, commencing at Substantial Completion and then at the beginning of each Fiscal Year.

IFA shall pay the Availability Payments by making Monthly Disbursements as partial payments of each Quarterly Payment. The Availability Payment for any partial Quarter shall be prorated. IFA shall pay Developer a Monthly Disbursement and Quarterly Payment (net of the amount of Monthly Disbursements for such Quarter) within thirty-five (35) days after IFA receives a proper invoice for the applicable month or Quarter.

12.3 Payment Adjustments

The Milestone Payment due and payable at Substantial Completion shall be subject to adjustment by the total amount of the Milestone Payment Adjustments in respect to unavailability during any Construction Closures, and of pre-Substantial Completion Noncompliance Events relating to the Construction Work.

Construction Closure adjustments are based on a number of factors, including duration of the closure and weighted by the time period and type of facility.

For each type of Noncompliance Event applicable before Substantial Completion, a number of Noncompliance Points will be assigned, and applied if the event is not resolved within the allocated Cure



Period. Each Noncompliance Point results in an adjustment of \$5000 to the Milestone Payment at Substantial Completion.

The Milestone Payment Adjustments are subject to a cap of \$10,000,000.

The following table illustrates the relevant Non-Compliance Events and associated Cure Periods and deduction points for the Design and Construction period.

Construction Noncompliance Events (Applicable before Substantial Completion)				
Ref	Category	Description	NCE Cure Period	NCE Points
1	Design and Construction	Maintain ingress and egress to adjacent properties as required under <u>Section 12 of the Technical Provisions</u> .	4 Hours	5
2	Environmental Compliance	Comply with <u>Section 7.12 of the Technical Provisions</u> with respect to Noise.	1 Hour	2
3	Environmental Compliance	Follow the Environmental Approvals required in <u>Section 7 of the Technical Provisions</u> .	1 Day	2
4	Project Management	Comply with a requirement of any Section of the Technical Provision or of the PPA with regard to inspection, except where provided elsewhere in <u>Attachment 1</u> .	2 Days	2
5	Design and Construction	Conform to the restrictions of <u>Sections 12.4.3 (Construction Access and Haul Routes) and 12.4.7 (Restrictions) of the Technical Provisions</u> .	20 Minutes	1
6	Project Management	Observe the requirements of the Safety Plan; or to carry out any construction, operation or maintenance activity; in contravention of (or in absence of) the Safety Plan or in a manner that represents a hazard to project workers or the general public in accordance with <u>Section 6.5.5 of the Technical Provisions</u> .	1 Day	2
7	Project Management	Establish, maintain updated and comply with the requirements of a Quality Management Plan in accordance with <u>Section 2 of the Technical Provisions</u> .	7 Days	2
8	Contracting and Labor Practices	Comply with the requirements of <u>Section 7.10 of the PPA</u> in connection with the Disadvantaged Business Enterprise (DBE) Program.	30 Days	2
9	Contracting and Labor Practices	Comply with the requirements of <u>Section 7.11 of the PPA</u> in connection with the Workforce Diversity and Small Business Performance Plan.	30 Days	2
9a	Contracting & Labor Practice	Comply with any of the Federal Requirements in <u>Exhibit 22</u> .	30 Days	2
10	General	Comply with any of the provisions of <u>Section 3.4 (Oversight, Inspection and Testing)</u> , <u>Section 7.1 (Disclosure of Contracts and Contractors)</u> , <u>Section 12.1 (Financial Model Updates)</u> , and <u>Article 23 (Records and Audits; Intellectual Property)</u> of the PPA, with respect to access for IFA's Authorized Representative(s) to the Project, Developer's Project offices and operations buildings, and Developer's data.	None	2
11	General	Notify IFA of the occurrence of any Noncompliance Event specified in this <u>Attachment 1</u> in accordance with <u>Sections 11.2.1 and 19.1.1.12 of the PPA</u> .	1 Day	2
12	Insurance	Comply with the requirements of <u>Article 17 of the PPA</u> .	15 Days	1
13	Project Management	Prepare, implement, maintain, update or submit a plan, a report, a deliverable or a submittal required by, or compliant with, any Section of the Technical Provisions or of the PPA, except where provided elsewhere in this <u>Attachment 1</u> .	7 Days	1
14	General	Deliver to IFA any executed copy of a Governmental Approval prior to beginning construction activities as required by <u>Section 5.6 and Section 4.3 of the PPA</u> .	7 Days	1



Construction Noncompliance Events (Applicable before Substantial Completion)				
Ref	Category	Description	NCE Cure Period	NCE Points
15	General	Submit any application for a Governmental Approval to IFA for approval or review and comment prior to submitting to any Governmental Entity as required by <u>Section 4.3.3 of the PPA</u> .	7 Days	1
16	Environmental Compliance	Promptly notify IFA of Hazardous Materials as set forth in <u>Section 5.9.3 of the PPA</u> .	1 Day	2
17	Environmental Compliance	Take reasonable steps to mitigate the effects of Hazardous Materials as set forth in <u>Sections 5.9.2 and 15.14 of the PPA</u> .	2 Days	5
18	Utility Adjustments	Use Good Industry Practice to prevent damage to or interruption of a utility service in accordance with <u>Section 18.1.4 of the Technical Provisions</u> .	None	3
19	Design and Construction	Ensure extension of third parties warranties to IFA or failure to correct any defective Work that would void any such warranty as required by <u>Section 5.11.2 of the PPA</u> .	30 Days	1
20	Design and Construction	Proceed with Directive Letters in accordance with <u>Section 16.3 of the PPA</u> .	5 Days	3
21	Design and Construction	Comply with the requirements of the Traffic Management Plan FOR Construction Work.	4 Hours	2
22	O&M	Mitigate a hazard for a Category 1 defect within the time period shown in the Performance and Measurement Table.	See PPA	3
23	O&M	Implement a permanent remedy for a Category 1 defect within the time period shown in the Performance and Measurement Table.	See PPA	2
24	O&M	Implement a permanent repair for a Category 2 defect within the time period shown in the Performance and Measurement Table.	See PPA	1

During the Operations and Maintenance period, Availability Payments will be adjusted based on the Unavailability of the asset and Non-Compliance Events.

Availability adjustments are based on a number of factors, weighted by their anticipated impact on the overall performance of facilities within the O&M Limits. These factors differentiate by urban and non-urban sections, type of day, time period, and type of facility. Additional adjustments will be made where one or more contra flow lanes are also impacted, or if the closure takes place on specified Event Days.

IFA reserves the right to add or modify the specified Event Days up to an additional 10% of the total number of Event Days. In order to comply with the 10% limitation, existing Event Days may be removed. The process and timing of these adjustments is described in Section 3.10.4 of Exhibit 10 – Payment Mechanism of the PPA. There are currently 35 identified Event Days.

Unavailability Adjustments are not applied for any Planned Maintenance Closures.

These factors are then applied to the number of lanes impacted and the length of time (in hours) of the event. A detailed summary of the relevant factors are included in Exhibit 10 – Payment Mechanism of the PPA.

For each type of applicable Noncompliance Event, a number of Noncompliance Points will be assigned, and applied if the event is not resolved within the allocated Cure Period. Each Noncompliance Point results in an adjustment of \$5000 (adjusted for inflation) to the Quarterly Availability Payment.

The following table illustrates the relevant Non-Compliance Events and associated Cure Periods and deduction points for the Design and Construction period.



Construction Noncompliance Events (Applicable during Operations Period)				
Ref	Category	Description	NCE Cure Period	NCE Points
1	General	Comply with any of the provisions of <u>Section 3.4 (Oversight, Inspection and Testing)</u> , <u>Section 7.1 (Disclosure of Contracts and Contractors)</u> , <u>Section 12.1 (Financial Model Updates)</u> , and <u>Article 23 (Records and Audits; Intellectual Property)</u> of the PPA, with respect to access for IFA's Authorized Representative(s) to the Project, Developer's Project offices and operations buildings, and Developer's data.	None	2
2	General	Achieve Final Acceptance by the Final Acceptance Deadline as described in <u>Section 5.8.5 of the PPA</u> .	1 Day	5
3	General	Notify IFA of the occurrence of any Noncompliance Event specified in this <u>Attachment 1</u> in accordance with <u>Sections 11.2.1 and 19.1.1.12 of the PPA</u> .	1 Day	2
4	Insurance	Comply with the requirements of <u>Article 17 of the PPA</u> .	15 Days	1
5	Contracting and Labor Practices	Submit a copy of the proposed contract with an Affiliate in accordance with <u>Section 7.6.2 of the PPA</u> .	7 Days	2
6	Contracting and Labor Practices	Provide IFA with a list of all Contracts, Contractors, guarantees of Key Contracts and the guarantors with each monthly report required under this PPA or the Technical Provisions in accordance with <u>Section 7.1.1 of the PPA</u> .	7 Days	2
7	Contracting and Labor Practices	Comply with the requirements of <u>Section 7.7 of the PPA</u> .	14 Days	2
8	Contracting and Labor Practice	Comply with any of the Federal Requirements in <u>Exhibit 22</u> .	30 Days	2
9	Project Management	Carry out internal audits of the Project Management Plan at the times prescribed in the Project Management Plan in accordance with <u>Section 3.2.7 of the PPA</u> .	7 Days	2
10	Project Management	Prepare, implement, maintain, update or submit a plan, a report, a deliverable or a submittal required by, or compliant with, any Section of the Technical Provisions or of the PPA, except where provided elsewhere in this <u>Attachment 1</u> .	7 Days	1
11	Project Management	Manage documents in accordance with <u>Section 1.5.2.6 and 18.6 of the Technical Provisions</u> .	7 Days	1
12	Project Management	Comply with a requirement of any Section of the Technical Provisions or of the PPA with regard to inspection, except where provided elsewhere in this <u>Attachment 1</u> .	2 Days	2
13	Project Management	Comply with a requirement with regard to Key Personnel of any Section of the Technical Provisions or of <u>Section 7.4 of the PPA</u> , except where provided elsewhere in this <u>Attachment 1</u> .	30 Days	2
14	Project Management	Establish, maintain updated and comply with the requirements of the Quality Management Plan in accordance with <u>Section 2 of the Technical Provisions</u> .	7 Days	2
15	Project Management	Observe the requirements of the safety plan; or to carry out any construction, operation or maintenance activity; in contravention of (or in absence of) the safety plan or in a manner that represents a hazard to project workers or the general public in accordance with <u>Section 6.5.5 of the Technical Provisions</u> .	1 Day	3
16	Project Management	Develop and submit a part of, or change, addition or revision to, the PMP at the time required in accordance with <u>Sections 3.2.2 or 3.2.4 of the PPA</u> .	14 Days	1
17	Environmental Compliance	Notify IFA of Hazardous Materials or a Recognized Environmental Condition as set forth in <u>Section 5.9.3 of the PPA</u> .	1 Day	1
18	O&M	Mitigate a hazard for a Category 1 defect within the time period shown in the Performance and Measurement Table.	See PPA	4
19	O&M	Implement a permanent remedy for a Category 1 defect within the time period shown in the Performance and Measurement Table.	See PPA	2



