

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2017

NEW ISSUE — BOOK-ENTRY ONLY

RATINGS: Fitch: “___”
DBRS: “___”
(See “RATINGS” herein)

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2017 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2017 Bonds (the “Tax Code”), interest on the Series 2017 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. Income from any Series 2017 Bonds is exempt from all taxation and assessments in Colorado. See “TAX MATTERS.”

\$ _____ *

**COLORADO HIGH PERFORMANCE TRANSPORTATION ENTERPRISE
C-470 Managed Lane Senior Revenue Bonds
Series 2017**

Dated: Date of Delivery

Due: [January 1], as shown on inside front cover

The Colorado High Performance Transportation Enterprise C-470 Managed Lane Senior Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) are being issued by the Colorado High Performance Transportation Enterprise (“HPTE”), created within the Colorado Department of Transportation (“CDOT”), for the purposes of (i) paying the costs of designing, engineering, developing and constructing a managed lanes project on a portion of C-470, widening and replacing adjacent general purpose lanes and rehabilitating or reconstructing related bridges, as more particularly described herein, (ii) paying capitalized interest on the Series 2017 Bonds; (iii) making deposits to various reserve funds, described herein, and (iv) paying the costs of issuing the Series 2017 Bonds. The Series 2017 Bonds are being issued pursuant to a Master Trust Indenture to be dated as of the date of issuance of the Series 2017 Bonds (the “Master Indenture”) and a 2016 Supplemental Trust Indenture to be dated as of the date of issuance of the Series 2017 Bonds (the “2017 Supplemental Indenture,” and together with the Master Indenture, the “Indenture”), each between HPTE and Zions Bank, a division of ZB, National Association, as Trustee (the “Trustee”).

THE SERIES 2017 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF HPTE, PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE CREATED BY THE INDENTURE, CONSISTING OF AMOUNTS DEPOSITED IN A TRANSPORTATION SPECIAL REVENUE FUND, INCLUDING TOLL REVENUES IMPOSED BY HPTE, AND OTHER MONEYS INCLUDED IN THE TRUST ESTATE. THE OWNERS OF THE SERIES 2017 BONDS MAY NOT LOOK TO ANY OTHER REVENUES OR FUNDS OF HPTE OR TO ANY REVENUES OR FUNDS OF CDOT (EXCEPT TO THE EXTENT DESCRIBED HEREIN) OR THE STATE OF COLORADO (THE “STATE”) FOR PAYMENT OF THE SERIES 2017 BONDS, AND THE SERIES 2017 BONDS SHALL NOT BE DEEMED OR CONSTRUED AS CREATING A DEBT OR MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF CDOT OR THE STATE WITHIN THE MEANING OF THE STATE CONSTITUTION OR LAWS OF THE STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE, OR A PLEDGE OF THE TAXING POWERS, FAITH, OR CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. HPTE HAS NO TAXING POWERS.

Maturity Schedule on Inside Front Cover

Interest on the Series 2017 Bonds is payable on each [January 1] and [July 1], commencing [July 1], 2017. The Series 2017 Bonds are being issued in fully registered, book-entry form in authorized denominations of \$5,000 and any integral multiple thereof and, when issued, will be initially registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as a securities depository for the Series 2017 Bonds. Purchases of the Series 2017 Bonds may be made only in book-entry form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC, as described herein. Purchasers will not receive certificates representing their interest in the Series 2017 Bonds purchased. Principal of and interest on the Series 2017 Bonds are payable by the Trustee to DTC, which will be responsible for remitting such payments in accordance with its normal procedures, as described herein.

Certain of the Series 2017 Bonds are subject to redemption prior to maturity, as described herein.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement, including “INVESTMENT CONSIDERATIONS,” to obtain information essential to the making of an informed investment decision.

The Series 2017 Bonds are offered when, as, and if issued by HPTE, subject to the approving opinion of Sherman & Howard L.L.C., Denver, Colorado, Bond Counsel. Certain legal matters will be passed upon for HPTE by the Office of the Attorney General of the State and by HPTE’s co-special counsel, Nossaman LLP, Los Angeles, California and Sherman & Howard L.L.C., Denver, Colorado. Certain legal matters will be passed upon for the Underwriters by Hogan Lovells US LLP, Denver, Colorado. First Southwest, a Division of Hilltop Securities, Inc., Denver, Colorado, has acted as financial advisor to HPTE in connection with the Series 2017 Bonds. It is expected that the Series 2017 Bonds in book-entry form will be available for delivery through DTC on or about February __, 2017.

J.P. Morgan Securities

Goldman Sachs & Co.

February __, 2017

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE
(CUSIP six digit issuer No. _____)

\$ _____ *

**Colorado High Performance Transportation Enterprise
C-470 Managed Lane Senior Revenue Bonds
Series 2017**

| <u>Maturity Date</u> (____)1 | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>Yield</u> | <u>CUSIP**</u> |
|---------------------------------|-----------------------------------|--------------------------------|--------------|----------------|
|---------------------------------|-----------------------------------|--------------------------------|--------------|----------------|

© Copyright 2017, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of owners of the Series 2017 Bonds only, and neither HPTE nor the Underwriter make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2017 Bonds.

* Preliminary, subject to change.

COLORADO HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

BOARD

Kathy Gilliland (Chair)
Don Marostica (Vice Chair)
Shannon Gifford
Jan Martin
Thad Noll
Gary Reiff
Trey Rogers

ADMINISTRATION

David Spector, Director
Nicholas Farber, Operations Manager

ISSUER'S COUNSEL

Colorado State Attorney General's Office

BOND AND DISCLOSURE COUNSEL

Sherman & Howard L.L.C.

HPTE CO-SPECIAL COUNSEL

Nossaman LLP
Sherman & Howard L.L.C.

BOND TRUSTEE

Zions Bank, a division of ZB, National Association

TRAFFIC AND REVENUE ADVISOR

The Louis Berger Group, Inc.

FINANCIAL ADVISOR

First Southwest, a Division of Hilltop Securities, Inc.

No dealer, broker, or other person has been authorized by HPTE, CDOT, the State, or the Underwriters to give any information or to make any representation in connection with the offering of the Series 2017 Bonds, other than the information and representations contained in this Official Statement and, if given or made, such information or representation must not be relied upon as having been authorized by HPTE or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2017 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of HPTE since the date hereof. The information set forth herein concerning HPTE, CDOT and the State has been obtained from HPTE, CDOT and the State, respectively, and such information is believed to be reliable. This Official Statement does not constitute a contract between HPTE or the Underwriters and any one or more of the purchasers or registered owners of the Series 2017 Bonds.

The order and placement of information in this Official Statement, including the 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 only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2017 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2017 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE SERIES 2017 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2017 BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING
STATEMENTS IN THIS OFFICIAL STATEMENT**

This Official Statement, and particularly the information contained under the caption “PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE” and in Appendix A – Traffic and Revenue Study, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “anticipate,” “expect,” “assume,” “estimate,” “projection,” “plan,” “budget,” “forecast,” “intend” and similar expressions identify forward-looking statements. The words or phrases “to date,” “now,” “currently” and the like are intended to mean as of the date of this Official Statement.

Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under “INVESTMENT CONSIDERATIONS – Uncertainties of Forecasts and Assumptions.” HPTE does not plan to issue any updates or revisions to those forward-looking statements if or when changes in its expectations, or events, conditions or circumstances on which such statements are based occur.

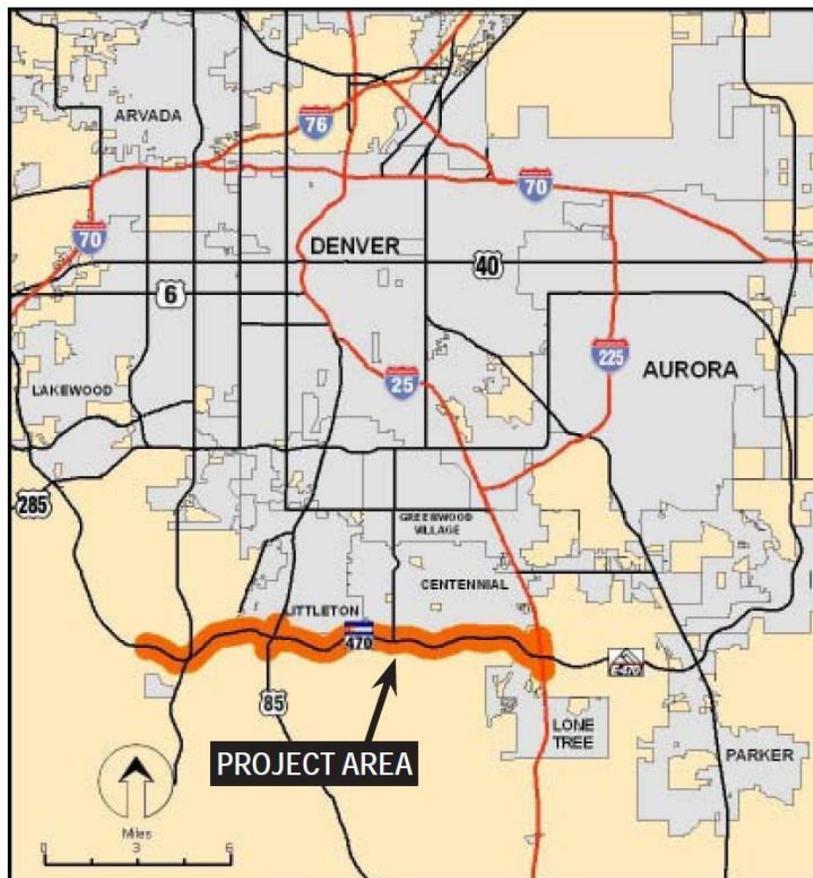
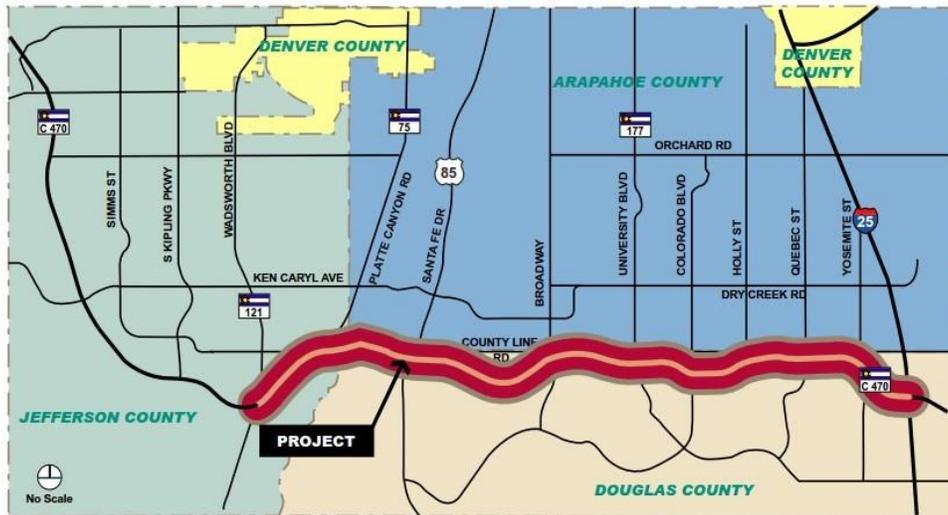
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PROJECT LOCATION

The Project will be located in southwestern Denver, spanning Douglas, Arapahoe and Jefferson Counties.



EXISTING AND PROPOSED CONFIGURATIONS

Existing Configuration



- Two (2) general purpose lanes in each direction.

Proposed Configuration



- Two (2) general purpose lanes in each direction.
- Managed lane configuration:
 - Two (2) westbound: 1-25/E-470 to Colorado Blvd.
 - One (1) westbound: Colorado Blvd. to Wadsworth Blvd.
 - One (1) eastbound: Wadsworth Blvd. to I-25
- Auxiliary lanes provided within portions of the eastbound and westbound directions.
- No high occupancy vehicle (“HOV”) exemptions from tolling.

OFFICIAL STATEMENT

\$ _____ *

COLORADO HIGH PERFORMANCE TRANSPORTATION ENTERPRISE
C-470 Managed Lane Senior Revenue Bonds
Series 2017

INTRODUCTION

General

This Official Statement is provided to furnish certain information in connection with the issuance and sale by the Colorado High Performance Transportation Enterprise (“HPTE”), created within the Colorado Department of Transportation (“CDOT”), of \$ _____ * aggregate principal amount of its Colorado High Performance Transportation Enterprise C-470 Managed Lane Senior Revenue Bonds, Series 2017 (the “Series 2017 Bonds”). The Series 2017 Bonds are being issued pursuant to a Master Trust Indenture to be dated as of the date of issuance of the Series 2017 Bonds (the “Master Indenture”) between HPTE and Zions Bank, a division of ZB, National Association, as Trustee (the “Trustee”), and a First Supplemental Trust Indenture to be dated as of the date of issuance of the Series 2017 Bonds (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”) between HPTE and the Trustee. A Second Supplemental Indenture to be dated as of the date of issuance of the Series 2017 Bonds also secures payment of a loan to HPTE (the “TIFIA Loan”) from the United States Department of Transportation, acting through the Executive Director of the Build America Bureau (the “TIFIA Lender”), as lender, pursuant to a loan agreement (the “TIFIA Loan Agreement”). The TIFIA Loan is secured on a subordinate basis to the Series 2017 Bonds, but upon the occurrence and during the continuation of a “Bankruptcy-Related Event” would immediately become and be of equal rank and on parity with the Series 2017 Bonds. See “INTRODUCTION – Key Project Participants – TIFIA Lender” and “INVESTMENT CONSIDERATIONS – Dilution of Senior Lien Security Upon Bankruptcy-Related Event.” *Terms used in this Introduction and not otherwise defined shall have the respective meanings assigned to them elsewhere in this Official Statement. Definitions of certain capitalized terms relating to the Indenture [and the TIFIA Loan Agreement] and used in this Official Statement are set forth in Appendix B – Glossary of Terms and Summary of Certain Provisions in Indenture and [Appendix C – Glossary of Terms and Summary of Certain Provisions in the TIFIA Loan Agreement, respectively]. There are more restrictive provisions in the TIFIA Loan Agreement than some of the corresponding provisions in the Indenture. To the extent provisions in the Indenture and the TIFIA Loan Agreement are inconsistent, the more restrictive provisions will govern while the TIFIA Loan is outstanding.*

Proceeds of the Series 2017 Bonds will be used (i) to pay the costs of designing, engineering, developing and constructing a managed lanes project on a portion of C-470, widening and replacing adjacent general purpose lanes and rehabilitating or reconstructing related bridges, as more particularly described herein under “CONSTRUCTION OF THE PROJECT,” (ii) to pay capitalized interest on the Series 2017 Bonds, (iii) to make deposits to various reserve funds described herein under “SECURITY AND SOURCES OF PAYMENT,” and (iv) to pay the costs of issuing the Series 2017 Bonds. See “PLAN OF FINANCE” for a description of the estimated sources and estimated uses of funds relating to the Series 2017 Bonds and the Project (defined below under “INTRODUCTION – The Project”).

This Introduction is qualified in its entirety by the more detailed information included and referred to elsewhere in this Official Statement, including the Appendices hereto. The offering of the Series 2017

* Preliminary, subject to change.

Bonds to potential investors is made only by means of the entire Official Statement, including all such Appendices.

Sources of Payment and Security

The Series 2017 Bonds are special limited obligations of HPTE payable solely from and secured solely by the Trust Estate created by the Indenture on an equal and ratable basis with any additional Senior Bond Payment Obligations (as defined in Appendix B) or obligations secured on a parity therewith (including the TIFIA Loan) or another governmental lender following the occurrence of a Bankruptcy-Related Event) issued in accordance with the provisions of the Indenture. See “PLAN OF FINANCE – TIFIA Loan” and “INVESTMENT CONSIDERATIONS – Dilution of Senior Lien Security Upon Bankruptcy-Related Event.”

The Trust Estate is described in greater detail under “SECURITY AND SOURCES OF PAYMENT – Trust Estate” and is comprised primarily of (i) the Pledged Revenues, including toll revenues (“User Fees”) imposed by HPTE with respect to the C-470 Managed Lanes Project (defined below under “INTRODUCTION – The Project”), and (ii) moneys from time-to-time held by the Trustee in certain accounts and subaccounts established under the Indenture.

Under the flow of funds provided in the Indenture, debt service payments on Senior Bond Payment Obligations, the TIFIA Loan and subordinate obligations are payable prior to operations and maintenance expenses of the Project. See “SECURITY AND SOURCES OF PAYMENT – Accounts and Subaccounts; Flow of Funds. Under the C-470 Lanes (Phase 1) Project Intra-Agency Agreement dated as of _____, 2016 (the “CDOT/HPTE Intra-Agency Agreement”) with CDOT, HPTE may request a loan from CDOT to the extent Pledged Revenues are inadequate to pay operations and maintenance expenses payable under the Indenture. See “INVESTMENT CONSIDERATIONS – Annual Allocation Risk.”

The Trust Estate is to include amounts to be funded from a portion of the proceeds of the Series 2017 Bonds and other funds which will be deposited on the date the Series 2017 Bonds are issued in the Construction Account, the Senior Bonds Capitalized Interest Account [and other accounts and subaccounts established under the Indenture.] The amount deposited in the Capitalized Interest Subaccount will be \$_____, representing interest payable on the Series 2017 Bonds through and including _____, 201__.

The Trust Estate is also to include amounts to be funded from a portion of the proceeds of the TIFIA Loan deposited upon requisition from time to time in the Construction Account and on the date the C-470 Managed Lanes Project – Segment 1 (defined below under “INTRODUCTION – The Project”) is open in its entirety to tolled vehicular or passenger traffic (the “Substantial Completion Date”) in (a) the Senior Bonds Debt Reserve Account in the amount of the Senior Bonds Debt Service Reserve Account Requirement (initially, \$_____), (b) the TIFIA Loans Debt Service Reserve Account in the amount of the TIFIA Loans Debt Service Reserve Account Requirement (initially, \$_____), (c) the Ramp-Up Reserve Account in the amount of [\$_____], (d) the Project O&M Reserve Account in the amount of the Project O&M Reserve Requirement (initially, \$_____), and (e) the Project Renewal and Replacement Reserve Account in the amount of the Project and Renewal and Replacement Requirement (initially, \$_____). Description of the purpose of such accounts is provided herein under “SECURITY AND SOURCES OF PAYMENT.” **However, certain conditions in the TIFIA Loan Agreement [, including final resolution of an outstanding litigation matter], must be satisfied prior to funds being released to fund such accounts. Failure to satisfy such conditions could materially and negatively impact the completion of the Project and the security for the Series 2017 Bonds. See “PLAN OF FINANCE – TIFIA Loan” and “INVESTMENT CONSIDERATIONS – Funding Risks.”**

THE SERIES 2017 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF HPTE PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE. THE OWNERS OF THE SERIES 2017 BONDS MAY NOT LOOK TO ANY OTHER REVENUES OR FUNDS OF HPTE OR TO ANY REVENUES OR FUNDS OF CDOT (EXCEPT TO THE EXTENT DESCRIBED HEREIN) OR THE STATE OF COLORADO (THE “STATE”) FOR PAYMENT OF THE SERIES 2017 BONDS, AND THE SERIES 2017 BONDS SHALL NOT BE DEEMED OR CONSTRUED AS CREATING A DEBT OR MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF CDOT OR THE STATE WITHIN THE MEANING OF THE STATE CONSTITUTION OR LAWS OF THE STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE, OR A PLEDGE OF THE TAXING POWERS, FAITH, OR CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. HPTE HAS NO TAXING POWERS.

The Project

C-470 is currently a 26-mile untolled highway that spans the southern and western parts of the Denver metropolitan area. The highway is a median-separated two-lane road in each direction and when combined with E-470 and the Northeast Parkway, comprises a near-complete beltway loop around the City and County of Denver. C-470 stretches between the intersection of Interstate 25 (“I-25”) and E-470 in the east and the intersection of U.S. Route 6 and Interstate 70 in the west. The eastern end of the roadway serves commercial and employment centers like the Park Meadows Mall and the Denver Technological Center. The western end of the facility serves leisure and educational destinations like Red Rocks Amphitheatre and the Colorado School of Mines.

In order to ease congestion on a 12.5-mile section of C-470 spanning the eastern half of the C-470 corridor, CDOT and HPTE are designing, developing and constructing (a) two westbound managed lanes on C-470 between I-25 and Colorado Boulevard, one westbound managed lane on C-470 between Colorado Boulevard and Wadsworth Boulevard, one eastbound managed lane from Wadsworth Boulevard to I-25 (collectively, the “C-470 Managed Lanes Project – Segment 1”), and (b) existing eastbound and westbound general purpose traffic lanes on C-470 between Wadsworth Boulevard and I-25 and related facilities (the “C-470 CDOT Project,” and together with the C-470 Managed Lanes Project – Segment 1, the “C-470 Project – Segment 1” or the “Project”). See maps and diagrams on pages iii and iv for depiction of the location and the existing and proposed configurations of the Project and “CONSTRUCTION OF THE PROJECT” and “OPERATION AND MAINTENANCE OF THE PROJECT” herein for a more detailed description of the Project. The Indenture also defines the “C-470 Managed Lanes Project – Segment 2” which represents a potential expansion and extension to the C-470 Project – Segment 1 in order to achieve two managed lanes in each direction between I-25 and Wadsworth Boulevard and one managed lane in each direction between Wadsworth Boulevard and Kipling Boulevard. However, neither the Series 2017 Bonds nor the TIFIA Loan Agreement are funding the C-470 Managed Lanes Project – Segment 2 and there are no current plans to fund such project from other sources. If the C-470 Managed Lanes Project – Segment 2 were to be constructed and become operational, the Indenture contemplates that the User Fees generated by both the C-470 Managed Lanes Project – Segment 1 and the C-470 Managed Lanes Project – Segment 2 (collectively, the “C-470 Managed Lanes Project”) would secure the Series 2017 Bonds.

CDOT, as project manager, and Flatiron/AECOM (the “Design-Builder”) have entered into the Design-Build Contract (as defined below) to undertake the Project. As compensation for the work and all other obligations to be performed by the Design-Builder, CDOT will pay to the Design-Builder a “Contract Price” of \$204,270,973 (subject to adjustment under certain circumstances, including change orders). Payments are to be made on the basis of progress by the Design-Builder, subject to a cap on the aggregate amount of payments. The Design-Builder bears cost escalation risk for work adequately addressed in the Design-Build Contract. CDOT has a contingency budget of \$15.8 million or 7.7% of the Contract Price for items not contemplated in or adequately covered in the Design-Build Contract. See “CONSTRUCTION

OF THE PROJECT – Projects Costs” for a description of costs of the Project included in and outside of the Design-Build Contract. The Design-Builder is providing 100% payment and performance bonds in respect of its obligations. In the event that costs exceed the \$15.8 million contingency budget (due to owner changes, contractor replacement or otherwise), CDOT has committed under the CDOT/HPTE Intra-Agency Agreement to provide a backstop for any additional construction costs and then seek to collect under the Design-Builder security package as applicable. However, the obligation to allocate funds to pay such additional costs in any future fiscal year is to be made at CDOT’s sole and absolute discretion. See “Key Project Participants – CDOT” below. Under the Design-Build Contract, the deadline for commencement of tolling is August 14, 2018 and the deadline for final completion is February 19, 2019. Under the Design-Build Contract, the Design-Builder bears schedule risk to the extent scheduling changes are not caused by CDOT. If the Design-Builder fails to meet contract deadlines under the Design-Build Contract, it has agreed to pay CDOT liquidated damages. See “CONSTRUCTION OF THE PROJECT – Design-Build Contract.”

The Design-Builder is required to construct tolling gantries and other infrastructure for the operation of tolling operations on the C-470 Managed Lanes. HPTE expects to enter into a task order to supplement an existing toll operator agreement with the E-470 Public Highway Authority (the “E-470 Authority”) to provide for the installation of the remaining equipment necessary to finalize and test the tolling equipment on the managed lanes to be constructed on C-470 (the “C-470 Managed Lanes”). The C-470 Managed Lanes will operate under an open road tolling system that allows electronic toll collection through the use of transponders. Road users who do not carry a valid transponder will have a photograph of their license plate taken and a bill will be sent to them by mail. Toll rates are to differ by zone and time of day. It is expected that the E-470 Authority will perform its own toll evasion enforcement processing, including contracting with a collections law firm, and operating an administrative law court through which independent administrative law judges adjudicate unpaid toll and toll evasion transaction liability. See “OPERATION AND MAINTENANCE OF THE PROJECT.”

Plan of Finance

General. The total acquisition and construction budget of the Project is [\$333.4] million, including construction costs, contingency, capitalized interest, reserves and costs of issuance. HPTE is contributing the proceeds of the Series 2017 Bonds and the proceeds of the TIFIA Loan towards the construction of the Project. The delivery of the Series 2017 Bonds is conditioned upon the prior closing of the TIFIA Loan Agreement. CDOT is assuming responsibility for constructing the Project and is funding the remaining capital costs not covered by HPTE’s contribution [up to a maximum amount of \$_____], provided that CDOT’s commitment is subject to future allocation of such funds as described below under “Key Project Participants – CDOT.” See “PLAN OF FINANCE and “INTRODUCTION – Trust Estate” above for a description of the use of proceeds of the Series 2017 Bonds, the TIFIA Loan and other contributions.

Key Project Participants

Key Project participants include HPTE, CDOT, the TIFIA Lender, the Design-Builder; and the E-470 Authority.

HPTE. HPTE is a government-owned business within and a division of CDOT. HPTE was created in 2009 pursuant to the Funding Advancement for Surface Transportation and Economic Recovery Act of 2009, Section 43-4-801, *et seq.*, Colorado Revised Statutes, as amended (“FASTER”). As provided in FASTER, the business purpose of HPTE is, among other things, to pursue innovative and efficient means of completing surface transportation projects in Colorado. FASTER authorizes HPTE to (i) impose user fees, subject to limitations provided in FASTER, the Colorado Constitution and federal law for the privilege of using surface transportation infrastructure, (ii) issue revenue bonds payable from revenues and other available moneys of HPTE pledged for their payment, and (iii) make and enter into contracts with any

private or public entity to facilitate a public-private partnership, including design-build contracts and operating and maintenance contracts. FASTER provides that HPTE constitutes an “enterprise” for purposes of Section 20 of Article X of the State Constitution (commonly referred to as “TABOR”) and, accordingly, is not subject to the revenue and spending limitations of TABOR. See “LEGAL MATTERS – Certain Constitutional Limitations.” HPTE has no taxing power.

HPTE is governed by a board of directors consisting of seven members, four of whom are appointed by the Governor and are required to reside in certain designated geographic areas and to have professional expertise in matters that the Governor believes will benefit the board in the execution of its powers and performance of its duties. The remaining three members are members of the Transportation Commission (as described below under “CDOT”) appointed by its resolution. See “HPTE” herein for additional information regarding HPTE.