Construction Noncompliance Events (Applicable during Operations Period)				
Ref	Category	Description	NCE Cure Period	NCE Points
20	O&M	Implement a permanent repair for a Category 2 defect within the time period shown in the Performance and Measurement Table.	See PPA	1
20a	O&M	Perform Rehabilitation Work in accordance with the schedule set forth in the Rehabilitation Work Schedule per <u>Sections 6.7 and 6.8 of the PPA and Section 18 of the Technical Provisions.</u>	7 Day	1
20b	O&M	Prepare and submit a Rehabilitation Work Schedule per <u>Section 6.8 of the PPA.</u>	14 Days	1
21	O&M	Report Defects or Noncompliance points in the Operations Reports as required per <u>Section 18.6 of the Technical Provisions.</u>	7 Days	5
21a	O&M	Follow the requirements of the Maintenance Management System in accordance with <u>Section 18.4.1.4 of the Technical Provisions.</u>	7 Days	1
22	O&M	Comply with traffic operations restrictions set forth in <u>Article 6 of the PPA</u> (each instance).	1 Day	3
23	O&M	Provide supporting documentation with the draft Availability Payment invoice.	7 Days	5
24	O&M	Comply with the requirements of Operations and Maintenance Plan not specifically identified elsewhere in this <u>Attachment 1.</u>	14 Days	1
25	O&M	Maintain current and accurate files, and make them available for inspection and audit, related to the O&M Work per requirements of <u>Sections 18.1.10 and 18.7.2 of the Technical Provisions.</u>	15 Days	3
26	O&M	Submit Operations Report per requirements of <u>Section 18.2.2 of the Technical Provisions.</u>	7 Days	5
27	O&M	Submit Maintenance Work Report per requirements of <u>Section 18.4.1.3 of the Technical Provisions.</u>	7 Days	5
28	O&M	Submit an annual Maintenance Plan per requirements of <u>Section 18.4.1 of the Technical Provisions.</u>	14 Days	3
29	O&M	Notify and/or coordinate with public agencies (INDOT, etc.) regarding planned Closures per the requirements of <u>Section 18.2.3 of the Technical Provisions.</u>	None	3
30	O&M	Maintain the operations staffing levels in accordance with the requirements of <u>Section 18 of the Technical Provisions and the PMP.</u>	30 Days	4
31	O&M	Implement a Hazardous Materials policy in accordance with the requirements of <u>Section 7.9 of the Technical Provisions.</u>	14 Days	4
32	O&M	Perform Developer's inspection obligations per the requirements of <u>Section 18 of the Technical Provisions.</u>	1 Day	2
33	O&M	Submit an annual Snow and Ice Control Plan per the requirements of <u>Section 18.3.1.9.2 of the Technical Provisions.</u>	14 Days	5
34	O&M	Make available the Winter Patrol Diary per the requirements of <u>Section 18.3.1.9.4 of the Technical Provisions.</u>	1 day	4
35	O&M	Any Closure that is not a Planned Closure of one or more travel lanes within the O&M Limits, any part of which takes place during Unavailability Period A as defined in <u>Table 3, Section 3.5.3 of Exhibit 10.</u>	None	1
36	O&M	Any Closure that is not a Planned Closure of one or more travel lanes lasting four (4) consecutive hours or more within the O&M Limits that takes place entirely during any Unavailability Period B as defined in <u>Table 3, Section 3.5.3 of Exhibit 10.</u>	None	1
37	O&M	Any Closure that is not a Planned Closure of one or more travel lanes within the O&M Limits any part of which takes place during an Event Period.	None	1



It should be noted that this list is referred to as a representational, but not exhaustive list of Noncompliance Events possible under the PPA documents. Article 11 of the PPA provides the IFA with the ability to add additional Noncompliance Events, with associated Cure Periods and deduction Points, using its good faith discretion. This right would not alter the Developer's obligations with respect to the PPA requirements, but could result in up to an additional 10% growth in applicable Noncompliance points. In order to comply with the 10% growth limitation, IFA may elect to remove listed events, or change the related point allocations. Article 11.1.4 of the PPA provides this opportunity following the third anniversary of the Substantial Completion Date, and every third anniversary thereafter, through the term of the contract.

In either the Construction or Operations and Maintenance Periods, repeated or numerous Noncompliance events could result in a Persistent Developer Default, requiring the development of a Remedial Plan.

12.4 Persistent Developer Default

Persistent Developer Default means:

- (a) Accumulation of assessed Noncompliance Points, including those assessed on account of breaches or failures that have been cured, at or above any of the trigger points set forth in Section 2.1 of Exhibit 12 (Noncompliance Points System and Persistent Developer Default) to the Agreement; and
- (b) Accumulation at or above any of the trigger points set forth in Section 2.2 of Exhibit 12 (Noncompliance Points System and Persistent Developer Default) to the Agreement of non-material breaches or failures to timely observe or perform or to cause to be observed or performed any covenant, agreement, obligation, term or condition required to be observed or performed by Developer under the PPA Documents and not otherwise the subject of a Notice declaring a Developer Default, including non-material breaches or failures to perform the Design Work, Construction Work or O&M Work in accordance with the PPA Documents.

12.5 Force Majeure

Force Majeure Events are defined in Exhibit 1 of the Public-Private Agreement and include events that are:

- (i) beyond the reasonable control of Developer;
- (ii) not attributable to the negligence, willful misconduct, or breach of applicable Law or contract by any Developer-Related Entity; and
- (iii) actually, demonstrably, materially and adversely affects performance of Developer's obligations (other than payment obligations) in accordance with the terms of the PPA Documents to a material extent, provided that such events (or the effects of such events) are not caused, and could not have been avoided by the exercise of caution, due diligence, or reasonable efforts, by Developer or any Developer-Related Entity.

Specific examples cited include:

- (a) war (including civil war and revolution), invasion, armed conflict, violent act of foreign enemy, military or armed blockade, or military or armed takeover of the Project or the Site, in each case occurring within the State;



- (b) any act of terrorism, riot, insurrection, civil commotion or sabotage that causes direct physical damage to, or otherwise directly causes interruption to construction or direct losses during operation of, the Project or the Site;
- (c) strikes not specific to Developer, embargoes, acts or omissions of a port or transportation authority, unavailability or shortages of materials, wars, and currently-listed events that occur outside of the State that, in each case, directly causes interruption to construction or direct losses during operation of the Project;
- (d) nuclear explosion that causes direct physical damage to the Project or the Site, or radioactive contamination of the Project or the Site;
- (e) Flood Event, fire, explosion, gradual inundation caused by natural events (other than an event that is the subject of Karst Feature Treatment Work), a tornado with an enhanced Fujita Score Rating of EF2, sinkhole caused by natural events, or landslide caused by natural events, in each case directly impacting the physical improvements of the Project or performance of Work at the Site;
- (f) any governor-declared Emergency within the limits of the Project Right of Way, except one consisting of or arising out of traffic accidents; and
- (g) a Seismic Event.

Within the PPA, Force Majeure Events are treated as a subset of Relief Events, with the associated provisions for relief, compensation, and ultimately termination being applicable.

12.6 Relief Events

Relief Events are defined in Exhibit 1, with associated provisions outlined in Article 15 of the PPA. Relief Events include any of the following events, subject to the requirements, limitations, deductibles and the duty to prevent and to mitigate consequences that are set forth in the Agreement for such events:

- (a) IFA failure to perform or observe any of its material covenants or obligations under the PPA Documents;
- (b) IFA Change (other than a Discriminatory O&M Change and Non-Discriminatory O&M Change);
- (c) Discriminatory O&M Change;
- (d) Non-Discriminatory O&M Change;
- (e) Safety Compliance Orders;
- (f) IFA-Caused Delay;
- (g) Performance of works by or failure to perform works required of, IFA, the Department or another Governmental Entity or their contractors (other than Developer) in the vicinity of the Project Right of Way, including the Advance Construction Projects, in either case excluding any Utility Adjustment Work by a Utility Owner, and in either case that materially disrupts Developer's onsite Work;
- (h) Development, use or operation of a Business Opportunity in the Airspace by IFA;
- (i) IFA's lack of good and sufficient title to or right to enter and occupy any parcel in the Project Right of Way, including Additional Properties required due to IFA Changes;



- (j) Force Majeure Event;
- (k) The revocation or suspension of an IFA-Provided Approval by the relevant Government Entity;
- (l) Unreasonable and unjustified delay by a Utility Owner;
- (m) Discovery at, near or on the Project Right of Way of any Hazardous Materials;
- (n) Release of Hazardous Material by a third party who is not acting in the capacity of a Developer-Related Entity, excluding any arising out of the normal use of the roadway that would typically be removed and disposed of during Routine Maintenance;
- (o) Discovery of any archeological, paleontological or cultural resources, excluding any such resources known to Developer prior to Setting Date or that would become known to Developer by undertaking Reasonable Investigation;
- (p) Discovery of actual subsurface or latent physical conditions at or within two (2) feet of the boring holes identified in the Geotechnical Data Report that differ materially from the conditions indicated at such boring holes, in the Geotechnical Data Report;
- (q) Discovery of any Threatened or Endangered Species, excluding the American Bald Eagle, the Indiana Bat or other species known to Developer prior to the Setting Date or that would become known to Developer by undertaking Reasonable Investigation;
- (r) Change in Law or Change in Adjustment Standards, except a Change in Adjustment Standards that is consistent with the terms and limitations, if any, on changes in Adjustment Standards set forth in any Utility Memorandum of Agreement or Utility Agreement to which Developer is a party;
- (s) Issuance of a temporary restraining order, preliminary injunction or other form of interlocutory relief by a court of competent jurisdiction that prohibits prosecution of any portion of the Work, except if based on the wrongful act or omission of any Developer-Related Entity;
- (t) Issuance of a rule, order or directive from the U.S. Department of Homeland Security or comparable State agency regarding specific security threats to the Project or the region in which the Project is located or which the Project serves, to the extent such rule, order or directive requires specific changes in Developer's normal design, construction, operation or maintenance procedures in order to comply;
- (u) Discovery of Unknown Utilities that directly affects the Construction Work, except where the identification of a Utility in the Utility Information was Reasonably Accurate, was known to Developer as of the Setting Date, or that would become known to Developer by undertaking Reasonable Investigation;
- (v) Discovery of any hidden or undetected structural defect in any Existing Structure that directly affects the Construction Work, excluding any such defects known to Developer as of the Setting Date, or that would become known to Developer by undertaking Reasonable Investigation; and
- (w) Karst Feature Treatment Work.