CDOT. CDOT is an executive department of the State, with all the powers, duties and privileges permitted by Title 43, Colorado Revised Statutes, as amended. CDOT works in conjunction with the Transportation Commission (the “Transportation Commission”), which under Colorado law is responsible for formulating general policy with respect to State public highways and other transportation systems, and which promulgates and adopts all CDOT budgets and all State transportation programs. The Transportation Commission is the budgetary and policy making body for CDOT. In cooperation with the Transportation Commission and other State entities and local, federal and private entities, CDOT is responsible for the planning, development and construction of public highways and other components of the transportation network for the State. CDOT has no taxing powers. See “THE COLORADO DEPARTMENT OF TRANSPORTATION” herein for additional information regarding CDOT.

CDOT and HPTE have entered into the CDOT/HPTE Intra-Agency Agreement which provides that CDOT is primarily responsible for the capital costs of the Project, including costs that arise as a result of construction delays, except to the extent any delay in tolling commencement on the C-470 Managed Lanes is not attributable to CDOT or the Design-Builder. **[Discuss uncovered delays]** Under the CDOT/HPTE Intra-Agency Agreement, HPTE is also required to notify CDOT of its desire to obtain a loan from CDOT to the extent Pledged Revenues are inadequate to pay operation and maintenance expenses payable under the Indenture. Notwithstanding any provision of the CDOT/HPTE Intra-Agency Agreement, the Transportation Commission has no obligation to allocate funds to pay additional capital costs of the Project or loan amounts to fund operation and maintenance expenses in any fiscal year and the decisions whether or not to allocate funds, and the amount, if any, of funds allocated, is to be made at the sole and absolute discretion of the Transportation Commission. See “INVESTMENT CONSIDERATIONS – Annual Allocation Risk” and “LEGAL MATTERS – Certain Constitutional Limitations” herein.

TIFIA Lender. HPTE will enter into the TIFIA Loan Agreement with the TIFIA Lender, in order to obtain the TIFIA Loan to pay eligible costs in the approximate principal amount of \$_____ million plus compounded interest under the Transportation Infrastructure Finance and Innovation Act of 1998, codified as 23 United States Code, Section 181 et seq. (“TIFIA”). Proceeds of the TIFIA Loan, when drawn upon, are expected to be used to finance a portion of the costs of the Project. The TIFIA Loan will be evidenced by a toll revenue bond (the “TIFIA Bond”) of HPTE issued pursuant to the Master Indenture and the Second Supplemental Indenture. **Certain conditions [, including final resolution of an outstanding litigation matter,] must be met for HPTE to draw funds under the TIFIA Loan Agreement and the obligation of the TIFIA Lender to advance funds under the TIFIA Loan Agreement may be suspended or terminated.** See “INVESTMENT CONSIDERATIONS – Funding Risks.” Under the Indenture, the TIFIA Bond will be secured by the Trust Estate on a basis subordinate to the Series 2017 Bonds, payable from amounts on deposit in the TIFIA Loans Debt Service Account and the TIFIA Loans Debt Service Reserve Account, except as provided below.

Upon the occurrence and during the continuance of any Bankruptcy Related Event (as defined in PLAN OF FINANCE – TIFIA Loan – Bankruptcy-Related Event) of HPTE, that portion of the TIFIA Bond owned by the TIFIA Lender or another federal governmental lender at such time, automatically and without action on the part of the TIFIA Lender or any other person, would immediately become and be of equal rank and on parity with the Senior Bond Payment Obligations and would be entitled to all rights of an Owner of Senior Bond Payment Obligations (including, without limitation, the right of payment pro rata with other Senior Bond Payment Obligations pursuant to the Indenture). Funds held in the Senior Bonds Debt Service Reserve Account, however, shall secure only the Series 2017 Bonds and Senior Bond Payment Obligations issued to refinance the Series 2017 Bonds. Upon the occurrence of a Bankruptcy-Related Event of which the Trustee is notified in writing, the TIFIA Loans Debt Service Reserve Account will be funded on a parity with any other Accounts within the Senior Bonds Debt Service Reserve Account and will be available only to pay principal of and interest on the TIFIA Bond. The TIFIA Bond will not be secured by the Senior Bonds Debt Service Reserve Account. See “SECURITY AND SOURCES OF PAYMENT” and Appendix C – Glossary of Terms and Summary of Certain Provisions in the TIFIA Loan Agreement. See also “INVESTMENT CONSIDERATIONS – Dilution of Senior Lien Security Upon Bankruptcy-Related Event.”

Design-Builder. The Design-Builder, Flatiron/AECOM, consists of a joint venture between Flatiron Constructors, Inc. (“Flatiron”) and AECOM Construction Services, Corp. (“AECOM”). Flatiron and AECOM formed an LLC entity to contract with CDOT. Flatiron serves as the managing partner and AECOM serves as the minority construction member. Flatiron is a wholly-owned subsidiary of German-based HOCHTIEF, one of the world’s largest international construction service providers. AECOM is also a large international construction service provider. As described more fully under “CONSTRUCTION OF THE PROJECT – Design-Builder,” both Flatiron and AECOM have experience working together on large transportation infrastructure projects.

E-470 Authority. The E-470 Authority is a body corporate and political subdivision of the State, established in January 1988 by an establishing contract among several counties and municipalities, and has all the powers, duties, and privileges permitted by the Public Highway Authority Law of the State, part 5 of article 4 of title 43, Colorado Revised Statutes, as amended. The E-470 Authority is responsible for the financing, construction, and operations of the toll highway known as E-470. It is governed by a board of directors composed of representatives of the governmental members of the E-470 Authority. The E-470 Authority currently provides tolling back office control services for E-470 and portions of the public highway known as I-25. Prior to Substantial Completion, HPTE expects to enter into a task order to supplement an existing toll operator agreement with the E-470 Authority to provide for certain toll equipment installation, toll collection, violations enforcement and customer service functions in connection with the C-470 Managed Lanes. See “OPERATION AND MAINTENANCE OF THE PROJECT” for additional information regarding the E-470 Authority’s possible operational role in the Project.

Traffic and Revenue Study

HPTE has engaged The Louis Berger Group, Inc. (the “Traffic and Revenue Consultant”) to serve as the traffic and revenue consultant for the Project. The Traffic and Revenue Consultant has prepared the “C-470 Investment Grade Traffic & Revenue Study” dated August 9, 2016, as supplemented by its Supplemental Letter dated ____, 2017 (collectively, the “Study”), which is attached hereto as Appendix A. **The traffic and revenue projections reached in the Study are based on various assumptions. No assurances can be given that actual conditions will not materially and adversely differ from such assumed conditions. The Study attached hereto as Appendix A should be read in its entirety.** See “TRAFFIC AND REVENUE ESTIMATES.”

The Series 2017 Bonds

Authority for Issuance

The Series 2017 Bonds are issued pursuant to the authority of FASTER, Title 11, Article 5, Part 2, Colorado Revised Statutes, as amended (the “Supplemental Securities Act”), and the Indenture. See “THE SERIES 2017 BONDS.”

Denominations and Payment

The Series 2017 Bonds mature and bear interest as set forth on the inside front cover page hereof and as more fully described in the section entitled “THE SERIES 2017 BONDS.” The Series 2017 Bonds are being issued in fully registered form in denominations of \$5,000 and any integral multiple thereof. Interest on the Series 2017 Bonds will be payable on each [January 1] and [July 1], commencing [July 1], 2017. See “THE SERIES 2017 BONDS – General.”

Zions Bank, a division of ZB, National Association, or its successor, will serve as the Trustee for the Series 2017 Bonds pursuant to the Indenture. Principal of and interest on the Series 2017 Bonds will be paid by the Trustee at its principal operations office, currently located in Minneapolis, Minnesota.

Redemption Prior to Maturity

The Series 2017 Bonds are subject to optional and mandatory redemption as described herein under “THE SERIES 2017 BONDS – Redemption of Series 2017 Bonds Prior to Maturity.”

Book-Entry System

The Series 2017 Bonds are to be issued in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), as securities depository for the Series 2017 Bonds. Individual purchasers of the Series 2017 Bonds will not receive physical delivery of bond certificates, except as more fully described herein. Series 2017 Bonds will only be transferable on the register kept by the Trustee. See “THE SERIES 2017 BONDS – Registration, Payment, Transfer and Exchange” and Appendix D – Book-Entry Only System.

Tax Matters

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2017 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2017 Bonds (the “Tax Code”), interest on the Series 2017 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. Income from any Series 2017 Bonds is exempt from all taxation and assessments in Colorado. See “TAX MATTERS.”

Continuing Disclosure Undertaking

Concurrently with the issuance and sale of the Series 2017 Bonds, HPTE will execute a continuing disclosure undertaking providing for the delivery to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system with a portal at <http://emma.msrb.org> of certain annual financial information and operating data related to HPTE and timely

material event disclosure as more fully described herein. See “CONTINUING DISCLOSURE UNDERTAKING” and Appendix E hereto.

Investment Considerations and Risk Factors

Investment in the Series 2017 Bonds involves risks, some of which are discussed throughout this Official Statement. For a description of certain of such risks, see “INVESTMENT CONSIDERATIONS.”

Professionals Involved in the Offering

J.P. Morgan Securities LLC and Goldman Sachs & Co. will act as Underwriters in connection with the offering and issuance of the Series 2017 Bonds. See “UNDERWRITING.” Zions Bank, a division of ZB, National Association, Denver, Colorado will act as Trustee with respect to the Series 2017 Bonds. Sherman & Howard L.L.C., Denver, Colorado, will act as Bond Counsel for the Series 2017 Bonds. Certain legal matters will be passed upon for HPTE by the Office of the State Attorney General, and by HPTE’s co-special counsel, Nossaman LLP, Los Angeles, California and Sherman & Howard L.L.C., Denver, Colorado. First Southwest, a Division of Hilltop Securities, Inc., Denver, Colorado, has acted as financial advisor to HPTE in connection with the issuance of the Series 2017 Bonds. The Underwriters are being represented in connection with their purchase of the Series 2017 Bonds by Hogan Lovells US LLP.

Other Matters

This Official Statement speaks only as of its date, and the information and expressions of opinion contained herein are subject to change without notice. Neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of HPTE since the date hereof.

The summaries of and references to all agreements, documents, statutes, reports, certificates and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to each such agreement, document, statute, report, certificate, or instrument. Copies of any such agreements, documents, statutes, reports, certificates and other instruments are available upon written request to HPTE, Attention: Director, 4201 East Arkansas Avenue, Denver, Colorado 80222, or to the Underwriters c/o _____.

THE SERIES 2017 BONDS

The following is a summary of certain provisions of the Series 2017 Bonds. *Reference is hereby made to the Indenture in its entirety for the detailed provisions pertaining to the Series 2017 Bonds.*

General

The Series 2017 Bonds are being issued by HPTE in the aggregate principal amount of \$_____.* The Series 2017 Bonds are dated and bear interest from their date of delivery. Interest on the Series 2017 Bonds is payable on _____ and _____ of each year (each an “Interest Payment Date”), commencing _____ 1, 2017. Interest on the Series 2017 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2017 Bonds mature in the amounts and on the dates and bear interest at the rates set forth on the inside front cover page of this Official Statement.

The Series 2017 Bonds are being issued only in fully registered form in denominations of \$5,000 and any integral multiple thereof. The Series 2017 Bonds will be initially offered only in book-entry form, registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository of the Series 2017 Bonds. See Appendix D – Book-Entry Only System. For so long as Cede & Co. remains the registered owner of the Series 2017 Bonds, payments of principal of and interest on the Series 2017 Bonds will be made by the Trustee directly to DTC or Cede & Co. as the nominee of DTC.

Redemption of Series 2017 Bonds Prior to Maturity

Optional Redemption

The Series 2017 Bonds maturing on [January 1], 20__ are redeemable at the option of HPTE, in whole or in part on any date on and after [January 1], 20__, at a redemption price equal to 100% of the principal amount of each Series 2017 Bond or portion thereof redeemed and accrued interest to the redemption date.

Mandatory Redemption from Net Loss Proceeds

The Series 2017 Bonds will be subject to mandatory redemption, in whole or in part, at a redemption price equal to 100% of the principal amount of the Series 2017 Bonds and accrued interest to the redemption date in the principal amount of (rounded upward to a multiple of \$5,000) and to the extent of any Net Loss Proceeds on deposit in the Senior Bonds Debt Service Account on such date sufficient to effectuate such redemption. Upon the deposit of Net Loss Proceeds in the Senior Bonds Debt Service Account, the Trustee shall select a date for redemption of the Series 2017 Bonds and any Additional Senior Bonds then Outstanding which date shall be not less than 20 nor more than 90 days after the date of such deposit. Net Loss Proceeds on deposit in the Senior Bonds Debt Service Account shall be applied to redeem the Series 2017 Bonds and any Additional Senior Bonds then Outstanding, pro rata, based on the then outstanding principal amount of the Series 2017 Bonds and Additional Senior Bonds.

Notice of Redemption

Notice of the call for any redemption, identifying the Series 2017 Bonds or portions thereof to be redeemed and specifying the terms of such redemption, is to be given by the Trustee by sending a copy of the redemption notice by electronic mail, facsimile transmission or first-class mail, postage prepaid, at least 20 days prior to the date fixed for redemption, to the owner of each Series 2017 Bond to be redeemed at the

* Preliminary, subject to change.

address shown on the registration books; provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings of any Bonds as to which no such failure has occurred.

Any notice given as provided above is to be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

If at the time of sending of notice of any redemption of Series 2017 Bonds at the option of HPTE there shall not have been deposited with the Trustee moneys sufficient to pay the redemption price of all the Series 2017 Bonds called for redemption, which moneys are or will be available for redemption of Series 2017 Bonds, such notice will state that it is conditional upon the deposit of the redemption moneys with the Trustee for such purpose not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Registration, Payment, Transfer and Exchange

The Series 2017 Bonds are to be issued in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for DTC, as securities depository for the Series 2017 Bonds. Individual purchasers of the Series 2017 Bonds will not receive physical delivery of bond certificates, except as more fully described herein. Series 2017 Bonds will only be transferable on the register kept by the Trustee. Records for the registration and transfer of Series 2017 Bonds are to be kept by the Trustee as registrar for the Series 2017 Bonds. Payments of principal of and interest on any Series 2017 Bond will be payable only to or upon the order of the Owner or his legal representative (except as otherwise provided in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest; see Appendix B – Glossary of Terms and Summary of Certain Provisions in Indenture – Terms of Bonds – Payment of Debt Service and Redemption Price).