Unless otherwise noted in the PPA, the Developer shall be compensated for Extra Work Costs and Delay Costs directly attributable to the occurrence of a Relief Event that are not covered by the applicable insurance requirements.

If a Relief Event results in a Closure, then notwithstanding that such Closures may be Permitted Closures, the Availability Payment shall be adjusted as follows:



- For up to the first thirty (30) days that such Closure persists, Developer shall be assessed one hundred percent (100%) of the adjustment as if such Closure were an Unavailability Event as calculated under Exhibit 10 (Payment Mechanism);
- For up to the next thirty (30) days that such Closure persists, Developer shall be assessed only fifty percent (50%) of the adjustment as if such Closure were an Unavailability Event as calculated under Exhibit 10 (Payment Mechanism); and
- For any further period that such Closure persists, Developer shall be assessed only five percent (5%) of the adjustment as if such Closure were an Unavailability Event as calculated under Exhibit 10 (Payment Mechanism).

The Developer shall be entitled to extension of applicable Project Schedule Deadlines by the period that the end of the Critical Path extends beyond the original Project Schedule Deadline due to any Relief Event Delay that Developer cannot reasonably avoid through mitigation.

12.7 Suspension of Work

The IFA shall have the right and authority to suspend, in whole or in part, the Work by written order to Developer, due to any of the following, regardless of whether a Developer Default has been declared or any cure period (other than the cure period provided below) has not yet lapsed:

- (a) Failure to perform the Work in compliance with, or other breach of, the PPA Documents, except Noncompliance Events where no Persistent Developer Default exists where such failure is not substantially cured within fifteen (15) days after IFA delivers Notice thereof to Developer;
- (b) Failure to comply with any Law or Governmental Approval (including failure to implement protective measures for Endangered and Threatened Species, failure to handle, preserve and protect archeological, paleontological, cultural or historic resources, or failure to handle Hazardous Materials, in accordance with applicable Laws and Governmental Approvals);
- (c) Performance of Design Work prior to issuance of NTP1, or if NTP1 has been issued, performance of Design Work prior to all conditions precedent to commencement of Design Work being met (as prescribed under Section 5.3.2), or performance of Construction Work prior to issuance of NTP2;
- (d) Discovery of Nonconforming Work or of any activity that is proceeding or about to proceed that would constitute or cause Nonconforming Work where the Nonconforming Work or activity is not substantially cured within fifteen (15) days after IFA delivers Notice thereof to Developer or within such fifteen (15) days Developer provides and submits to IFA a plan for cure such plan to be diligently executed and completed no later than one hundred twenty (120) days after submission of such plan to IFA, unless Developer demonstrates to IFA's reasonable satisfaction that full and complete cure of the Nonconforming Work, and verification of such cure, will remain practicable despite continuation of Work without suspension;
- (e) Developer has failed to (i) pay in full when due sums owing any Contractor for services, materials or equipment, except only for retainage provided in the relevant Contract and amounts in dispute, or (ii) deliver any certificate, release or certified payroll required under Section 17.2.2.2 where such failure is not substantially cured within fifteen (15) days after IFA delivers Notice thereof to Developer;
- (f) Failure to provide proof of required insurance coverage as set forth in Section 17.1.2.4 (which suspension is also available in the case of such failure following a written request rather than Notice of Developer Default, as set forth in Section 17.1.2.4);



- (g) Failure to deliver or maintain Payment Bonds and Performance Security;
- (h) The existence of conditions unsafe for workers, other Project personnel or the general public, including failures to comply with Safety Standards or perform Safety Compliance as set forth in Section 19.2.3 (and in any such case the order of suspension may be issued without awaiting any cure period); and
- (i) Failure to carry out and comply with Directive Letters where the Nonconforming Work or activity is not substantially cured within fifteen (15) days after IFA delivers Notice thereof to Developer or within such fifteen (15) days Developer provides and submits to IFA a plan for cure, such plan to be diligently executed no later than one hundred twenty (120) after submission of such plan to IFA.

The Developer shall have no right to any compensation due to any suspension, subject to the available Dispute Resolution procedures.

12.8 IFA Step-In Rights

Upon the occurrence of a Developer Default and expiration, without full and complete cure, of the cure period, if any, available to Developer, without waiving or releasing Developer from any obligations, IFA shall have the right, but not the obligation, to Step-In for so long as such Developer Default remains uncured, to pay and perform all or any portion of Developer's obligations and the Work that are the subject of such Developer Default, as well as any other then-existing breaches or failures to perform for which Developer received prior Notice from IFA but has not commenced or does not continue diligent efforts to cure. Exercise of such cure rights is subject to the terms and conditions of this Section 19.2.4.

IFA may, to the extent reasonably required for or incident to curing the Developer Default or such other breaches or failures to perform, in each case subject to the provisions of any executed Direct Agreement:

- (a) Perform or attempt to perform, or caused to be performed, such Work;
- (b) Employ security guards and other safeguards to protect the Project;
- (c) Spend such sums as IFA deems reasonably necessary to employ and pay such architects, engineers, consultants and contractors and obtain materials and equipment as may be required to perform such Work, without obligation or liability to Developer or any Contractors for loss of opportunity to perform the same Work or supply the same materials and equipment;
- (d) draw on and use proceeds from the Payment Bond and Performance Security and any other available security or source of funds available to the Developer;
- (e) Execute all applications, certificates and other documents as may be required;
- (f) Make decisions respecting, assume control over and continue Work as may be reasonably required;
- (g) Modify or terminate any contractual arrangements in IFA's good faith discretion, without liability for termination fees, costs or other charges in accordance with the terms and conditions of those contractual arrangements;
- (h) Meet with, coordinate with, direct and instruct contractors and suppliers, process invoices and applications for payment from contractors and suppliers, pay contractors and suppliers, and resolve claims of contractors, subcontractors and suppliers;



- (i) Take any and all other actions it may in its sole discretion consider necessary to effect cure and perform the Work; and
- (j) Prosecute and defend any action or proceeding incident to the Work.

The Developer shall reimburse IFA on demand IFA's Recoverable Costs in connection with the performance of any Step-In act or Work authorized

12.9 Termination

The following Developer Defaults could result in IFA electing to terminate the PPA:

- (a) Developer (a) fails to begin Work within thirty (30) days following issuance of NTP1 or NTP2, (b) fails to satisfy all conditions to commencement of Design Work and to commence Design Work with diligence and continuity within thirty (30) days following issuance of NTP1, or (c) fails to satisfy all conditions to commencement of Construction Work and to commence Construction Work with diligence and continuity, within thirty (30) days following issuance of NTP2, in each case, as may be extended pursuant to this Agreement;
- (b) An Abandonment;
- (c) Developer fails to achieve Substantial Completion by the Long Stop Date;
- (d) Developer fails to make any material payment due IFA under the PPA Documents when due, or deposit of funds to any custodial account, trust account or other reserve or account in the amount and within the time period required;
- (e) Use of the Project or Airspace by any Developer-Related Entity resulting in a material violation of this Agreement, the Technical Provisions, Governmental Approvals or Laws;
- (f) Developer makes or attempts to make or suffers a voluntary or involuntary assignment or transfer of all or any portion of this Agreement, the Project or Developer's Interest, or there occurs an Equity Transfer or a Change of Control, in violation of Article 22 of the PPA;
- (g) There occurs any Persistent Developer Default, where the Developer fails to deliver to a remedial plan meeting the requirements for approval in accordance with the PPA, or fails to fully comply with the schedule or specific elements of, or actions required under, the approved remedial plan;
- (h) Developer fails to comply with IFA's written suspension of Work order within the time reasonably allowed in such order;
- (i) Developer commences a voluntary case seeking liquidation, reorganization or other relief with respect to itself or its debts under any U.S. or foreign bankruptcy, insolvency or other similar Law now or hereafter in effect, seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets; becomes insolvent, or generally does not pay its debts as they become due; admits in writing its inability to pay its debts; makes an assignment for the benefit of creditors; or takes any action to authorize any of the foregoing;
- (j) An involuntary case is commenced against Developer seeking liquidation, reorganization, dissolution, winding up, a composition or arrangement with creditors, a readjustment of debts or other relief with respect to Developer or Developer's debts under any U.S. or foreign bankruptcy; insolvency or other similar Law now or hereafter in effect; seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of Developer or any substantial part of Developer's assets; seeking the issuance of a writ of attachment, execution, or similar process; or



seeking like relief, and such involuntary case shall not be contested by Developer in good faith or shall remain un-dismissed and un-stayed for a period of 60 days; and

- (k) There occurs any other Developer Default for which IFA issues a Warning Notice which is not fully and completely cured within the applicable cure period, if any.

If either a Relief Event Delay or Closure continues for twelve (12) months or more from its inception, either Party may deliver to the other Party a new Notice of its unconditional election to terminate this Agreement, in which case neither Party shall have any further option to continue this Agreement.

IFA may Terminate for Convenience if it determines that it is in IFA's best interest. Termination of this Agreement shall not relieve Developer or any Guarantor or Surety of its obligation for any claims arising prior to termination.

In the event of a Termination for Convenience, Developer will be entitled to compensation determined in accordance with Section 1 of Exhibit 21 (Early Termination Dates and Terms for Termination Compensation).

12.10 LTA Review of Payment Adjustment Summary

The I-69 DP has undertaken a comprehensive analysis of the Payment Mechanism, forecasting the likely impacts and payment adjustments expected during both the construction period and the operations and maintenance period.

During the Construction Period, the I-69 DP has forecasted and accounted for a Payment Adjustment which would be applied to the Substantial Completion payment. This forecast is based on the anticipated Construction Closure and Noncompliance Event deductions through the course of construction. Such forecasted Payment Adjustments reflect a total of 8 hours annually, determined to be Construction Closures impacting either 1 or 2 lanes of the existing SR-37, along with a total of 8 Noncompliance events relating to incident re-opening and response.

During the Operations and Maintenance Period, the I-69 DP has forecasted and accounted for annual payment adjustments; based on a projected scenario of 8 lane closure hours per year, and 8 Noncompliance Events relating to incident re-opening and response, resulting in a NCE adjustments annually.