Except as otherwise described in Appendix B, the person in whose name any Series 2017 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the debt service on or redemption price of any Series 2017 Bond shall be made only to or upon the written order of the owner thereof or his legal representative, but such registration may be changed as herein provided in the Indenture. All such payments shall be valid and effectual to satisfy and discharge such Series 2017 Bond to the extent of the sum or sums paid.

Upon surrender for transfer of any Series 2017 Bond at the principal corporate trust office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee is to enter such transfer on the registration records and is to execute and deliver in the name of the transferee or transferees a new fully registered Series 2017 Bond or Bonds of the same series and like aggregate principal amount, maturity and interest rate, bearing a number or numbers not previously assigned. For every exchange or transfer of Series 2017 Bonds, the Trustee may require the payment 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 (i) all or any portion of any Series 2017 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 Series 2017 Bonds for prior redemption and ending at the close of business on the day of such mailing, or (ii) all or any portion of a Series 2017 Bond after the mailing of notice calling such Series 2017 Bond or any portion thereof for prior redemption.

SECURITY AND SOURCES OF PAYMENT

Authorization

The Series 2017 Bonds are special, limited obligations of HPTE and are being issued pursuant to FASTER, the Supplemental Securities Act and the Indenture. Under the terms and provisions of FASTER, HPTE is authorized to issue revenue bonds, payable solely from the Transportation Enterprise Special Fund, for the purpose of financing or refinancing the cost of repairing, reconstructing, replacing, operating and maintaining, the Project.

HPTE may, subject to the limitations set forth in the Indenture, issue additional bonds under the Master Indenture on a parity with the Series 2017 Bonds. See “Issuance of Additional Obligations” under this caption.

Trust Estate

The Series 2017 Bonds are payable solely from the Trust Estate established under the Indenture, and the Trust Estate is to be held by the Trustee for the benefit of the owners of the Series 2017 Bonds, the TIFIA Lender and the holders of any other obligations issued and outstanding under the Indenture with the preferences, priorities and distinctions as to lien as set forth in the Indenture or any subsequent supplemental indenture. The Indenture defines the Trust Estate to include the following:

- (a) the Pledged Revenues (as more fully described below under “Pledged Revenues”);
- (b) all money from time-to-time held by the State Treasurer or the Trustee in the following accounts and subaccounts of the C-470 Managed Lane System Subfund 1 of the Transportation Enterprise Special Fund: the Pledged Revenues Account, the Construction Account, the Senior Bonds Debt Service Account, the Junior Bonds Debt Service Account, the TIFIA Loans Debt Service Account, the Senior Bonds Capitalized Interest Account, the Junior Bonds Capitalized Interest Account, the Senior Bonds Debt Service Reserve Account, the TIFIA Loans Debt Service Reserve Account, the Junior Bonds Debt Service Reserve Account, the TIFIA Loans Prepayment Account and the Ramp-Up Reserve Account. See “Accounts and Subaccounts; Flow of Funds” below under this Section;
- (c) all amounts payable to HPTE or the Trustee pursuant to any Credit Facility or Hedge Facility (both as defined in Appendix B); and
- (d) all other property, revenues, accounts or subaccounts from time to time hereafter by delivery or by writing of any kind specially granted, assigned or pledged as and for additional security hereunder, by HPTE or anyone else, in favor of the Trustee for the benefit of the owners of bonds authorized under the Master Trust Indenture and supplemental indentures (including the Series 2017 Bonds), the TIFIA Lender, purchasers of Credit Facilities and Hedge Facilities and the Trustee (collectively, “Secured Parties”), which is hereby authorized to receive all such property at any and all times and to hold and apply the same subject to the terms hereof.

Notwithstanding the foregoing, the payment of the Series 2017 Bonds is limited as follows:

- (a) Except as otherwise provided in the Indenture hereof with respect to the use of moneys following an event of default described under the Master Trust Indenture (an “Indenture Event of Default”):
 - (i) moneys in the TIFIA Loans Subaccount of the Construction Account, the TIFIA Loans Debt Service Account, the TIFIA Loans Debt Service Reserve Account and the TIFIA Loans

Prepayment Account are available for the payment of and secure only the TIFIA Loan Payment Obligations (as defined in Appendix B);

(ii) moneys in the Bond Proceeds Subaccount of the Construction Account are available for the payment of and secure only the Bond Obligations (as defined in Appendix B);

(iii) moneys in the Senior Bonds Debt Service Account, the Senior Bonds Debt Service Reserve Account and the Senior Bonds Capitalized Interest Account are available for the payment of and secure only the Senior Bond Payment Obligations (as defined in Appendix B);

(iv) moneys in the Ramp-Up Reserve Account are available for the payment of and secure only the Senior Bond Payment Obligations (as defined in Appendix B), the TIFIA Loan Payment Obligations (as defined in Appendix B), the Trustee's fees and expenses and the reasonable fees and expenses of USDOT's counsel and financial advisors and any auditors or other consultants employed by USDOT for the purposes of the TIFIA Loan Agreements; and

(v) moneys in the Junior Bonds Debt Service Account, the Junior Bonds Debt Service Reserve Account and the Junior Bonds Capitalized Interest Account are available for the payment of and secure only the Bond Obligations.

(b) Moneys in the Pledged Revenues Account are available for the payment of and secure the Secured Obligations subject to the priorities set forth in the Indenture.

(c) Moneys in the Rebate Account, the Project O&M Account, the Project O&M Reserve Account, the Project Renewal and Replacement Account, the Project Renewal and Replacement Reserve Account and the Surplus Account shall be used only for the purposes described in the section of the Indenture thereof that governs such Account and shall be available for the payment of a Secured Obligation only after such moneys are transferred, in accordance with the Master Indenture, to another Account or Subaccount that is available for payment of and secures such Secured Obligation (as defined in Appendix B).

(d) Except as otherwise provided in the Indenture with respect to Trustee fees and expenses payable following an Indenture Event of Default, Trustee fees and expenses are payable only as Project O&M Expenses (as defined in Appendix B), as further provided in the Indenture.

(e) Amounts payable to reimburse the provider of a Credit Facility or a Hedge Facility that are included in Debt Service are payable and secured on parity with Debt Service on the related Bonds. Termination payments and other payments to providers of Credit Facilities and Hedge Facilities may be payable and secured only by moneys in the Surplus Account, moneys that are not part of the Trust Estate or, if and to the extent provided in a Supplemental Indenture, the proceeds of Bonds.

(f) Bonds for which a Defeasance Escrow Fund (as defined in Appendix B) has been established pursuant to the Indenture shall be payable from and secured only by the Defeasance Escrow Fund and shall no longer be outstanding under the Master Indenture.

See Appendix B – Glossary of Terms and Summary of Certain Provisions in Indenture for certain definitions and a further description of the provisions of the Indenture regarding the Trust Estate.

Transportation Enterprise Special Revenue Fund

The primary source of payment of principal of and interest on the Series 2017 Bonds is the User Fees deposited in the Transportation Enterprise Special Fund.

FASTER created the statewide transportation enterprise special revenue fund, referred to herein as the Transportation Enterprise Special Fund, in the State treasury. All revenues received by HPTE, including, but not limited to, revenues from the User Fees, are required to be deposited in the Transportation Enterprise Special Fund. See “OPERATION AND MAINTENANCE OF PROJECT – Collection and Remittance of User Fees.” Under FASTER, HPTE also may deposit or permit others to deposit other moneys into the Transportation Enterprise Special Fund, but in no event may revenues from any tax otherwise available for general purposes be deposited into the Transportation Enterprise Special Fund. All interest and income derived from the deposit and investment of moneys in the Transportation Enterprise Special Fund are to be credited to the Transportation Enterprise Special Fund. Moneys in the Transportation Enterprise Special Fund shall be continuously appropriated to HPTE for the purposes set forth in FASTER. HPTE may expend moneys in the Transportation Enterprise Special Fund to pay bond obligations, to fund surface transportation infrastructure projects and the acquisition of land for such projects. HPTE may also expend moneys in the Transportation Enterprise Special Fund to pay its operating costs and expenses. The HPTE Board has exclusive authority to budget and approve the expenditure of moneys in the Transportation Enterprise Special Fund.

The Indenture creates various funds and accounts within the Transportation Enterprise Special Fund. For a further description of these fund and accounts, including the required deposits to and transfers from these fund and accounts, see “Accounts and Subaccounts; Flow of Funds” under this caption.

Pledged Revenues

The primary source of payment of principal and interest on the Series 2017 Bonds is the Pledged Revenues deposited in the Pledged Revenues Account within the C-470 Managed Lane System Subfund 1 of the Transportation Enterprise Special Fund. All Pledged Revenues are required by the Indenture to be deposited into the Pledged Revenues Account of the Transportation Enterprise Special Fund except earnings from the investment of moneys held in any account or subaccount that are deposited into an account or subaccount other than the Pledged Revenues Account pursuant to the Indenture. Pledged Revenues are defined generally in the Indenture to consist of: (a) the User Fees with respect to the C-470 Managed Lanes Project; (b) all earnings from the investment of moneys held in any account or subaccount that is part of the Trust Estate; (c) regularly scheduled payments to HPTE or the Trustee from the provider of any Hedge Facility with respect to Bonds (as defined in Appendix B) that exceed the corresponding regularly scheduled payments by HPTE or the Trustee to the provider of such Hedge Facility; (d) all amounts payable to HPTE or the Trustee from the provider of a Credit Facility; (e) all termination payments and all other payments that are not regularly scheduled payments payable to HPTE or the Trustee by the provider of any Hedge Facility with respect to Bonds; (f) the proceeds of any loan to HPTE with respect to the Project; (g) the proceeds from the sale or other disposition of any portion of the Project; (h) delay liquidated damages and proceeds from business interruption and delay in start-up insurance policies received by HPTE; (i) Net Loss Proceeds (as defined in Appendix B); and (j) all amounts received by HPTE from grants and other sources with respect to the Project that are not included in clauses (a) through (j) of this definition, excluding, however, any such amounts that HPTE determines are, pursuant to the arrangement under which such amounts are paid to HPTE, required to be used for a purpose that is inconsistent with the deposit of such amounts into the Pledged Revenues Account.

Accounts and Subaccounts; Flow of Funds

The Indenture creates the following accounts and subaccounts, which are established and created and maintained in trust by the Trustee:

- the Pledged Revenues Account;
- the Construction Account and, within such Account, the Bond Proceeds Subaccount and the TIFIA Loans Subaccount;

- the Senior Bonds Debt Service Account, the Junior Bonds Debt Service Account, the TIFIA Loans Debt Service Account and the CDOT O&M Loan Debt Service Account (all four of such Accounts, collectively, are referred to as the “Debt Service Accounts”);
- the Senior Bonds Capitalized Interest Account and the Junior Bonds Capitalized Interest Account (both such accounts, collectively, are referred to as the “Capitalized Interest Accounts”);
- the Senior Bonds Debt Service Reserve Account, the TIFIA Loans Debt Service Reserve Account and the Junior Bonds Debt Service Reserve Account (all three such accounts, collectively, are referred to as the “Debt Service Reserve Accounts”);
- the Rebate Account;
- the Project O&M Account;
- the Project O&M Reserve Account;
- the Ramp-Up Reserve Account;
- the Project Renewal and Replacement Account;
- the Project Renewal and Replacement Reserve Account;
- the TIFIA Loans Prepayment Account; and
- the Surplus Account

Deposits into Pledged Revenues Account. HPTE will deposit or cause to be deposited into the Pledged Revenues Account monthly, on the 20th day of each calendar month commencing with the 20th day of the first full month after the Substantial Completion Date, all Pledged Revenues received by HPTE since the last monthly payment or, with respect to the first such payment since the Substantial Completion Date as directed by the Indenture

Monthly Transfers from Pledged Revenues Account. The Trustee shall transfer or disburse available moneys from the Pledged Revenues Account on the last day of each calendar month (the “Transfer Date”) in the following order of priority:

First, to the Rebate Account in an amount which, together with any amounts then on deposit in such account, equals the amount required to be on deposit in such account pursuant to the tax compliance certificates prepared in connection with the issuance of the Series 2017 Bonds;

Second, to the Senior Bonds Debt Service Account in an amount which, together with any amounts then on deposit in such account, equals the sum of: (A) one-sixth of the interest due (including the interest component of the Redemption Price (as defined in Appendix B) due in connection with any Scheduled Mandatory Redemption or Purchase) (as defined in Appendix B) on any series of Senior Bonds on the next Debt Service Payment Date for such Series of Bonds that occurs within six months and one day after such Transfer Date, minus any moneys that are to be transferred to such account from the Senior Bonds Capitalized Interest Account on or before such Debt Service Payment Date (as defined in Appendix B); and (B) one-twelfth of the principal or Maturity Value (as defined in Appendix B) due (including the principal component of the Redemption Price due on any Current Interest Bond (as defined in Appendix B) and the Redemption Price due on any Capital Appreciation Bond (as defined in Appendix B) in connection with any Scheduled Mandatory Redemption or Purchase) on any Series of Senior Bonds on the next Debt Service Payment Date for such Series of Bonds that occurs within 12 months and one day after such Transfer Date;

Third, if the Senior Bonds Debt Service Reserve Account contains less than the Senior Bonds Debt Service Account Requirement (any such difference is referred to as a “deficiency”), to the Senior Bonds Debt Service Reserve Account in the amount required to satisfy the deficiency (the Senior Bonds Debt Service Requirement means 50% of scheduled Senior Debt Service for the next 12 months, determined as of [January 2] of each year);

Fourth, to the TIFIA Debt Service Account in an amount which, together with any amounts then on deposit in such account, equals the sum of: (A) one-sixth of the interest due on any TIFIA Loan on the next Debt Service Payment Date for such TIFIA Loan with respect to TIFIA Mandatory Debt Service that occurs within six months and one day after such Transfer Date; and (B) one-sixth of the principal due on any TIFIA Loan on the next Debt Service Payment Date for such TIFIA Loan with respect to TIFIA Mandatory Debt Service that occurs within six months and one day after such Transfer Date;

Fifth, if the TIFIA Loans Debt Service Reserve Account contains less than the TIFIA Loans Debt Service Reserve Account Requirement (any such difference is referred to as a “deficiency”), to the TIFIA Loans Debt Service Reserve Account in the amount required to satisfy the deficiency (the TIFIA Loans Debt Service Reserve Account Requirement means, as of any date of determination, the greater of (a) the amount of TIFIA Mandatory Debt Service due and payable during the then-current Fiscal Year, or (b) the largest amount of TIFIA Mandatory Debt Service payable during any of the succeeding four Fiscal Years after the then-current Fiscal Year);

Sixth, to the TIFIA Debt Service Account in an amount which equals the sum of: (A) one-sixth of the interest due on any TIFIA Loan on the next Debt Service Payment Date for such TIFIA Loan with respect to TIFIA Scheduled Debt Service that occurs within six months and one day after such Transfer Date; and (B) one-sixth of the principal due on any TIFIA Loan on the next Debt Service Payment Date for such TIFIA Loan with respect to TIFIA Scheduled Debt Service that occurs within six months and one day after such Transfer Date;

Seventh, to the Junior Bonds Debt Service Account in an amount which, together with any amounts then on deposit in such Account, equals the sum of: (A) one-sixth of the interest due (including the interest component of the Redemption Price due in connection with any Scheduled Mandatory Redemption or Purchase) on any Series of Junior Bonds on the next Debt Service Payment Date for such Series of Junior Bonds that occurs within six months and one day after such Transfer Date, minus any moneys that are to be transferred to such Account from the Junior Bonds Capitalized Interest Account on or before such Debt Service Payment Date; and (B) one-twelfth of the principal or Maturity Value due (including the principal component of the Redemption Price due on any Current Interest Bond and the Redemption Price due on any Capital Appreciation Bond in connection with any Scheduled Mandatory Redemption or Purchase) on any Series of Junior Bonds on the next Debt Service Payment Date for such Series of Junior Bonds that occurs within 12 months and one day after such Transfer Date;

Eighth, if the Junior Bonds Debt Service Reserve Account contains less than the Junior Bonds Debt Service Reserve Account Requirement specified in the applicable supplemental indenture (any such difference is referred to as a “deficiency”), to the Junior Bonds Debt Service Reserve Account in the amount required to satisfy the deficiency;

Ninth, to the Project O&M Account, in an amount which equals one-sixth of the amount budgeted to pay the Project O&M Expenses during the next six months;

Tenth, to the Project Renewal and Replacement Account, in an amount which equals one-sixth of the amount budgeted to pay the sum of the Project Renewal and Replacement Costs during the next six months;

Eleventh, subsequent to any transfer from the Surplus Account to the Project O&M Reserve Account pursuant to the Indenture if the balance in the Project O&M Reserve Account contains less than the Project O&M Account Reserve Requirement (any such difference is referred to as a “deficiency”) to the Project O&M Reserve Account in an amount equal to the deficiency (the Project O&M Reserve Account Requirement means, at any time, an amount equal to 50% of the Project O&M Expenses budgeted to be expended during the immediately succeeding twelve months);

Twelfth, subsequent to any transfer from the Surplus Account to the Project Renewal and Replacement Reserve Account pursuant to the Indenture if the Project Renewal and Replacement Reserve Account contains less than the Project Renewal and Replacement Reserve Requirement (any such difference is referred to as a “deficiency”), to the Project Renewal and Replacement Reserve Account in an amount equal to the deficiency (see “SECURITY AND SOURCES OF PAYMENT – Project Renewal and Replacement Reserve Account” for definition of Project Renewal and Replacement Reserve Requirement);

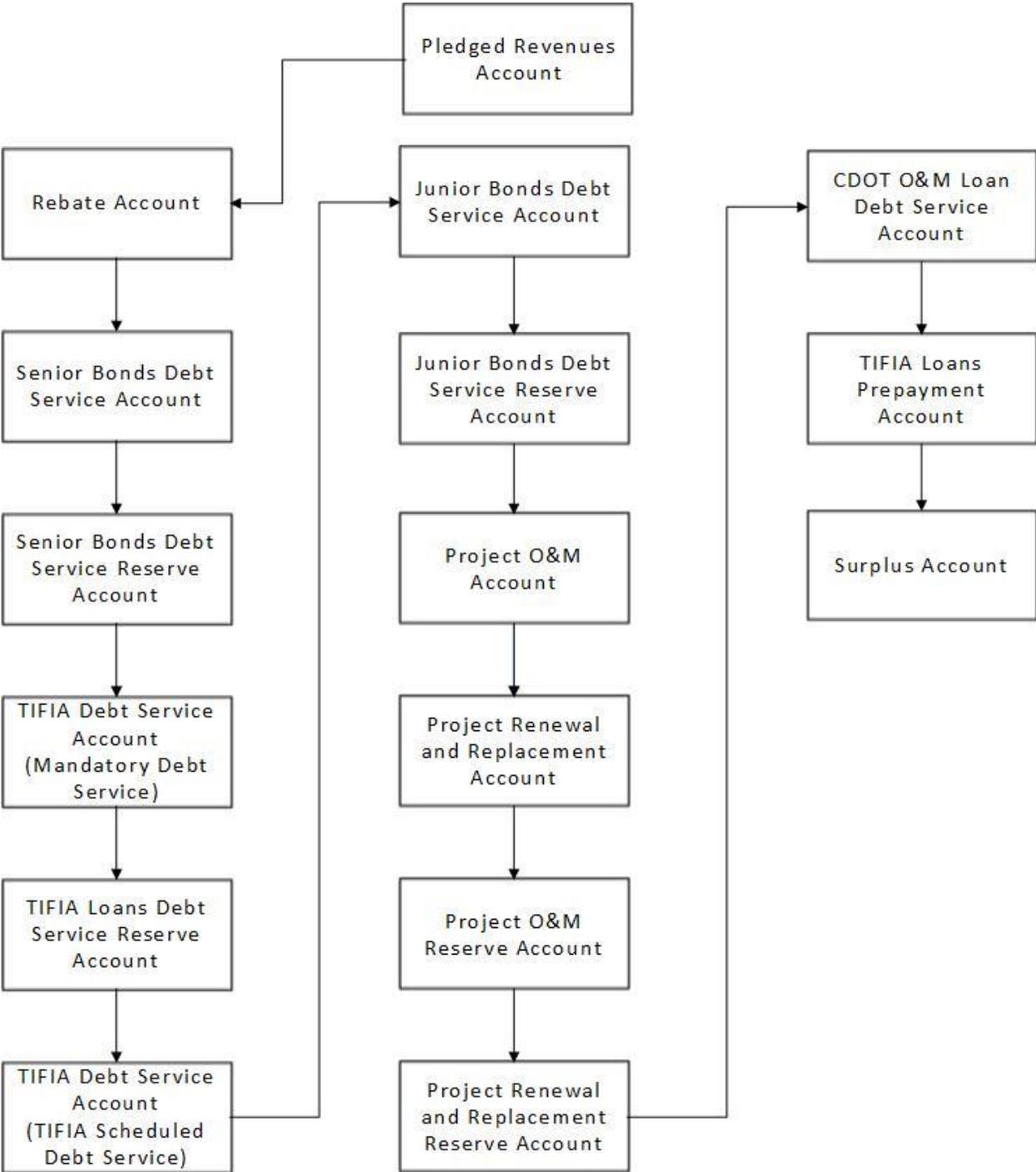
Thirteenth, provided that all TIFIA Debt Service (including all TIFIA Mandatory Debt Service and TIFIA Scheduled Debt Service) that has become due and payable on or prior to such Transfer Date, including any TIFIA Scheduled Debt Service not paid as of the originally scheduled date for payment of such TIFIA Scheduled Debt Service, has been paid in full, to the CDOT O&M Loan Debt Service Account in an amount which, together with the amount, if any, transferred to the CDOT O&M Loan Debt Service Account from the Surplus Account pursuant to the Indenture, equals the interest and principal due on any CDOT O&M Loan on the next Debt Service Payment Date for such CDOT O&M Loan that occurs within one month and one day after such Transfer Date;

Fourteenth, after the disbursements and transfers pursuant to paragraphs First through Thirteenth above have been made, on the Transfer Date immediately preceding the first Transfer Date that occurs after the earlier of (a) February 1, 2035, and (b) the Substantial Completion Date (the “TIFIA Loans Prepayment Commencement Date”) and on each Transfer Date thereafter, 50% of the remaining balance in the Pledged Revenues Account shall be transferred to the TIFIA Loans Prepayment Account; and

Fifteenth, after the disbursements and transfers pursuant to paragraphs First through Fourteenth above have been made, and, if such Transfer Date immediately precedes or is after the TIFIA Loans Prepayment Commencement Date and the transfer pursuant to paragraph (Fourteenth) above has been made, the remaining balance in the Pledged Revenues Account shall be transferred to the Surplus Account.

The flow of funds table on the next page is a brief summary of the monthly application of amounts in the Pledged Revenue Account qualified in its entirety by reference to the flow of funds discussion set forth above and the provisions of the Indenture. Upon the occurrence and during the continuance of any Bankruptcy Related Event (as defined in the Indenture) of HPTE, the TIFIA Loan Payment Obligations shall automatically become, as of the date of such Indenture Event of Default, Senior Bond Payment Obligations for all purposes of the Indenture and the TIFIA Loan Payment Obligations shall be secured by and payable from the Trust Estate on parity with the Outstanding Senior Bond Payment Obligations; provided that such provision of the Indenture shall not apply to any TIFIA Loan that the TIFIA Lender sells to a commercial entity in accordance with the related TIFIA Loan Agreement. Moneys in the Senior Bond Debt Service Account, in the Senior Bonds Debt Service Reserve Account and the Senior Bond Capitalized Interest Account, however, are available for the payment of and secure only the Series 2017 Bonds and Senior Bond Payment Obligations. See Appendix B – Glossary of Terms and Summary of Certain Provisions in Indenture for a description of the application of the Trust Estate while an Event of Default under the Indenture has occurred and is continuing.

Series 2017 Bonds Flow of Funds



Construction Account

General. The following separate subaccounts are established and created within the Construction Account:

- Bond Proceeds Subaccount
- TIFIA Loans Subaccount

Project costs shall be paid from the Construction Account and its subaccounts, including the Bond Proceeds Subaccount and the TIFIA Loans Subaccount, through disbursement by the Trustee to or to the order of HPTE to pay costs of the Project or to reimburse HPTE or CDOT for payments of costs of the Project made by either, in the order of priority and subject to the conditions described below upon receipt by the Trustee of a Construction Account requisition:

- (A) *first*, from the Bond Proceeds Subaccount; and
- (B) *second*, from the TIFIA Loans Subaccount.

Completion of the Project. Upon receipt by the Trustee of a certificate from an HPTE representative stating that all costs of the Project have been paid, the balances in the Bond Proceeds Subaccount and the TIFIA Loans Subaccount, minus any amount estimated by HPTE to be necessary to pay any such costs that have not yet been paid, shall be disbursed as follows: (A) the balance in the Bond Proceeds Subaccount shall be transferred, first, to the Rebate Account until the balance in the Rebate Account is sufficient to make all rebate payments due through the next rebate payment date, second, so long as any Senior Bonds are Outstanding, to the Senior Bonds Debt Service Account and, third, if no Senior Bonds are Outstanding, to the Junior Bonds Debt Service Account, provided that (I) no Indenture Event of Default exists and no moneys in the Bond Proceeds Subaccount are required to be disbursed to the Bonds Debt Service Accounts pursuant to the Indenture, and (II) all moneys disbursed from the Bond Proceeds Subaccount shall be spent in accordance with any restrictions set forth in the Tax Compliance Certificates; and (B) the balance in the TIFIA Loans Subaccount shall be disbursed in accordance with the TIFIA Loan Agreements.

Capitalized Interest Accounts.

Proceeds of the Series 2017 Bonds in the amount of \$_____ will be deposited into Senior Bonds Capitalized Interest Account and will be transferred to the Senior Bonds Debt Service Account on each interest payment date for the Series 2017 Bonds to pay interest through _____, 20__.

Debt Service Reserve Accounts

There shall be deposited into the Senior Debt Service Reserve Account not later than the Substantial Completion Date: (A) proceeds of the TIFIA Loan transferred from the TIFIA Loan Subaccount of the Construction Account; (B) moneys transferred to such Debt Service Reserve Account from the Pledged Revenues Account pursuant to the flow of funds provisions in the Indenture; and (C) any other moneys received by the Trustee that are accompanied by written directions that such moneys are to be deposited into such Debt Service Reserve Account in order to fund the Senior Bonds Debt Service Reserve Account Requirement in an amount equal to 50% of scheduled Senior Debt Service for the next 12 months, determined as of [January 2] of each year.