The LTA has undertaken an analysis of the prescribed Payment Adjustments and confirms that the majority of adjustments can be avoided through appropriate management and mitigation within the allocated Cure Periods.

We considered the following scenarios in our analysis:

- **Base Case** - Performance is satisfactory with performance standards generally met but with some Payment Adjustments incurred. It is reasonable to expect Payment Adjustments at this level during both the Construction and the Operational Terms. Although Payment Adjustments are incurred it is not expected to impair the Developer's ability to perform their duties and Payment Adjustments will not exceed acceptable levels; and
- **Worst Case** - Performance is below acceptable standards leading to higher Payment Adjustments. Continued poor performance could result in Persistent Developer Default. This is an extreme case and not expected to be applicable to Isolux based on the information made available and their past experience.

*



The above considers a combination of Noncompliance and the potential traffic availability to address the Noncompliance. The worst case scenario in our opinion is very unlikely to be encountered in this contract.

Based on this review, we consider the projected payment adjustments established by the Developer to be reasonable and generally aligned with our most probable estimate.

In view of the adjustments forecasted by the Developer, the following should be considered:

- In addition to the allocated probabilities of non-compliance related to incident response and obstruction/debris clearance, similar allocations should be recognized for incidents related to snow removal and clearances, particularly during construction and the initial years of operations;
- During the initial years of the operations period, a similar adjustment could be recognized to reflect the on-going refinement and planning as the operator becomes more familiar with the features of the facility and local weather conditions, particularly since no type of 'bedding-in' period with diminished adjustments has been provided for in the PPA; and
- It is noted that the IFA's ability to adjust both the Event Days and Non-Compliance Point deductions by up to 10% over the term of the contract will likely have a corrective impact on the Developer to focus on activities which have shown not to be performing as expected, and that this would be addressed without long-term impact.

12.11 LTA Conclusion Summary

Generally, the Payment Mechanism and associated adjustments are reasonable and philosophically aligned with similar DBFOM highway projects implemented across North America. The following elements should be noted:

- The payment adjustments set forth in the PPA are generally modest and manageable when compared to similar DBFOM highway projects, with sufficient opportunity to identify and remedy events before an adjustment would be applied. As a result, adjustments are anticipated to be minimal through the concession term, including the construction period, primarily limited to events related to incident response and winter maintenance after snow storm events, that require immediate action;
- Generally, the provided Cure periods offer sufficient time to address issues as they occur, limiting the likelihood of other Noncompliance Event from occurring in both the Construction and Operations & Maintenance Periods;
- As a result, It is not anticipated that the I-69 DP would accumulate a sufficient number of breaches or failures to reach a state of Persistent Developer Default;
- Additional risk is retained relating to IFA's ability to increase and adjust the parameters around the Event Days and Non-Compliance Events, through the O&M Period introduce additional risk as all measures could increase by up to 10%, or existing measures could be modified or replaced by additional or new measures changing the risk profile around these payment adjustments; however, this would probably have a short-term impact refocusing the Developer's attention – realizing that the 10% refocus can occur once every three years; and
- Force Majeure, Relief, and Termination Events are generally reflective of industry expectations.



13 REPORTING QUALIFICATIONS

The Report is prepared by Altus Group Limited (“Altus Group”) solely for the benefit and use of the Lenders in accordance with the scope of services set forth in the agreement made between Isolux Infrastructure Netherlands, BV (“Company”) and Altus Group dated October 22, 2013 (“Agreement”) and the proposal submitted by Altus Group dated October 21, 2013 (“Proposal”) in respect of the I-69 Section 5 Project (“Project”).

Any recipient of this Report, other than the Company and the Lenders, uses this Report and the content therein, at its sole risk; and by acceptance or use, hereby releases Altus Group, its subsidiaries and affiliates, and their respective officers, directors and employees from any liability for direct, indirect, consequential or special loss or damage or any other liability of any nature arising from its use of the Report or reliance on any of its content.

The Report may not be disclosed in any form to any other party not specifically authorized to receive the Report without the prior express written consent of Altus Group. The Lenders' Technical Advisor (LTA) confirms that its final report, and any summaries of such report, may be included in a preliminary or final offering document for any public financing of the project, so long as (i) LTA approves of any summary of any report contained in any such offering document in writing; (ii) LTA is permitted to remove any confidential or proprietary information contained in the report; and (iii) the offering document contains the customary qualification in any summary of the report warning investors they must have recourse to the final report contained in such offering document. Provided that the final form of report to be provided by the LTA for purposes of any such public offering substantially complies with the requirements of the Securities Act, 1933.

This Report and the analyses made and opinions expressed herein rely wholly, or in part, on data, documentation, reports, and related information obtained from Company that Altus Group has presumed to be accurate, complete, reliable, timely, non-infringing and fit for the intended purpose. Except as set forth in this Report, Altus Group makes no representation, guarantee or warranty, expressed or implied, as to the accuracy, validity, completeness, reliability, non-infringement, fitness for purpose or correctness of the information, data, statements, processes, methodologies, findings, observations, conclusions set forth in this Report. Any content within this Report does not constitute, and is not represented by Altus Group, to be any opinion or recommendation concerning, financial, investment or legal predictions, risk or other positions. Except as specifically set forth in the Report, Altus Group does not provide opinions regarding engineering, environmental, geotechnical, archaeological, and construction matters.

The opinions expressed in this Report are statements of judgment and fact as of the date of publication and are subject to change without further notice.

APPENDIX I-1

FORM OF INDIANA FINANCE AUTHORITY CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

by and among

INDIANA FINANCE AUTHORITY,

U.S. BANK NATIONAL ASSOCIATION, as counterparty

and

STATE OF INDIANA, ACTING BY AND THROUGH THE OFFICE OF MANAGEMENT AND BUDGET

INDIANA FINANCE AUTHORITY

\$243,845,000

TAX-EXEMPT PRIVATE ACTIVITY BONDS

(I-69 Section 5 Project), Series 2014

Dated as of _____, 2014

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (this “Agreement”), is made as of this day of _____, 2014, by and among the Indiana Finance Authority (the “Authority”), U.S. Bank National Association (the “Counterparty”), and the State of Indiana, acting by and through the Office of Management and Budget, for the purpose of permitting Citigroup Global Markets, Inc. and Jeffries, LLC, acting on behalf of themselves and the other underwriters listed in APPENDIX A to the Bond Purchase Agreement) (collectively, the “Underwriters”), to purchase the Bonds in compliance with the Securities and Exchange Commission (the “SEC”) Rule 15c2-12, as amended (the “SEC Rule”).

Section 1. Definitions. The words and terms defined in this Agreement shall have the meanings herein specified, unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization, where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the SEC Rule.

(a) “Beneficial Owner” shall mean any person which has or shares power, directly or indirectly, to make investment decisions concerning the ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

(b) “Bond” shall mean any of the Bonds, defined in Section 2 below.

(c) “Bondholder” shall mean any registered owner or Beneficial Owner of any Bond.

(d) “Bond Purchase Agreement” means the Bond Purchase Agreement, dated July 9, 2014, among the Company, the Authority and the Underwriters.

(e) “Company” means I-69 Development Partners LLC.

(f) “Final Official Statement” means the Official Statement, dated July 9, 2014, relating to the Bonds, including any document included therein by specific reference, which is available to the public on the MSRB’s Internet Web site or filed with the SEC.

(g) “MSRB” shall mean the Municipal Securities Rulemaking Board.

(h) “Obligated Person” means any person, including the Company, the Authority and the State, who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or a part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit or other liquidity facilities).

Section 2. Bonds. This Agreement applies to the Indiana Finance Authority Tax-Exempt Private Activity Bonds (I-69 Section 5 Project), Series 2014 (the “Bonds”), dated the date hereof, and issued by the Authority in the aggregate principal amount of \$243,845,000.

Section 3. Term. The term of this Agreement is from the date of delivery of the Bonds by the Authority to the earlier of: (a) the date of the last payment of the principal or redemption price (if any) of, and interest to accrue on, all the Bonds; (b) the date the Bonds are defeased under the Indenture of Trust, dated as of July 1, 2014 (the “Indenture”), between the Authority and U.S. National Bank Association, as trustee (the “Trustee”); or (c) the date upon which the State or the Authority shall no longer be an Obligated Person.

Section 4. Obligated Persons. If the Authority and/or the State is no longer committed by contract or other arrangement to support payment of the obligations on the Bonds, such person shall no longer be considered an Obligated Person within the meaning of the SEC Rule and the continuing obligation under this Agreement to provide annual financial information and notices of events shall terminate with respect to such person. Upon such determination, the Authority or the State will file, or cause to be filed, with the MSRB, in an electronic format as prescribed by the MSRB, a written notice that such person or entity is no longer an Obligated Person.

Section 5. Provision of Annual Information.

(a) The Authority and the State hereby undertake to provide to the MSRB, in an electronic format as prescribed by the MSRB, either directly or indirectly through a trustee or a designated agent, for the Authority and/or the State, the following annual financial information:

(i) when and if available, the audited financial statements of the State for each fiscal year of the State, beginning with the fiscal year ending June 30, 2014, together with the independent auditor's report and all notes thereto; and

(ii) within 210 days of the close of each fiscal year of the State, beginning with the fiscal year ending June 30, 2014, annual financial information for the State for such fiscal year, other than the audited financial statements described in subsection (a)(i) above, including (A) unaudited financial statements of the State, if audited financial statements are not then available, and (B) operating data (excluding any demographic information or forecasts) of the general type included in APPENDIX A—"FINANCIAL AND ECONOMIC STATEMENT FOR STATE OF INDIANA" to the Final Official Statement (collectively, the "Annual Information").

(b) If any Annual Information or audited financial statements relating to the State referred to in subsection (a) above no longer can be generated because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Authority or the State to the MSRB, in an electronic format as prescribed by the MSRB, along with any other Annual Information or audited financial statements required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To the extent available, the Authority or State shall cause to be filed along with the other Annual Information or audited financial statements, operating data similar to that which can no longer be provided.

(c) The Authority agrees to make a good faith effort to obtain Annual Information; provided, however, that failure to provide any component of Annual Information because it is not available to the Authority on the date by which Annual Information is required to be provided hereunder, shall not be deemed to be a breach of this Agreement; provided, further, that in the event such Annual Information is not available to the Authority, the Authority or State will provide to the MSRB, in an electronic format as prescribed by the MSRB, (i) a description of the Annual Information that is not available, (ii) any replacement or substitute information, (iii) whether such Annual Information is expected to be available and (iv) if known by the Authority or the State, the date such Annual Information will be made available to the Authority or the State. The Authority or the State further agrees to supplement the Annual Information filing when such data is available.

(d) The parties hereto mutually agree that the State (and not the Authority) shall be primarily responsible for providing all of the information required to be provided pursuant to this Section. In the event the Authority receives notice pursuant to Section 13 hereof that the Counterparty has not received certain information required by this Agreement, then and only then shall the Authority take appropriate action to provide such information.

(e) Annual Information or audited financial statements required to be provided pursuant to this Section may be set forth in a document or set of documents, or may be included by specific reference to documents available to the public on the MSRB's Internet Web site or filed with the SEC.

Section 6. Accounting Principles. The accounting principles pursuant to which the State's financial statements will be prepared shall be generally accepted accounting principles, as in effect from time to time, as described in the independent auditors' report and the notes accompanying the audited financial statements of the State included in APPENDIX A to the Final Official Statement or those mandated by State law from time to time.

Section 7. Notice of Certain Events.

(a) The Authority and the State undertake to provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Authority or the State;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) For the purpose of the event set forth in subsection (a)(xii) above, such event is considered to occur when any of the following occur:

- (i) the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority; or
- (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority or the State.

(c) The Authority or the State may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Authority or the State, such other event is material with respect to the Bonds and should be disclosed, but neither the Authority nor the State commits to provide any such notice of the occurrence of any material event, except those events set forth above.

Section 8. Provision of Documents to the MSRB. All documents provided to the MSRB under this Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 9. Notice to Counterparty. Each of the Authority and the State hereby agrees to provide to the Counterparty a copy of any Annual Information, audited financial statements, event notice or notice of failure to disclose Annual Information, which it files or causes to be filed under Sections 5, 7 and 11 hereof, respectively, concurrently with or prior to such filing. The Authority or the State hereby agree to provide written notice to the Counterparty if it is determined, pursuant to Section 4 hereof, that it is no longer an Obligated Person under this Agreement. Such notices may be by facsimile transmission. Except as provided in Section 13 hereof, the Counterparty's receipt of any information, statements or notices pursuant to this Section shall impose on the Counterparty no duties of disclosure or dissemination with respect to such information or notices.

Section 10. Use of Agent.

(a) Either the Authority or the State may, at its sole discretion, utilize an agent or agents (the "Dissemination Agent") in connection with the dissemination of any information required to be provided by the Authority or the State pursuant to the terms of the SEC Rule and this Agreement. If a Dissemination Agent is selected for these purposes, the Authority and/or the State, as applicable, shall provide written notice thereof (as well as notice of replacement or dismissal of such agent) to the Counterparty and to the MSRB, in an electronic format as prescribed by the MSRB.

(b) Either the Authority or the State may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Authority and/or the State, as applicable, in making judgments with respect to the scope of their obligations hereunder and compliance therewith, all in order to further the purposes of this Agreement.

Section 11. Failure to Disclose. Notwithstanding any notices given by the Counterparty pursuant to Section 13 hereof, if, for any reason, the Authority or the State fails to provide the Annual Information as required by this Agreement, the Authority or the State shall provide notice of such failure in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB.

Section 12. Remedies.

(a) The purpose of this Agreement is to enable the Underwriters to purchase the Bonds by providing for an undertaking by the Authority and the State to satisfy, in part, the SEC Rule. This Agreement is solely for the benefit of the Bondholders and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Authority or the State for any failure to carry out any provision of this Agreement shall be for specific performance of the Authority's or the State's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Authority's or the State's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Indenture or any other agreement to which the Authority is a party.

(b) Subject to subsection (c) below, in the event the Authority or the State fails to provide any information required of it by the terms of this Agreement, any Bondholder may pursue the remedy set forth in subsection (a) above in any court of competent jurisdiction in the State. An affidavit to the effect that such person is a Bondholder supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Prior to pursuing any remedy under this Agreement, a Bondholder shall give notice to the Authority and the State, via registered or certified mail, of such breach and its intent to pursue such remedy. A Bondholder may pursue such remedy under this Agreement if and to the extent the Authority or the State has failed to cure such breach within fifteen (15) days after the mailing of such notice, and not before.

Section 13. Counterparty's Obligations.

(a) The Counterparty shall have no obligation to take any action whatsoever with respect to information provided by the Authority or the State under this Agreement (or of any Obligated Persons covered hereby), except (i) as set forth in this Section and (ii) any obligations arising from the Counterparty serving as a Dissemination Agent, and no implied covenants or obligations shall be read into this Agreement against the Counterparty. Further, the Counterparty shall have no responsibility to ascertain the truth, completeness, timeliness or accuracy of the information or notices provided as required hereunder by the Authority, the State or any Obligated Person, nor as to its sufficiency for purposes of compliance with the SEC Rule or the requirements of this Agreement.

(b) If the Counterparty has not received the Annual Information by the date which is ten (10) days before the date set forth in Section 5(a)(ii) hereof, the Counterparty shall notify the Authority, the State and any Dissemination Agent, if applicable, via registered or certified mail, electronic mail or facsimile, that it has not received such Annual Information. However, no failure by the Counterparty to provide any notice required by this subsection shall operate to relieve the Authority or the State of its obligation to provide the Annual Information in the manner and within the time specified in this Agreement. Nothing contained in this subsection shall operate to grant any additional rights or remedies to any Bondholder.

(c) The Counterparty shall be obligated to, and hereby agrees that it will, within five (5) business days after the date required by Section 5(a)(ii) hereof, provide to the MSRB, in an electronic format as prescribed by the MSRB, a notice of a failure of the Authority and the State to provide required Annual Financial Information on or before the times specified in this Agreement in the event that the Counterparty has not received a copy of such Annual Information; provided, however, that the Counterparty shall not give such notices as described in this subsection and subsection (b) above, if the Authority or the State has provided the Counterparty with notice that the Authority or the State has issued notice pursuant to Section 11 hereof. Subsequent to the Counterparty's issuance of notice pursuant to this subsection, and except as provided in any dissemination agreement in which the Counterparty is the Dissemination Agent, the Counterparty shall have no responsibility to issue any further notice of any sort to any person or entity.

Section 14. Resignation and Removal of Counterparty. The Counterparty may resign in its capacity under this Agreement at any time by giving thirty (30) days' written notice thereof to the Authority and the State. So long as the Authority or the State have not failed to honor their obligations as set forth in Sections 5, 7 and 9 hereof, the Authority may remove the Counterparty in its capacity under this Agreement at any time by giving written notice thereof to the Counterparty. Upon such resignation or removal, the Authority shall promptly appoint a successor Counterparty.

Section 15. Indemnification. To the extent permitted by law, the Authority and the State release the Counterparty from, agree that the Counterparty shall not be liable for, and agree to indemnify and hold the Counterparty harmless from, any liability for, or expense (including but not limited to reasonable attorney fees) resulting from, or any loss or damage that may be occasioned by any cause whatsoever pertaining to this Agreement or the actions taken or to be taken by the Counterparty under this Agreement, except the gross negligence or willful misconduct of the Counterparty. The obligations of the Authority and the State under this Section shall survive the resignation or removal of the Counterparty and payment of the Bonds.

Section 16. Modification of Agreement.

(a) The Authority, the State and the Counterparty may, from time to time, amend or modify this Agreement without the consent of or notice to the Bondholders if either: (i)(A) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Authority or the State, or type of business conducted or in connection

with the Project (as defined in the Indenture), (B) this Agreement, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (C) such amendment or modification does not materially impair the interests of the Bondholders, as determined either by (i) any person selected by the Authority and the State that is unaffiliated with the Authority and the State (including the Counterparty or the Trustee); or (ii) such amendment or modification (including an amendment or modification which rescinds this Agreement) is permitted by law or the SEC Rule, as then in effect.

(b) The Annual Information or audited financial statements for the fiscal year during which any such amendment or modification occurs that contains the amended or modified Annual Information or audited financial statements shall explain, in narrative form, the reasons for such amendment or modification and the impact of the change in the type of Annual Information or audited financial statements being provided.

Section 17. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State.

Section 18. Severability Clause. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 19. Successors and Assigns. All covenants and agreements in this Agreement made by the State, the Authority and the Counterparty shall bind their successors and assigns, whether so expressed or not.

Section 20. Notices. All notices required to be given under this Agreement shall be made at the following addresses:

If to the Authority: Indiana Finance Authority
One North Capitol, Suite 900
Indianapolis, Indiana 46204
Attn: Public Finance Director of the State of Indiana
Facsimile: 317 233-4332
Email: ifa@ifa.in.gov

If to the State: Office of Management and Budget
State of Indiana
Statehouse, Room 212
Indianapolis, Indiana 46204
Attn: Director
Facsimile: 317-233-3323
Email:

If to the Counterparty: U.S. Bank National Association
10 West Market Street, Suite 1150
Indianapolis, Indiana 46204
United States
Attn:
Facsimile:
Email:

Any party hereto may change its address, electronic mail address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

IN WITNESS WHEREOF, the Authority, the Counterparty and the State have caused this Agreement to be executed as of the date first above written.

INDIANA FINANCE AUTHORITY,
as Authority

By: _____
Christopher D. Atkins, Chairman

Attest:

Kendra W. York, Public Finance Director
of the State of Indiana

*[Signature page to Indiana Finance Authority I-69 Section 5
Continuing Disclosure Agreement]*

U.S. BANK NATIONAL ASSOCIATION, as
Counterparty

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

*[Signature page to Indiana Finance Authority I-69 Section 5
Continuing Disclosure Agreement]*

The undersigned, the State, acting by and through the Office of Management and Budget and the duly appointed and acting Director of the Office of Management and Budget for the State, hereby agrees with the Authority that the State will provide, or cause to be provided to the Authority or its designee, at the times and in the manner set forth in this Agreement so as to allow the Authority to fulfill its obligations thereunder, any information (including information required pursuant to Sections 5, 7 and 11 of this Agreement) regarding the State, which the Authority is required to provide pursuant to the terms of this Agreement.

STATE OF INDIANA (acting by and through the Office
of Management and Budget)

Christopher D. Atkins, Director

*[Signature page to Indiana Finance Authority I-69 Section 5
Continuing Disclosure Agreement]*

APPENDIX I-2

FORM OF BORROWER CONTINUING DISCLOSURE AGREEMENT

FORM OF BORROWER CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking, dated _____, 2014 (this “Undertaking”), is between I-69 Development Partners LLC, a Delaware limited liability company (the “Borrower”) and U.S. Bank National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America, as dissemination agent (the “Dissemination Agent”).