The Senior Debt Service Reserve Account may be funded with, and any cash, Permitted Investments (as defined in Appendix B) or other funding vehicle on deposit in any Debt Service Reserve

Account may be withdrawn and replaced with, a surety bond, insurance policy, letter of credit, investment agreement, investment contract or similar instrument (a “Debt Service Reserve Account Contract”) that provides for payments when and as required for purposes of such Debt Service Reserve Account and is issued by an obligor whose obligations such as the Debt Service Reserve Account Contract are, when such contract is deposited into such Debt Service Reserve Account, rated in one of the two highest rating categories by each Rating Agency. Any moneys withdrawn from any Debt Service Reserve Account in connection with the deposit of a Debt Service Reserve Account Contract therein shall be deposited into any Account included in the Trust Estate, except the Surplus Account, as directed by HPTE subject to opinion of Bond Counsel that the application of such moneys in such other Account will not cause an Adverse Tax Event.

Available moneys in the Senior Debt Service Reserve Account shall be used as follows:

(i) If no Indenture Event of Default has occurred and is continuing, (A) moneys on deposit in such account shall be transferred to the Debt Service Accounts as and when required by the Indenture to pay debt service to the extent amounts on deposit in the applicable debt service accounts are not sufficient to pay such debt service; and (B) any amount on deposit in such account that exceeds the Senior Bonds Debt Service Reserve Account Requirement or the TIFIA Loans Debt Service Reserve Account Requirement, as applicable, shall be transferred to the Debt Service Account with the same lien priority designation; and

(ii) If an Indenture Event of Default has occurred and is continuing, moneys in the Senior Debt Service Reserve Accounts shall be transferred to the Debt Service Accounts as provided in the Indenture.

Project O&M Account

There shall be deposited into the Project O&M Account on each Transfer Date from the Pledged Revenues Account pursuant to the flow of funds provisions in the Indenture an amount equal to one-sixth of the amount budgeted to pay Project O&M Expenses during the next six months.

There shall also be deposited into the Project O&M Account any moneys paid to HPTE pursuant to any CDOT O&M Loan Agreement, moneys transferred to the Project O&M Account from the Surplus Account pursuant to the Indenture, and other moneys received by the Trustee that are accompanied by written directions that such moneys are to be deposited into the Project O&M Account.

Available moneys in the Project O&M Account shall be disbursed by the Trustee (A) first, subject to the Indenture, to or to the order of HPTE to pay Trustee fees and expenses and the reasonable fees and expenses of USDOT’s counsel and financial advisors and any auditors or other consultants employed by USDOT for the purposes of the TIFIA Loan Agreements prior to the payment of other Project O&M Expenses payable on any particular date, and (B) second to or to the order of HPTE to pay other Project O&M Expenses.

If an Indenture Event of Default has occurred and is continuing, moneys in the Project O&M Account shall be transferred to the Debt Service Accounts as provided in the Indenture.

Project O&M Reserve Account

There shall be deposited into the Project O&M Reserve Account not later than the Substantial Completion Date from moneys on deposit in the Construction Account (other than from the Bond Proceeds Subaccount) an amount equal to the Project O&M Reserve Account Requirement (50% of the Project O&M Expenses budgeted to be expended during the immediately succeeding twelve months).

There shall also be deposited into the Project O&M Reserve Account any moneys transferred to the Pledged Revenues Subaccount of the Project O&M Reserve Account from the Pledged Revenues Account pursuant to the flow of funds provisions of the Indenture, and any other moneys received by the Trustee that are accompanied by written directions that such moneys are to be deposited into the Project O&M Reserve Account.

Available moneys in the Project O&M Reserve Account shall be disbursed by the Trustee (i) if moneys in the Project O&M Account, including any moneys to be transferred from the Surplus Account pursuant to the Indenture are insufficient to pay Project O&M Expenses then due and payable, to or to the order of HPTE to pay O&M Expenses as and when requested in writing by an HPTE representative, provided that (A) no Indenture Event of Default exists, and (B) to fund the Debt Service Accounts, as set forth in the Indenture.

If an Indenture Event of Default has occurred and is continuing, moneys in the Project O&M Reserve Account shall be transferred to the Debt Service Accounts as provided in the Indenture.

Ramp-Up Reserve Account

There shall be deposited into the Ramp-Up Reserve Account not later than the Substantial Completion Date from moneys on deposit in the Construction Account (other than from the Bonds Proceeds Subaccount) an amount equal to \$_____.

Moneys on deposit in the Ramp-Up Reserve Account shall be withdrawn by the Trustee from the Ramp-Up Reserve Account to pay (A) Senior Debt Service or TIFIA Mandatory Debt Service, prior to any withdrawal from the Senior Bonds Debt Service Reserve Account or the TIFIA Loans Debt Service Reserve Account, as applicable, and (B) Trustee fees and expenses or the reasonable fees and expenses of USDOT's counsel and financial advisors and any auditors or other consultants employed by USDOT for the purposes of the TIFIA Loan Agreements prior to payment thereof from the Project O&M Account. All amounts in the Ramp-Up Reserve Account may be released and transferred to the Pledged Revenues Account when the Total Debt Service Coverage Ratio has been greater than [_____] for two consecutive occurrences of June 30 and December 31 (in any order), but in no event shall funds in the Ramp-Up Reserve Account be released prior to [_____].

Project Renewal and Replacement Account

There shall be deposited into the Project Renewal and Replacement Account on each Transfer Date from the Pledged Revenues Account pursuant to the flow of funds provisions in the Indenture, an amount which equals one-sixth of the amount budgeted to pay Project Renewal and Replacement Costs during the next six months. There shall also be deposited into the Project Renewal and Replacement Account moneys transferred to the Project Renewal and Replacement Account from the Surplus Account pursuant to the Indenture and other moneys received by the Trustee that are accompanied by written directions that such moneys are to be deposited into the Project Renewal and Replacement Account.

Available moneys in the Project Renewal and Replacement Account shall be disbursed by the Trustee to or to the order of HPTE to pay Project Renewal and Replacement Costs.

If an Indenture Event of Default has occurred and is continuing, moneys in the Project Renewal and Replacement Account shall be transferred to the Debt Service Accounts as provided in the Indenture.

Project Renewal and Replacement Reserve Account

There shall be deposited into the Project Renewal and Replacement Reserve Account not later than the Substantial Completion Date from moneys on deposit in the Construction Account (other than the Bonds Proceeds Subaccount) an amount equal to the Project Renewal and Replacement Reserve Requirement and on each Transfer Date thereafter, from the Pledged Revenues Account pursuant to the flow of funds provisions of the Indenture, such amount as required so that the balance on deposit in the Project Renewal and Replacement Reserve Account is no less than the Project Renewal and Replacement Reserve Requirement (as calculated on such Transfer Date), based on the recommendation of a person who is an employee of or is retained by HPTE and is experienced with respect to matters related to highways such as the Project (the "Engineer").

The "Project Renewal and Replacement Reserve Requirement" shall be calculated from and after any December 31 and June 30 (a "Calculation Date") after the Substantial Completion Date as follows: at the start of year "N", the Project Renewal and Replacement Reserve Requirement will be the sum of the following amounts: (A) 100% of projected Project Renewal and Replacement Costs for Year "N"; (B) 66 2/3% of projected Project Renewal and Replacement Costs for Year "N" plus one; (C) 33 1/3% of projected Project Renewal and Replacement Costs for Year "N" plus two; and (D) in each case initially based on the forecast of estimated life-cycle maintenance costs with respect to the Project set forth in the Base Case Financial Model and thereafter based on the then-current Engineer's Report (described in Appendix B) and in the Base Case Financial Model (defined in Appendix B), as it may be updated from time to time pursuant to the TIFIA Loan Agreement.

There shall also be deposited in the Project Renewal and Replacement Reserve Account moneys transferred thereto from the Surplus Account pursuant to the Indenture.

Available moneys in the Project Renewal and Replacement Reserve Account shall be disbursed by the Trustee (i) if moneys in the Project Renewal and Replacement Account, including any moneys to be transferred from the Surplus Account pursuant to the Indenture, are insufficient to pay Project Renewal and Replacement Costs then due and payable, to or to the order of HPTE to pay Project Renewal and Replacement Costs as and when requested in writing by HPTE, provided that no Indenture Event of Default exists; and (ii) to fund the Debt Service Accounts as provided in the Indenture.

Any amount in deposit in the Project Renewal and Replacement Reserve Account that exceeds the Project Renewal and Replacement Reserve Requirement at any time shall be transferred to the Pledged Revenues Account.

If an Indenture Event of Default has occurred and is continuing, moneys in the Project Renewal and Replacement Reserve Account shall be transferred to the Debt Service Accounts as provided in the Indenture.

TIFIA Loans Prepayment Account

There shall be deposited into the TIFIA Loans Prepayment Account: (i) if moneys in the Project Renewal and Replacement Account, including any moneys to be transferred from the Surplus Account pursuant to the Indenture, are insufficient to pay Project Renewal and Replacement Costs then due and payable, moneys transferred to the TIFIA Loans Prepayment Account pursuant to the flow of funds provisions in the Indenture; and (ii) any other moneys received by the Trustee that are accompanied by an instrument directing that such moneys are to be deposited into the TIFIA Loans Prepayment Account.

Moneys in the TIFIA Loans Prepayment Account shall be used solely to prepay the TIFIA Loans prior to their scheduled maturity and interest payment dates in accordance with the TIFIA Loan Agreements.

Surplus Account

There shall be deposited into the Surplus Account: (i) moneys transferred to the Surplus Account from the Pledged Revenues Account pursuant to the flow of funds provisions of the Indenture; and (ii) any other moneys received by the Trustee that are accompanied by written directions that such moneys are to be deposited into the Surplus Account.

Available moneys in the Surplus Account shall be used in the order of priority and subject to the conditions described below:

(i) first, if the Pledged Revenues are not sufficient to make the payment into the Project O&M Account required by the flow of funds provisions of the Indenture (a “deficiency”), to the Project O&M Account in an amount equal to the deficiency;

(ii) second, if the Pledged Revenues are not sufficient to make payment into the Project Renewal and Replacement Account required by the flow of funds provisions of the Indenture (a “deficiency”), to the Project Renewal and Replacement Account in an amount equal to the deficiency;

(iii) third, if the amount on deposit in the Project O&M Reserve Account contains less than the Project O&M Account Reserve Requirement and there is a shortfall in making the required deposit to the Project O&M Reserve Account required by the flow of funds provisions of the Indenture (any such difference is referred to as a “deficiency”), to the Project O&M Reserve Account in an amount equal to the deficiency;

(iv) fourth, if the amount on deposit in the Project Renewal and Replacement Reserve Account contains less than the Project Renewal and Replacement Reserve Requirement and there is a shortfall in making a required deposit to the Project Renewal and Replacement Reserve Account required by the Indenture (any such difference is referred to as a “deficiency”), to the Project Renewal and Replacement Reserve Account in an amount equal to the deficiency;

(v) fifth, to the extent any payments of Debt Service on any CDOT O&M Loan are overdue, to CDOT in an amount equal to such overdue amount; and:

(vi) sixth, any balance in the Surplus Account not applied pursuant to clauses (i) through (v) of this paragraph shall remain in the Surplus Account and shall be disbursed to or upon the written order of HPTE for any purpose for which such moneys may be expended under State law in effect on the date the expenditure is made, including, without limitation termination payments to providers of Credit Facilities and Hedge Facilities.

Rate Covenant

From and after the first day of the second full Fiscal Year immediately following the Substantial Completion Date and in each Fiscal Year thereafter until no Bonds are Outstanding and all TIFIA Loan Payment Obligations have been paid, HPTE has covenanted in the Indenture to impose User Fees that are projected to produce Pledged Revenues in each [twelve-month period ending on December 31 and June 30] (a “Calculation Period”) that equal at least:

- (i) a Senior Debt Service Coverage Ratio at least equal to 1.35:1.00 in each such Calculation Period;
- (ii) a Total Debt Service Coverage Ratio at least equal to 1.25:1.00 in each such Calculation Period; and
- (iii) a ratio of Pledged Revenues to the sum of all of HPTE's funding obligations for such Calculation Period pursuant to the flow of funds provisions of the Indenture at least equal to 1.00:1.00 for each Calculation Period (clause (i), (ii) and (iii) collectively, the "Coverage Test").

If the forecast furnished by HPTE pursuant to the Master Indenture demonstrates that projected Pledged Revenues may be inadequate to satisfy the Coverage Test for any Calculation Period until the Final Maturity Date, or if HPTE fails to satisfy the Coverage Test in respect of any Calculation Period then ended, HPTE shall (x) promptly engage the Toll Road Consultant (defined in Appendix B) to review and analyze the operations of the Project and recommend actions regarding revising the rates or changing the methods of operations, or any other actions to increase Pledged Revenues so as to satisfy the Coverage Test, (y) cause the Toll Road Consultant to issue its report, including any such recommended actions, no later than 90 days following such engagement, and (z) either (A) implement the Toll Road Consultant's recommendations, or (B) undertake an alternative course of action after demonstrating to the Trustee's and the TIFIA Lender's satisfaction any manifest errors contained in the Toll Road Consultant's recommended actions or otherwise undertake an alternative course of action that will ensure HPTE's ability to meet its payment obligations under the Master Indenture.

HPTE shall be credited with amounts on deposit (i) in the Project O&M Account on the last day of each Calculation Period from moneys paid to HPTE pursuant to any CDOT O&M Loan Agreement; and (ii) in the Surplus Account on the last day of each Calculation Period for purposes of the tests for the Senior Debt Service Coverage Ratio and Total Debt Service Coverage Ratio described above, notwithstanding the fact that such amounts are not included within the definition of Pledged Revenues.] HPTE shall be credited with amount available in the Ramp-Up Reserve Account on the last day of each Calculation Period for purposes of the test for the Total Debt Service Coverage Ratio described above, notwithstanding the fact that such amounts are not included within the definition of Pledged Revenues. HPTE shall be credited with such amounts available in the Ramp-Up Reserve Account but not released from the Ramp-Up Reserve Account solely to the extent necessary to comply with the test for Total Debt Service Coverage Ratio until such time as HPTE is permitted to release all funds from the Ramp-Up Reserve Account pursuant to the Indenture.