Section 1 Purpose of Undertaking. This Undertaking is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders and beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2 Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Authority*” means the Indiana Finance Authority.

“*Bonds*” means the Authority’s Tax-Exempt Private Activity Bonds (I-69 Section 5 Project), Series 2014 in the aggregate principal amount of \$243,845,000 issued pursuant to the Indenture.

“*Dissemination Agent*” means, initially, U.S. Bank National Association, or any successor Dissemination Agent designated in accordance with this Undertaking.

“*Indenture*” means the Indenture of Trust, dated as of July 1, 2014, between the Authority and U.S. Bank National Association, as trustee, and any amendment or supplement thereto.

“*Material Events*” means any of the events listed in Section 4 of this Undertaking.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board. The MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org> (or any successor system thereto).

“*Official Statement*” means the final Official Statement dated July 9, 2014, together with any supplements thereto, related to the offer and sale of the Bonds.

“*Participating Underwriter*” means any original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“*Rule*” means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240 § 240.15c2-12).

“*SEC*” means the Securities and Exchange Commission.

“*Senior Loan Agreement*” means the Senior Loan Agreement, dated as of July 1, 2014, between the Authority and the Borrower.

Section 3 Provision of Reports.

(a) The Borrower shall provide to the Dissemination Agent a copy of the Borrower's annual financial statements (including a balance sheet, income statement and statement of cash flows, setting forth in comparative form the respective audited figures as of the end of and for the previous fiscal year, if available), in each case prepared in accordance with generally accepted accounting principles audited by an independent public accountant of nationally recognized standing not later than the date which is one hundred twenty (120) days after the end of each fiscal year of the Borrower, commencing with the end of the Borrower's fiscal year ending December 31, 2014. The Borrower shall include with each submission of the Borrower audited financial statements to the Dissemination Agent a written representation addressed to the Dissemination Agent to the effect that such statements are the Borrower's audited financial statements required by this Undertaking and that they comply with the requirements of this Section 3.

(b) The Borrower shall also provide to the Dissemination Agent all reports, information, documents and notices required to be provided pursuant to Section 6.05(c) paragraphs (ii) through (ix), (xi) and (xii), and Section 6.19 of the Senior Loan Agreement (or any corresponding sections of any amended provisions of the Senior Loan Agreement) on the dates and in the form required by the Senior Loan Agreement (collectively, the "Senior Loan Agreement Reporting Documents"). Such Senior Loan Agreement Reporting Documents may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided below. The Borrower shall include with each submission of the Senior Loan Agreement Reporting Documents to the Dissemination Agent a written representation addressed to the Dissemination Agent to the effect that such documents are the Senior Loan Agreement Reporting Documents required by this Undertaking and that they comply with the requirements of this Section 3 and Sections 6.05 and 6.19, as applicable, of the Senior Loan Agreement.

Any of the items required to be provided pursuant to (a) and (b) above may be incorporated by reference from other documents, including official statements of debt issues of the Borrower, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Borrower shall clearly identify each such document incorporated by reference.

(c) The Dissemination Agent shall provide: (i) the Borrower audited financial statements required to be provided by the Borrower under Section 3(a) of this Undertaking and (ii) all reports, information, documents and notices required to be provided by the Borrower under Section 3(b) of this Undertaking, to the MSRB in electronic format as prescribed by the MSRB within five (5) business days after receipt of the audited financial statements and/or any such reports, information, documents and notices from the Borrower.

(d) If the Borrower is unable to provide to the Dissemination Agent its audited financial statements by the date required in Section 3(a) above or the reports, information, documents and notices by the dates required in Section 3(b), the Dissemination Agent shall send a notice in substantially the form attached as Exhibit A to the MSRB. If the Dissemination Agent has actual notice of the Borrower's failure to provide any of the reports, information, documents and notices required in Section 3(b), the Dissemination Agent shall send a notice in substantially the form attached as Exhibit A to the MSRB. For purposes of this section, "actual notice" shall mean actual knowledge of a Trustee Representative.

(e) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the audited financial statements of the Borrower pursuant to Section 3(a) above the appropriate electronic format prescribed by the MSRB; and

(ii) provide evidence to the Borrower (which evidence may be in the form of a confirmation email from EMMA confirming submission) that the audited financial statements required to be provided pursuant to Section 3(a) above, and any other notices, reports, documents or information required to be provided pursuant to Section 3(b) above, have been provided to the MSRB pursuant to this Undertaking, stating the date it was provided and listing all the entities to which it was provided.

(f) If the Borrower changes its fiscal year end, the Borrower shall give prompt notice of such change in the same manner as for a Material Event listed under Section 4(a) hereof.

Section 4 Reporting of Material Events. (a) The Borrower shall provide or cause to be provided, in a timely manner, but not later than ten (10) business days after the occurrence of the events listed below (each a “Material Event”), to the Dissemination Agent, and the Dissemination Agent shall thereafter promptly provide notice to the MSRB, as instructed by the Borrower, of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of holders or beneficial Owners of the Bonds, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Borrower; provided that for the purposes of this paragraph (xii), the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) If the Trustee is the same party as the Dissemination Agent, the Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Material Events, contact the Borrower Representative (as defined in the Indenture) and inform the Borrower Representative of the occurrence of

a Material Event as follows: (1) if the Material Event that occurred is one described in paragraphs (i), (iii), (iv), (v), (vi), (viii), (ix), (x), (xi) or (xii) of subsection (a) of this Section, report such event pursuant to subsection (e) of this Section, or (2) if the Material Event that occurred is described in paragraphs (ii), (vii), (xiii) or (xiv) of subsection (a) of this Section, request that the Borrower promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d) of this Section. For purposes of this subsection (b), “obtaining actual knowledge” means receipt of actual notice of any of such Material Event by a Trustee Representative.

Whenever the Borrower obtains knowledge of the occurrence of a Material Event, described in paragraphs (ii), (vii), (xiii) or (xiv) of subsection (a) of this Section, whether because of a notice from the Dissemination Agent pursuant to subsection (b) of this Section or otherwise, the Borrower shall as soon as possible determine if such event would be material under applicable federal securities law. If the Borrower has determined that such Material Event could be deemed to be material under applicable federal securities law, the Borrower shall promptly notify the Dissemination Agent in writing and shall instruct the Dissemination Agent to report the occurrence in accordance with subsection (d) of this Section.

(c) If, on the other hand, the Borrower determines that such Material Event could not be deemed to be material under applicable federal securities law, the Borrower shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence in accordance with subsection (d) of this Section.

(d) If the Dissemination Agent has been instructed by the Borrower to report the occurrence of a Material Event in accordance with this Section 4, the Dissemination Agent shall file a notice of such occurrence with EMMA. Notwithstanding the foregoing, notice of Material Events described in paragraphs (viii) and (ix) of subsection (a) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds as required by the Indenture.

Section 5 Identifying Information. All documents provided to the MSRB pursuant to this Undertaking shall be accompanied by identifying information as prescribed by the MSRB.

Section 6 Termination of Reporting Obligation. The Borrower’s and the Dissemination Agent’s obligations under this Undertaking shall terminate upon the earliest of: (a) the date of legal defeasance, prior redemption or payment in full of all of the Bonds in accordance with the terms of the Indenture; (b) the date on which the Borrower shall no longer constitute an “obligated person” within the meaning of the Rule; or (c) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds, which determination shall be evidenced by an opinion of nationally recognized bond counsel selected by the Borrower. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice to the Dissemination Agent of such termination in the same manner as for a Material Event under Section 4(d) hereof.

Section 7 Amendment; Waiver. Notwithstanding any other provision of this Undertaking, the Borrower and the Dissemination Agent may amend this Undertaking (and the Dissemination Agent shall agree to any amendment so requested by the Borrower to the extent that such amendment does not adversely affect the rights of the Dissemination Agent), and any provision of this Undertaking may be waived, by an amendment or waiver duly executed in writing by the Borrower and the Dissemination Agent, provided, that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3 or Section 4(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of Bond Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by the holders or beneficial Owners of the Bonds, to the extent required under and in the manner provided for in the Indenture, or (ii) does not, in the opinion of the Trustee or Bond Counsel, materially impair the interests of the holder or beneficial Owners of the Bonds.

If the annual financial statements to be provided hereunder are amended, the amended annual financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial statements for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Borrower to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB, in the same manner as for a Material Event under Section 4(d) hereof.

Section 8 Additional Information. Nothing in this Undertaking shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any of the notices, information, documents or reports required by Sections 3(a) and 3(b) hereof or any notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the Borrower chooses to include any information in any such dissemination or notice of occurrence of a Material Event in addition to that which is specifically required by this Undertaking, the Borrower shall have no obligation under this Undertaking to update such information or include such in any future dissemination or notice of occurrence of a Material Event.

Section 9 Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Undertaking, any holder or beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower or the Dissemination Agent to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed on its own to be an event of default under the Indenture or the Senior Loan Agreement (unless such default hereunder is also a specified event of default as defined in the Indenture or the Senior Loan Agreement), and the sole remedy under this Undertaking in the event of any failure of the Borrower or the Dissemination Agent to comply with this Undertaking shall be an action to compel performance. The Dissemination Agent shall have no power or duty to enforce this Undertaking, nor shall the Dissemination Agent have any responsibility for the content of any report, disclosure or notice provided by the Borrower. The Dissemination Agent shall have no liability to any person, including any holder or beneficial Owners of the Bonds, with respect to any reports, notices or disclosures provided to it by the Borrower hereunder.

Section 10 Resignation or Removal of Dissemination Agent/Merger. The Dissemination Agent may resign at any time upon 30 days' prior written notice to the Borrower. The Borrower may remove the Dissemination Agent, at any time, upon 30 days' prior written notice to the Dissemination Agent. Such resignation or removal shall take effect upon the appointment by the Borrower of a successor Dissemination Agent or upon execution by the Borrower of a written undertaking in which the Borrower agrees to assume all of the obligations of the Dissemination Agent hereunder, but in no event earlier than 30 days after such written notice of resignation or removal has been given. If the Dissemination Agent also serves as the Trustee under the Indenture, the Dissemination Agent may resign or be removed under this Undertaking without also resigning or being removed as Trustee under the Indenture. The new Dissemination Agent or the Borrower, as the case may be, shall forthwith give notice thereof to the MSRB and the Trustee.

Any bank, corporation or association into which the Dissemination Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Dissemination Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Dissemination Agent shall be the successor of the Dissemination Agent hereunder without the execution or filing of any paper with any party hereto or any further act

on the part of any of the parties hereto, except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

Section 11 Compensation. As compensation for its services under this Undertaking, the Dissemination Agent shall be compensated or reimbursed by the Borrower for its reasonable fees and expenses (including without limitation, legal fees and expenses) in performing the services specified under this Undertaking as separately agreed to in writing between the Borrower and the Dissemination Agent.

Section 12 Duties, Immunities and Liabilities of the Dissemination Agent. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Borrower. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Borrower shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Borrower.

The Dissemination Agent undertakes to perform such duties and only such duties as are specifically set forth in this Undertaking and no implied covenants or obligations shall be read into this Undertaking against the Dissemination Agent. None of the provisions of this Undertaking shall require the Dissemination Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Dissemination Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Dissemination Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Dissemination Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct. Section 7.02 of the Senior Loan Agreement is hereby made applicable to this Undertaking and the Dissemination Agent shall be entitled to the protections and limitations from liability afforded the Trustee thereunder. The obligations of the Borrower under this Section shall survive the resignation and removal of the Dissemination Agent and maturity of the Bonds.

Section 13 Beneficiaries. This Undertaking shall inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14 Governing Law. This Undertaking shall be governed by the laws of the State of Indiana.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower and the Dissemination Agent have caused this Continuing Disclosure Undertaking to be executed in their respective names, all as of the date first above written.

I-69 DEVELOPMENT PARTNERS LLC, a Delaware limited liability company

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as Dissemination Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligated Person: I-69 Development Partners LLC, a Delaware limited liability company (the “Borrower”).

Name of Bond Issue: Indiana Finance Authority Tax-Exempt Private Activity Bonds (I-69 Section 5 Project), Series 2014, dated as of their date of delivery, in the aggregate principal amount of \$243,845,000 (the “Bonds”).

Date of Issuance: _____, 2014,

CUSIP No. _____.

NOTICE IS HEREBY GIVEN that the Borrower has not provided a [its audited financial statements][information required by Section 3(b) of the Undertaking (defined below)] with respect to the Bonds as required by the Continuing Disclosure Undertaking, dated as of _____, 2014 among the Borrower and U.S. Bank National Association, as Dissemination Agent (the “Undertaking”). The Borrower has represented that [its audited financial statements][information required by Section 3(b) of the Undertaking] will be filed by [date].

Dated: _____, 20____.

_____, as Dissemination Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

Cc: I-69 Development Partners LLC

APPENDIX J

FORM OF APPROVING OPINION OF BOND COUNSEL

July 23, 2014

Indiana Finance Authority
Indianapolis, Indiana

I-69 Development Partners LLC
Indianapolis, Indiana

Re: Indiana Finance Authority
Tax-Exempt Private Activity Bonds
(I-69 Section 5 Project), Series 2014

We have acted as bond counsel to I-69 Development Partners LLC (the “Borrower”), in connection with the issuance and sale by the Indiana Finance Authority (the “Issuer”) of the Indiana Finance Authority Tax-Exempt Private Activity Bonds (I-69 Section 5 Project), Series 2014 (the “Bonds”), in the aggregate principal amount of \$243,845,000, pursuant to Indiana Code 4-4-10.9, as amended, and Indiana Code 4-4-11, as amended, a resolution adopted by the Issuer on May 15, 2014 (the “Resolution”), an Indenture of Trust, dated as of July 1, 2014 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee, a Senior Loan Agreement, dated as of July 1, 2014 (the “Loan Agreement”), between the Issuer and the Borrower, and a Bond Purchase Agreement, dated July 9, 2014, among the Issuer, the Borrower and Citigroup Global Markets Inc. and Jefferies LLC. In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on representations of the Issuer and the Borrower contained in the Resolution, the Indenture and the Loan Agreement, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer, the Borrower and others, including, without limitation, certifications contained in the Tax Regulatory Agreement and No Arbitrage Certificate of the Issuer and the Borrower, dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Chadbourne & Parke LLP, New York, New York, counsel to the Borrower, dated the date hereof, as to the matters stated therein.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a body politic and corporate, validly existing under the laws of the State of Indiana (the “State”), with the requisite corporate power to adopt the Resolution and enter into the Indenture and the Loan Agreement and perform its obligations thereunder and to issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special and limited obligations of the Issuer, enforceable in accordance with their terms. The Bonds are payable solely from the Trust Estate (as defined in the Indenture).
3. Each of the Indenture and the Loan Agreement has been duly authorized, executed and delivered by the Issuer and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.
4. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the “Code”), interest on the Bonds is excludable from gross income for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a “substantial user” of the facilities financed by the Bonds or a “related person” within the meaning of Section 147(a) of the Code. The opinion set forth in this paragraph is subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be,

excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted or represented that they will comply with such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

5. Interest on the Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

6. Interest on the Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement, dated July 9, 2014, or any other offering material relating to the Bonds.

We express no opinion regarding any tax consequences arising with respect to the Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that, in our opinion, the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX K

BOOK ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2014 Bond certificate will be issued for each maturity of the Series 2014 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York UCC, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the Direct Participants, the “Participants”). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2014 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2014 Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014 Bonds, such as redemptions, defaults, and proposed amendments to the Series 2014 Bond documents. For example, Beneficial Owners of the Series 2014 Bonds may

wish to ascertain that the nominee holding the Series 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2014 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on the date payable in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Issuer or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2014 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2014 Bond certificates will be printed and delivered.

THE INFORMATION PROVIDED ABOVE HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE ISSUER, THE COMPANY, THE UNDERWRITERS OR ANY OTHER PERSON AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

APPENDIX L

SUMMARY OF CERTAIN CONTRACTING AUTHORITY AGREEMENTS

The following is a summary of selected provisions of the Milestone Agreement and the Use Agreement and is not a full statement of the terms of such agreements. Accordingly, such summary is qualified in its entirety by reference to such agreements and is subject to the full text of such agreements. Capitalized terms used in this Section but not defined in this Official Statement have the meaning assigned to such terms in the Milestone Agreement or the Use Agreement, as applicable.

Milestone Agreement

Term and Renewal

The initial term of the Milestone Agreement ends June 30, 2015. After the initial term, the Contracting Authority and the Department will have the right to extend the term of the Milestone Agreement from Biennium to Biennium. The Contracting Authority and the Department will be deemed to have exercised such right to extend the term of the Milestone Agreement, and the Milestone Agreement will be extended for each successive Biennium, without further action or notice unless either the Contracting Authority or the Department delivers written notice of non-extension to the other party thereto, not less than six months prior to the last day of any Biennium, in which event, the Milestone Agreement will terminate on the last day of such Biennium. The Milestone Agreement will terminate upon the first of the following events: (a) June 30, 2015, or if the Milestone Agreement has been extended by the Contracting Authority and the Department, then on the last day of any Biennium in which notice of non-extension is given in accordance with the Milestone Agreement; (b) the later of the first day for which funds have not been appropriated or the first day on which funds are not available to the Contracting Authority or the Department to pay when due any amount payable by the Department under the Milestone Agreement or by the Contracting Authority under the Public-Private Agreements Act; provided such event will not cause a termination of the Milestone Agreement if the Contracting Authority in its sole discretion elects not to treat such event as a cause for termination of the Milestone Agreement; or (c) the termination of the Milestone Agreement by the Contracting Authority as a result of an event of default described below.

Department Milestone Payments

Under the Milestone Agreement, the Department agrees to pay a Department Milestone Payment on or before each of December 1, 2014, August 1, 2015, and August 1, 2016, in the respective amounts of \$15,000,000, \$45,000,000 and \$20,000,000. Such payments will be made to the Contracting Authority or such account as the Contracting Authority may specify, so as to assure immediately available funds in such account on or before the payment date specified for each such Department Milestone Payment.

Department Compensation Payments

Under the Milestone Agreement, the Department has agreed to make Department Compensation Payments to the Contracting Authority to fund Compensation Amounts as set forth in supplements to the Milestone Agreement in an amount equal to the Department Compensation Payments owed by the Contracting Authority to the Company prior to the Substantial Completion Date. Such payments will be made to the Contracting Authority or such account as the Contracting Authority may specify, so as to assure immediately available funds in such account on or before the payment date specified for each such Department Compensation Payment.

Budgeting

On or before the first day of August of each even numbered year, the Contracting Authority will prepare an annual budget forecast for each of the ensuing two State Fiscal Years which will set forth in reasonable detail: (i) Milestone Payments owed by the Contracting Authority to the Company under the Public-Private Agreement for such State Fiscal Year; (ii) the Compensation Amounts owed by the Contracting Authority to the Company under the Public-Private Agreement for such State Fiscal Year; (iii) the amount of funds held by or on behalf of the

Contracting Authority expected to be available to make Milestone Payments and pay Compensation Amounts in such State Fiscal Year; (iv) the amount of funds to be appropriated to the Department to make Department Milestone Payments to the Contracting Authority under the Milestone Agreement; and (v) the amount of funds expected to be appropriated to the Department which are available to make Department Compensation Payments to the Contracting Authority under the Milestone Agreement.

As soon as available after the end of each session of the General Assembly of the State during an odd numbered year but in any event prior to the beginning of the ensuing State Fiscal Year, the Contracting Authority will adopt annual budgets for each of the ensuing State Fiscal Years in such Biennium which will set forth in reasonable detail: (i) the Milestone Payments owed by the Contracting Authority to the Company under the Public-Private Agreement for such State Fiscal Year; (ii) the amount of funds held by or on behalf of the Contracting Authority expected to be available to make Milestone Payments and pay any Compensation Amounts in such State Fiscal Year; (iii) the Compensation Amounts owed by the Contracting Authority to the Company under the Public-Private Agreement for such State Fiscal Year; (iv) the actual amount of funds appropriated to the Department to make Department Milestone Payments to the Contracting Authority under the Milestone Agreement; and (v) the actual amount of funds appropriated to the Department which are available to make the Department Compensation Payments to the Contracting Authority under the Milestone Agreement.

For purposes of budgeting for the Department Compensation Payments above, the Contracting Authority will take into account any Compensation Amounts owed by the Contracting Authority to the Company under the Public-Private Agreement which are ascertainable at such time. In the event that a Relief Event occurs which results in the Contracting Authority owing a Compensation Amount to the Company which was not previously taken into account for purposes of establishing Department Compensation Payments, the Contracting Authority agrees to notify the Department of the Compensation Amount and to request an increase in the Department Compensation Payment for such period in an amount sufficient to pay the Compensation Amount. The Department agrees to use its best efforts to pay such increased Department Compensation Payment from amounts which have been appropriated to the Department and held by the Department as a contingency for Department construction projects to the extent amounts are available at such time.