So long as the ratio for each Coverage Test for each Calculation Period is at least equal to 1.00:1.00, failure to comply with the Coverage Test shall not constitute an Indenture Event of Default if either (i) HPTE complies with the covenant to engage the Toll Road Consultant as described above, or (ii) the Toll Road Consultant provides a written opinion to the Trustee stating that the actions required in order to produce the required Pledged Revenues are impracticable at that time. For purposes of this subsection, "impracticable" means (A) such actions would not result in an increase in Pledged Revenues, (B) the economic cost of taking such actions exceeds the economic benefit resulting from such actions, or (C) HPTE does not have sufficient available funds to pay the cost of taking such actions.

Investment of Moneys

The Master Indenture requires all moneys held as part of any account or subaccount created under the Indenture shall be deposited, invested and reinvested in Permitted Investments in accordance with FASTER, subject to any restrictions set forth in any Tax Compliance Certificate. The investment or reinvestment of moneys as part of any account held by the State Treasury shall be invested and reinvested by the State Treasurer. The investment and reinvestment of moneys as part of any account or subaccount

held by the Trustee shall be invested and reinvested by the Trustee as directed in writing by HPTE, which direction may include a direction to invest such moneys with the State Treasurer. Earnings, gains and losses from the investment of moneys held in any account or subaccount shall be deposited in or charged against such account or subaccount.

The Trustee shall 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. In computing the amount in any fund or account for any purpose under the Indenture, investments shall be valued at Fair Market Value (as defined in Appendix B).

Issuance of Additional Obligations

No additional bonds or TIFIA Loans secured under the Indenture (“Additional Obligations”) may be issued or entered into unless each of the following conditions applicable thereto has been satisfied:

(a) Additional Senior Bonds may be issued for New Money Purposes only if each of the following conditions applicable thereto has been satisfied:

(i) the Trustee receives a certification from HPTE stating that after giving effect to the issuance or incurrence of such Additional Senior Bonds and the additional User Fees, if any, to be received from the New Money Purposes for which such Additional Senior Bonds are issued, the Total Debt Service Coverage Ratio for each full Calculation Period occurring between the date of issuance or incurrence of such Additional Senior Bonds and the later of the final maturity date of the Outstanding Senior Bonds or the final payment date of the TIFIA Loan Payment Obligations will not be less than 1.30:1.00 (based on a certified “base case” revenue forecast by Louis Berger or any replacement traffic consultant selected by HPTE (the “Traffic Consultant”));

(ii) the Trustee receives a certificate from HPTE stating that, as of the date the Additional Senior Bonds are issued, either:

(A) no Indenture Event of Default has occurred and is continuing; or

(B) if an Indenture Event of Default has occurred and is continuing, such Indenture Event of Default will be cured upon the issuance the Additional Senior Bonds and the application of the proceeds of the Additional Senior Bonds in accordance with the Supplemental Indenture authorizing the issuance or incurrence of such Additional Senior Bonds;

(iii) the Trustee receives from HPTE letters from one or more Rating Agencies then rating Outstanding Senior Bonds or TIFIA Loans or other evidence that issuing or entering into the Additional Senior Bonds, in and of itself, will not reduce any rating of any Outstanding Senior Bonds or TIFIA Loans by such Rating Agency below the lower of (i) the original rating on the Outstanding Senior Bonds or TIFIA Loans, or (ii) the then current rating on the Outstanding Senior Bonds or TIFIA Loans;

(iv) the Trustee receives from HPTE evidence of the assignment by a Rating Agency of an Investment Grade Rating for such Additional Senior Bonds;

(v) such Additional Senior Bonds shall not be issued prior to the Substantial Completion Date of the C-470 Managed Lanes Project – Segment 1;

(vi) The first payment of the principal of the Additional Senior Bonds shall not be prior to the earlier of the first Debt Service Payment Date for the Series 2017 Bonds or the 2017 TIFIA Loan;

(vii) proceeds of such Additional Senior Bonds or other moneys are deposited into the Senior Bonds Debt Service Reserve Account in an amount sufficient to cause the balance therein to be at least equal to the Senior Bonds Debt Service Reserve Account Requirement.

(b) Additional Senior Bonds may be issued to refund or refinance any Outstanding Bonds or TIFIA Loans (“Refunding Senior Bonds”) only if each of the following conditions applicable thereto has been satisfied:

(i) the Trustee receives from HPTE evidence of the assignment by a Rating Agency of an Investment Grade Rating for such Refunding Senior Bonds to be Outstanding after the issuance of the Refunding Senior Bonds;

(ii) the Trustee receives a certification from HPTE stating that after giving effect to the issuance or incurrence of such Refunding Senior Bonds and the refunding or refinancing of the applicable Bonds or TIFIA Loan, Senior Debt Service for each full Calculation Period occurring between the date of issuance of such Refunding Senior Bonds and the later of the final maturity date of the Outstanding Senior Bonds or the final payment date of the TIFIA Loan Payment Obligations will be less than or equal to the Senior Debt Service for each such Calculation Period calculated immediately prior to the issuance of such Refunding Senior Bonds and the refunding or refinancing of the applicable Bonds or TIFIA Loan; and

(iii) the proceeds of such Additional Senior Bonds shall be used solely to refinance Outstanding Bonds or TIFIA Loans (which may include the acquisition of Defeasance Securities for the purposes of defeasing the Outstanding Bonds or TIFIA Loans to be refinanced) to pay expenses related to the issuance of the Additional Senior Bonds and to fund any deficiency in the Debt Service Reserve Accounts;

(iv) after issuance of such Additional Senior Bonds, the Trustee shall have on deposit in a Defeasance Escrow Fund irrevocably in trust and used only as provided in this clause (iv), either (A) moneys in an amount sufficient to pay (but not more than is needed to pay) the applicable redemption price to refund the Outstanding Bonds or TIFIA Loans being refunded or prepaid, or (B) Defeasance Securities in such principal amounts, have such maturities, bearing such interest, and otherwise having such terms and qualifications as shall be necessary to pay, as and when the Outstanding Bonds or TIFIA Loans to be refunded or prepaid are redeemed or prepaid, the applicable redemption or prepayment price to refund or prepay such Outstanding Bonds or TIFIA Loans (but not more than such amounts);

(v) the Trustee receives a certificate from HPTE stating that, as of the date the Refunding Senior Bonds are issued, either:

(A) no Indenture Event of Default has occurred and is continuing; or

(B) if an Indenture Event of Default has occurred and is continuing, such Indenture Event of Default will be cured upon the issuance of the Refunding Senior Bonds and the application of the proceeds of the Refunding Senior Bonds in accordance with the Supplemental Indenture authorizing the issuance of such Refunding Senior Bonds;

(vi) the Trustee receives from HPTE letters from one or more Rating Agencies then rating Outstanding Bonds or TIFIA Loans or other evidence that issuing the Refunding Senior Bonds, in and of itself, will not reduce any rating of any Outstanding Senior Bonds or TIFIA Loans by such Rating Agency below the lower of (i) the original rating on the Outstanding Senior Bonds or TIFIA Loans, or (ii) the then current rating on the Outstanding Senior Bonds or TIFIA Loans; and

(vii) the first payment of the principal of the Refunding Senior Bonds shall not be prior to the earlier of the first Debt Service Payment Date for the Series 2017 Bonds or the 2017 TIFIA Loan.

(c) Additional TIFIA Loans may be incurred for New Money Purposes only if each of the following conditions applicable thereto has been satisfied:

(i) the Trustee receives a certification from HPTE stating that after giving effect to the incurrence of such Additional TIFIA Loan and the additional User Fees, if any, to be received from the New Money Purposes for which such Additional TIFIA Loan is being incurred, the Total Debt Service Coverage Ratio for each full Calculation Period occurring between the date of incurrence of such Additional TIFIA Loan and the later of the final maturity date of the Outstanding Senior Bonds or the final payment date of any existing TIFIA Loan Payment Obligations will not be less than [1.30:1.00] (based on a certified “base case” revenue forecast prepared by the Traffic Consultant);

(ii) the Trustee receives a certificate from HPTE stating that, as of the date the Additional TIFIA Loan is incurred, either:

(A) no Indenture Event of Default has occurred and is continuing; or

(B) if an Indenture Event of Default has occurred and is continuing, such Indenture Event of Default will be cured upon the incurrence of the Additional TIFIA Loan and the application of the proceeds of the Additional TIFIA Loan in accordance with the TIFIA Loan Agreement under which such Additional TIFIA Loan is made;

(iii) the Trustee receives from HPTE letters from one or more Rating Agencies then rating Outstanding Senior Bonds or TIFIA Loans or other evidence that incurrence of the Additional TIFIA Loan, in and of itself, will not reduce any rating of any Outstanding Senior Bonds or TIFIA Loans by such Rating Agency below the lower of (i) the original rating on the Outstanding Senior Bonds or existing TIFIA Loans, or (ii) the then current rating on the Outstanding Senior Bonds or existing TIFIA Loans;

(iv) proceeds of such Additional TIFIA Loan or other moneys are deposited into the TIFIA Loans Debt Service Reserve Account in an amount sufficient to cause the balance therein to be at least equal to the TIFIA Loans Debt Service Reserve Account Requirement.

HPTE

General

HPTE was created pursuant to FASTER as a government-owned business within CDOT, constituting an “enterprise” for purposes of TABOR. See “LEGAL MATTERS – Certain Constitutional Limitations.” HPTE was formed for the purpose, among other things, of financing, repairing, reconstructing, replacing, operating and maintaining, or any combination thereof, surface transportation infrastructure projects.

The Director of HPTE is generally responsible for overseeing the discharge of all responsibilities of HPTE. The HPTE Board has delegated to the Director of HPTE authority to execute contracts and other agreements and instruments in connection with the financing of the Project, including documents required in connection with the issuance of HPTE’s revenue bonds, including the Series 2017 Bonds.

Under the provisions of FASTER, in order to allow HPTE to accomplish its purposes and to fully exercise its powers and duties through the HPTE Board, HPTE, among other matters, is authorized to:

(i) impose the User Fees as authorized by FASTER; (ii) issue revenue bonds, payable from the revenues and other available moneys of HPTE that are pledged for their payment, to finance project costs or to refund financial obligations of HPTE; and (iii) contract with any other governmental or nongovernmental source of funding for loans or grants, including, but not limited to, one or more loans from the State of moneys received by the State pursuant to the terms of one or more lease-purchase agreements authorized pursuant to FASTER to be used to support HPTE functions.

HPTE is governed by a board of directors consisting of seven members, four of whom are appointed by the Governor and are required to reside in certain designated geographic areas and to have professional expertise in matters that the Governor believes will benefit the board in the execution of its powers and performance of its duties. The remaining three members are members of the Transportation Commission appointed by its resolution. The names of the current members of the HPTE Board, their occupations and terms are set forth below:

| <u>Member</u> | <u>Occupation</u> | <u>Member Since</u> | <u>Term Expires (July)</u> |
|---------------------------------------|----------------------------|---------------------|----------------------------|
| Kathy Gilliland, Chair ⁽¹⁾ | Business Consultant | October 2011 | ⁽¹⁾ |
| Don Marostica, Vice Chair | Real Estate Developer | November 2015 | October 2019 |
| Shannon Gifford ⁽¹⁾ | Business Consultant | August 2015 | ⁽¹⁾ |
| Jan Martin | Retired City Councilmember | January 2016 | October 2017 |
| Thad Noll | Assistant County Manager | November 2015 | October 2019 |
| Gary Reiff ⁽¹⁾ | COO of Investment Company | July 2013 | ⁽¹⁾ |
| Trey Rogers | Attorney | October 2013 | October 2017 |

(1) Appointed by and serve at the will of the Transportation Commission.

Primary Administrative Personnel

Information about the primary administrative personnel of HPTE is provided in the following paragraphs.

Director. David Spector is the Director of HPTE. Mr. Spector’s career has been focused on high-profile public-private infrastructure projects and politically sensitive issues of public importance. Prior to HPTE, he served as legal counsel to Colorado Governor John W. Hickenlooper, where he advised on a variety of substantive matters (including state budget issues, legislation, public private partnerships, ethics, judicial nominations) as a member of the Governor’s executive leadership team. Previously, Mr. Spector was a lawyer and member of the partnership at Kaplan Kirsch & Rockwell LLP, where he practiced in the areas of land use, transportation, energy, and municipal law, with an emphasis on counseling public authorities and developers in connection with project development, including public private partnerships. He has a background in public finance and broad experience working with local communities and nonprofit organizations across Colorado on a variety of issues. Mr. Spector is active in his community and currently serves on the Komen Colorado Board and the Rocky Mountain City Summit Steering Committee. Mr. Spector earned his bachelor’s degree from Georgetown University and his juris doctor from the University of California, Hastings College of the Law.

Operations Manager. Nicholas Farber is the Operations Manager for HPTE. Mr. Farber manages and supervises HPTE’s tolling and public private partnership relationships; manages HPTE’s external procurements; manages the concession agreement on US 36 between HPTE and Plenary Roads Denver; and coordinates the day-to-day activities for the planning and development stages for all of HPTE’s projects. Prior to joining HPTE, Mr. Farber was a Transportation Policy Specialist at the National Conference of State Legislatures where he worked on innovative transportation finance policy for all 50 states and U.S. territories.