Appropriations to the Department

In the Milestone Agreement, the Department covenants that it will do all things lawfully within its power to obtain and maintain funds from which to meet its Department Milestone Payment and the Department Compensation Payment (collectively, the “Department Payments”) obligations under the Milestone Agreement, including, but not limited to, including its Department Payment obligations in the applicable budget of the Department, requesting an appropriation in an amount sufficient to meet such obligations under the Milestone Agreement in writing at a time sufficiently in advance of the date for payment thereof, so that an appropriation may be made in the normal State budgetary process, using its *bona fide* best efforts to have such request approved and exhausting all available reviews and appeals in the event such request is not approved. The Department also agrees to include the Project in the Indiana Statewide Transportation Improvement Program as supplemented and amended from time to time.

The Department Payments are payable by the Department solely from appropriations from the General Assembly of the State to the Department. The obligations of the Department to make such Department Payments do not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligation of the Department to make such Department Payments does not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Company does not, and the Owners of the Series 2014 Bonds, individually or collectively, will not, have a right to have taxes levied or to compel appropriations by the General Assembly of the State for any payments of the Department under the Milestone Agreement.

Events of Default and Remedies

Under the Milestone Agreement, if the Department fails to pay or cause to be paid any amount payable by the Department to the Contracting Authority under the Milestone Agreement when due, fails to observe or perform

any covenant, condition or agreement regarding appropriations described above, or fails to observe or perform any covenant, condition or agreement other than the foregoing, which failure continues for a period of 30 days following written notice specifying such failure and requesting that it be remedied, the Contracting Authority may terminate the Milestone Agreement and/or take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Department under the Milestone Agreement.

Use Agreement

Term, Renewal and Commencement of Use Payments

The initial term of the Use Agreement ends June 30, 2015. After the initial term, the Contracting Authority and the Department will have the right to extend the term of the Use Agreement from Biennium to Biennium. The Contracting Authority and the Department will be deemed to have exercised such right to extend the term of the Use Agreement and the Use Agreement will be extended for each successive Biennium, without further action or notice unless either the Contracting Authority or the Department delivers written notice of non-extension to the other party, not less than six months prior to the last day of any Biennium, in which event, the Use Agreement will terminate on the last day of such Biennium. The Use Agreement will terminate upon the occurrence of the first of the following events: (a) June 30, 2015, or if the Use Agreement has been extended by the Contracting Authority and the Department, then on the last day of any Biennium in which notice of non-extension is given in accordance with the Use Agreement; (b) the later of the first day for which funds have not been appropriated or the first day on which funds are not available to the Contracting Authority or the Department to pay when due any amount payable by the Department under the Use Agreement or by the Contracting Authority under the Public-Private Agreements Act; provided such event will not cause a termination of the Use Agreement if the Contracting Authority in its sole discretion elects not to treat such event as a cause for termination of the Use Agreement; or (c) the termination of the Use Agreement by the Contracting Authority as a result of an event of default described below.

Use Payments

Commencing on the first day of the State Fiscal Quarter following the State Fiscal Quarter in which the Substantial Completion Date occurs, the Department has agreed, subject to the availability of appropriated funds and the Project being actually used or available for use, to make a quarterly Use Payment for the Project or any portions thereof in an amount equal to the aggregate quarterly Use Payments set forth in agreements supplemental or amendatory of the Use Agreement (as provided in the Use Agreement), to the Contracting Authority or to such account as the Contracting Authority may from time to time specify, so as to assure immediately available funds in such account on or before the first day of each State Fiscal Quarter succeeding those State Fiscal Quarters during which the Project was actually used or available for use pursuant to the Use Agreement; provided, that if the first day of any such State Fiscal Quarter is not a business day then on or before the immediately preceding business day. Under the Use Agreement, the Department has agreed to make the Use Payments to be made by the Department under the Use Agreement for each State Fiscal Year in an amount which is expected to be at least equal to the Maximum Availability Payment for such State Fiscal Year. Under the Use Agreement, the Contracting Authority and the Department agree to adjust the Use Payments to an amount sufficient to fund the Use Payment Requirements for a State Fiscal Year, which is an amount expected to be at least equal to the sum of: (i) the Authority Costs during such State Fiscal Year; (ii) the Maximum Availability Payment for such State Fiscal Year; and (iii) the amounts necessary to pay Compensation Amounts owed by the Contracting Authority to the Company under the Public-Private Agreement during such State Fiscal Year. The Contracting Authority and the Department will, on the Substantial Completion Date for the Project and from time to time thereafter, enter into one or more amendments to the Use Agreement, each of which amendments will include an addendum superseding the prior addendum to adjust the Use Payments to an amount sufficient to fund the Use Payment Requirements.

If, after the Substantial Completion Date, the Project will not be available for use, the Use Payments due under the Use Agreement will be abated during the period that such Project is not available for use in an amount which reflects the adjustment in payments owed to the Company by the Contracting Authority under the Public-Private Agreement.

Budgets

On or before the first day of August of each even numbered year, the Contracting Authority will prepare and provide to the Department an annual budget forecast for each of the ensuing two State Fiscal Years which will set forth in reasonable detail: (i) Maximum Availability Payment for each such State Fiscal Year; (ii) the estimated Authority Costs for each such State Fiscal Year; (iii) the estimated amounts necessary to pay Compensation Amounts owed by the Contracting Authority to the Company under the Public-Private Agreement during each such State Fiscal Year; and (iv) the amount of funds to be appropriated to the Department to make Use Payments to the Contracting Authority under the Use Agreement.

As soon as available after the end of each session of the General Assembly of the State during an odd numbered year but in any event prior to the beginning of the ensuing State Fiscal Year, the Contracting Authority will adopt and provide to the Department an annual budget for each of the ensuing two State Fiscal Years in such Biennium which will set forth in reasonable detail: (i) the Maximum Availability Payment for each such State Fiscal Year; (ii) the estimated Authority Costs for such State Fiscal Years; (iii) the amounts sufficient to pay Compensation Amounts owed by the Contracting Authority to the Company under the Public-Private Agreement during such State Fiscal Years; and (iv) the actual amount of funds appropriated for each such State Fiscal Year to the Department to make the Use Payments to the Contracting Authority under the Use Agreement.

For purposes of budgeting for the Use Payments above, the Contracting Authority will take into account any Compensation Amounts owed by the Contracting Authority to the Company under the Public-Private Agreement which are ascertainable at such time. In the event that a Relief Event occurs which results in the Contracting Authority owing a Compensation Amount which was not previously taken into account for purposes of establishing Use Payments, the Contracting Authority agrees to notify the Department of the Compensation Amount and to request an increase in the Use Payment for such period in an amount sufficient to pay the Compensation Amount. The Department agrees to use its best efforts to pay such increased Use Payment from amounts which have been appropriated to the Department and held by the Department as a contingency for Department construction projects to the extent amounts are available at such time.

Appropriations

The Department covenants that it will do all things lawfully within its power to obtain and maintain funds from which to meet its Use Payment obligations under the Use Agreement, including, but not limited to, including its Use Payment obligations under the Use Agreement in the applicable budget of the Department, requesting an appropriation in an amount sufficient to meet its Use Payment obligations under the Use Agreement in writing at a time sufficiently in advance of the date for payment thereof so that an appropriation may be made in the normal State budgetary process, using its *bona fide* best efforts to have such request approved, and exhausting all available reviews and appeals in the event such request is not approved.

The Use Payments are payable by the Department solely from appropriations from the General Assembly of the State to the Department for such Biennium. The obligations of the Department to make the Use Payments do not constitute an indebtedness of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The obligation of the Department to make such Use Payments does not constitute a pledge of the faith, credit or taxing power of the State or any political subdivision thereof within the meaning or application of any constitutional provision or limitation. The Company does not, and the Owners of the Series 2014 Bonds, individually or collectively, will not, have a right to have taxes levied or to compel appropriations by the General Assembly of the State for any payment of the Department under the Use Agreement.

Events of Default and Remedies

Under the Use Agreement, if the Department fails to pay or cause to be paid the Use Payments or other amounts payable by the Department when due, fails to observe or perform any covenant, condition or agreement regarding appropriations described above, or fails to observe or perform any covenant, condition or agreement other than the foregoing, which failure continues for a period of 30 days after written notice specifying such failure and requesting that it be remedied, the Contracting Authority may terminate the Use Agreement by written notice to the Department and/or take whatever action at law or in equity may appear necessary or desirable to collect the

payments then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Department under the Use Agreement.

ISSUER

Indiana Finance Authority
One North Capitol Avenue, Suite 900
Indianapolis, Indiana 46204
United States of America

COMPANY

I-69 Development Partners LLC
101 W. Ohio Street, Suite 2000
Indianapolis, Indiana 46204
United States of America

SPONSORS

Isolux Infrastructure Netherlands B.V.
Strawinskylaan 411
1077 XX Amsterdam
Kingdom of the Netherlands

Infra-PSP Canada Inc.
1250 René-Lévesque Blvd. West, Suite 900
Montréal, Québec
Canada, H3B 4W8

UNDERWRITERS

Citigroup Global Markets Inc.
390 Greenwich Street
New York, New York 10013
United States of America

Jefferies LLC
520 Madison Avenue
New York, New York 10022
United States of America

**INDENTURE TRUSTEE, SECURITIES INTERMEDIARY,
AND COLLATERAL AGENT**

U.S. Bank National Association
10 West Market Street, Suite 1150
Indianapolis, Indiana 46204
United States

LEGAL ADVISERS

To the Issuer

Ice Miller LLP
One American Square, Suite 2900
Indianapolis, Indiana 46282
United States of America

Nossaman LLP
777 South Figueroa Street, 34 Floor
Los Angeles, California 90017
United States of America

To the Company, the Pledgor and the Sponsors

As to United States law
To the Company, the Pledgor and
Isolux Infrastructure
Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, New York 10112
United States of America

As to United States law

To PSP
Morrison & Foerster LLP
250 West 55 Street
New York, NY 10019
United States of America

As to Indiana law
To the Company, the Pledgor and
Isolux Infrastructure
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
United States of America

To the Underwriters

As to United States law
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
United States of America

As to Indiana law
Krieg DeVault LLP
One Indiana Square
Indianapolis, Indiana 46204
United States of America

\$243,845,000

**TAX-EXEMPT PRIVATE ACTIVITY BONDS
(I-69 SECTION 5 PROJECT), SERIES 2014**

INDIANA FINANCE AUTHORITY

OFFICIAL STATEMENT

July 9, 2014