THE COLORADO DEPARTMENT OF TRANSPORTATION

General

HPTE was created by FASTER as an enterprise within CDOT. CDOT, in conjunction with the Transportation Commission and other State, local, federal and private entities, is responsible for the planning, development and construction of public highways and other components of the transportation network for the State. CDOT is established by State statute as an executive department of the State of Colorado, in order to provide strategic planning for Statewide transportation systems, to promote coordination among the different modes of transportation, to integrate governmental functions in order to reduce the costs incurred by the State in transportation matters, to obtain the greatest benefit from State expenditures by producing a Statewide transportation policy to address the Statewide transportation problems faced by Colorado, and to enhance the State's prospects to obtain federal funds by responding to federal mandates for multi-modal transportation planning. CDOT works closely with the Transportation Commission, which is described in "The Transportation Commission" under this caption.

Organization of Department

CDOT is under the direction of the CDOT Executive Director, who is appointed by the Governor of the State with the consent of the Senate and who serves at the pleasure of the Governor. CDOT's organizational chart is provided below.

The Transportation Commission

The Transportation Commission is established under State statute as a body corporate, and consists of 11 members appointed by the Governor of the State with the consent of the State Senate from each of 11 districts. Under State statute, the Transportation Commission has the following powers and duties, among others: (i) to formulate the State's general policy with respect to the management, construction and maintenance of the public highways and other transportation systems in the State, (ii) to assure that the preservation and enhancement of Colorado's environment, safety, mobility and economics be considered in the planning, selection, construction and operation of all transportation projects in the State, (iii) to make such studies as it deems necessary to guide the Executive Director and the Chief Engineer concerning the transportation needs of the State, (iv) to prescribe the administrative practices to be followed by the CDOT Executive Director and the Chief Engineer for CDOT in the performance of any duty imposed on them by law, (v) to advise and make recommendations to the Governor and the General Assembly relative to the transportation policy of the State and, to achieve these ends, to formulate and recommend for approval to the Governor and the General Assembly a Statewide transportation policy, and (vi) to promulgate and adopt all CDOT budgets (other than for the Division of Aeronautics) and State transportation programs, including construction priorities and the approval of extensions or abandonments of the State highway system and including a capital construction request, based on the Statewide transportation improvement programs, for State highway reconstruction, repair and maintenance projects to be funded from the State capital construction fund.

The names of the current members of the Transportation Commission, their districts, their occupations and terms are set forth below:

| <u>Member</u> | <u>District</u> | <u>Occupation</u> | <u>Member Since</u> | <u>Term Expires (July)</u> |
|-------------------------|-----------------|--------------------------------------|---------------------|----------------------------|
| Shannon Gifford | 1 | Business Consultant | July 2013 | 2017 |
| Edward J. Peterson | 2 | Construction Contractor | October 2011 | 2019 |
| Gary Reiff, Chairman | 3 | COO of Investment Company | August 2009 | 2017 |
| Heather Barry | 4 | Director of Airport Business Affairs | July 2007 | 2017 |
| Kathy Gilliland | 5 | Business Consultant | July 2011 | 2019 |
| Kathy Connell | 6 | Real Estate Broker | July 2011 | 2019 |
| Kathy Hall | 7 | Business Consultant | September 2015 | 2017 |
| Sidney Zink, Vice Chair | 8 | Accountant | July 2013 | 2017 |
| Rocky Scott | 9 | | October 2016 | 2019 |
| Bill Thiebaut | 10 | Professor | April 2009 | 2017 |
| Steven Hofmeister | 11 | Crop Insurer | May 2012 | 2019 |

CONSTRUCTION OF THE PROJECT

General

The proceeds of the Series 2017 Bonds, together with other funds, are being used to pay a portion of the costs of the Project consisting generally of: (i) adding two tolled express lanes westbound from I-25 to Colorado Boulevard, one tolled express lane westbound from Colorado Boulevard to Wadsworth Boulevard, and one tolled express lane eastbound from Wadsworth Boulevard to I-25; (ii) safety and operational improvements between westbound I-25 and Quebec Street by adding direct-connect ramps from southbound I-25 to the westbound C-470 tolled express lanes, northbound I-25 to the westbound C-470 tolled express lanes, and westbound E-470 to the westbound C-470 general purpose lanes; (iii) adding auxiliary lanes at select locations; improving portions of on-ramps and off-ramps to current standards (including ramp metering where appropriate); and realigning substandard curves; (iv) full reconstruction of the pavement; (v) widening existing structures throughout the corridor, replacing the bridges over the South Platte River; constructing new bridges for the direct connect ramps at I-25; (vi) adding grade separations for the multi-use trail at Quebec Street and Colorado Boulevard; (vii) installing tolling/Intelligent Transportation Systems elements; (viii) drainage and water quality treatment system; and (ix) environmental mitigation as required in the Revised Environmental Assessment (July 2015), and “Decision Document (November 2015)”. See “CONSTRUCTION OF THE PROJECT – Environmental Permits and Approvals” below.

Prior to the issuance of the Series 2017 Bonds, CDOT and the Design-Builder have undertaken various project development activities. These activities generally included performing preliminary engineering, conducting traffic and revenue studies, obtaining major environmental approvals and permits, acquisitions of right-of-ways, negotiating various agency agreements for environmental, design, construction, and operations, negotiating utility relocation agreements, developing and adopting a toll policy, development of the design-build procurement documents, selection of the Design-Builder, award of the Design-Build Contract and issuance of limited notices to proceed, and securing of Project funding. As of ____ __, 2017, approximately \$____ million has been expended on the Project, grading has commenced, heavy machinery has been mobilized to the Project site [and the Design-Builder has commenced work on the widening of certain bridges.]

Design-Builder

The Design-Builder, Flatiron/AECOM, consists of a joint venture between Flatiron and AECOM. See “INTRODUCTION – Key Project Participants.” Flatiron and AECOM formed an LLC entity to contract with CDOT. Flatiron serves as the managing partner and AECOM serves as the minority construction member. This joint venture brings together two of the largest transportation contractors in the United States. Flatiron, together with its parent company, HOCHTIEF, performed \$___ billion of work in 2015 and is the ___ largest transportation contractor and ___ largest general contractor according to Engineering News-Record (“ENR”). AECOM performed \$___ billion of work in 2015 and was ranked by ENR as the ___ largest transportation contractor and ___ largest transportation contractor in the world.

Each of these firms has experience completing design-build and transportation projects of the magnitude of the Project. Recent examples of projects completed by team members include: **[Complete]**

- 1-405 Tolled Express Lanes (F)(A)
- I-25 North Tolloed Express Lanes (Colorado) (F)
- E-470 (F)

(F) = Flatiron, (A) = AECOM

Design-Build Contract

CDOT and the Design-Builder have entered into a Design-Build Contract pursuant to a Request for Proposals issued initially by CDOT on September 3, 2015 and a final Request for Proposal issued by CDOT to shortlisted teams on November 30, 2015. The Design-Build Contract is a lump sum design-build construction contract pursuant to which the Design-Builder has agreed to perform all work necessary to obtain completion of the Project by the deadlines specified therein, subject only to certain exceptions. The Design-Build Contract includes the following terms and provisions:

Completion Deadlines. CDOT issued a limited notice to proceed (“NTP1”) on July 15, 2016 authorizing the Design-Builder to begin the planning and design related work. On October 25, 2016, CDOT issued a second notice to proceed (“NTP2”) authorizing the Design-Builder to perform all other work on the Project. The original schedule contemplated the NTP2 to occur at the beginning of August. The Design-Builder has communicated to CDOT that notwithstanding such delay, it is confident that it will meet the remaining milestone dates under the Design-Build Contract.

The already completed and anticipated milestone dates under the Design-Build Contract are as follows:

| | |
|-------------------|---|
| March 30, 2016 | -- Award of Design-Build Contract (Completed) |
| July 15, 2016 | -- Issuance of First Notice to Proceed (NTP1) (Completed) |
| October 25, 2016 | -- Issuance of Second Notice to Proceed (NTP2) (Completed) |
| August 14, 2018 | -- Deadline to Achieve Prerequisites for E-470 Integration ⁽¹⁾ |
| November 21, 2018 | -- Deadline for Project Completion Notice |
| February 19, 2019 | -- Deadline for Project Completion Affidavit of Final Completion |

(1) See “Toll System Design and Construction” below.

The dates described above are subject to change due to, among other things, unforeseen delays, Change Orders, Force Majeure Events or failure by the Design-Builder, CDOT or other parties to meet various contractual commitments. See “INVESTMENT CONSIDERATIONS – Construction Risks.”

Scope of Work. The Design-Builder is required to furnish all design and other services, provide all materials, equipment, and labor and undertake all efforts necessary or appropriate to construct the Project and maintain it during construction. The Design-Builder is required to obtain all necessary governmental approvals for which it is responsible under the Design-Build Contract.

Contract Price. As full compensation for the work, contingencies and all other obligations to be performed by the Design-Builder, CDOT will pay to the Design-Builder a "Contract Price" of \$204,270,973 (subject to adjustment under certain circumstances, including Change Orders as described below). Payments are to be made on the basis of progress by the Design-Builder, subject to a cap on the aggregate amount of payments.

CDOT will withhold funds (the "Retainage") from each payment to be made to the Design-Builder until such time as substantial completion is achieved, and thereafter will cease withholding Retainage from future payments. The Retainage will be an amount equal to 1.5% of the payment amount, after subtracting any amounts owing for mobilization of equipment, design services and construction management services.

Change Orders. The Design-Builder may request a Change Order to extend a completion deadline contained in the Design-Build Contract only for the following delays in the Critical Path:

- (a) CDOT-caused delays.
- (b) Delays directly attributable to necessary design changes to the extent permitted by the Design-Build Contract.
- (c) Delays directly attributable to differing site conditions, to the extent permitted by the Design-Build Contract.
- (d) Certain delays relating to utility work as described in the Design-Build Contract.
- (e) Certain delays relating to hazardous substances, as described in the Design-Build Contract.
- (f) Certain delays relating to material errors in the right-of-way plans, to the extent permitted in the Design-Build Contract.
- (g) Delays directly attributable to Force Majeure events, to the extent permitted by the Design-Build Contract. For purposes of the Design-Builder's entitlement to a time extension under the Design-Build Contract, the term "Force Majeure" means a loss, injury or damage to the work due to unforeseeable causes beyond the control of the Design-Builder or the Design-Builder's related entities, including, but not limited to, acts of God, such as earthquake, flood, tornado, high winds; or other cataclysmic phenomenon of nature, or acts of the public enemy or of governmental authorities.

The Design-Builder may request a change order to increase the Contract Price only for certain increased costs of performance of the work including:

- (a) Additional costs directly attributable to additional work resulting from CDOT-directed changes.
- (b) Additional costs directly attributable to CDOT-caused delays.
- (c) Additional costs directly attributable to necessary design changes, to the extent permitted in the Design-Build Contract.

(d) Additional costs directly attributable to differing site conditions, to the extent provided in the Design-Build Contract.

(e) Certain additional costs relating to hazardous substances, as described in the Design-Build Contract.

(f) Certain additional costs relating to utility work, as described in the Design-Build Contract, to the extent provided therein.

(g) Certain additional costs relating to material errors in the right-of-way plans, as described in the Design-Build Contract.

(h) Additional costs directly attributable to uncovering, removing and restoring work, to the extent provided in the Design-Build Contract.

Force Majeure Event. The Design-Build Contract provides that the Contract Price is subject to increase, and the completion deadlines therein are subject to extension, due to any “Force Majeure Event.” Under the Design-Build Contract, a Force Majeure Event means any of the events listed in clauses (a) through (f) below, subject to the exclusions listed in clauses (i) through (ix) below, which materially and adversely affects the Design-Builder’s obligations, which event (or the effects of which event) could not have been avoided or prevented by due diligence and the use of reasonable effects by the Design-Builder:

(a) A tornado or an earthquake;

(b) Any rebellion, war, riot, act of sabotage, terrorism or civil commotion;

(c) The discovery at, near or on the Project site of any archaeological, paleontological or cultural resources or any biological resources (which term shall be deemed to mean any threatened or endangered species, raptors or eagles), provided that the existence of such resources was not disclosed in the documents soliciting proposals from design-builders (the “RFP Documents”);

(d) The suspension, termination, interruption, denial, failure to obtain, nonrenewal or amendment of any environmental approval, except as otherwise provided in the Design-Build Contract;

(e) Any change in a legal requirement, change in the judicial interpretation of a legal requirement or adoption of any new legal requirement, which is materially inconsistent with legal requirements in effect on March 3, 2016 (excluding any such change or new legal requirement which was passed or adopted but not yet effective as of March 3, 2016), and which: (i) requires a material modification in the Project work; (ii) requires the Design-Builder to obtain a State or federal environmental approval not previously required for the Project; or (iii) specifically targets the Project or the Design-Builder; and

(f) Any lawsuit seeking to restrain, enjoin, challenge, or delay construction of the Project or the granting or renewal of any Governmental Approval of the Project, except to the extent that: (i) the risk of such lawsuit has been assumed by the Design-Builder under the Design-Build Contract; or (ii) the lawsuit otherwise arises out of any act, omission or breach of obligation of the Design-Builder, a subcontractor or any person for whom the Design-Builder is contractually or legally liable.

The definition of Force Majeure Event specifically excludes the following matters which might otherwise be considered a Force Majeure event:

(i) Fire or other physical destruction or damages, including lightning, explosion, drought, rain, flood not caused by the above-described events, hurricane, storm or action of the elements or other acts of God;

(ii) Except as provided in the Design-Build Contract, explosion or malicious or other acts by the Design-Builder or a Design-Builder-related entity intended to cause loss or damage or other similar occurrence;

(iii) Strike, labor dispute, work slowdown, work stoppage, secondary boycott, walkout or other similar occurrence;

(iv) The suspension, termination, interruption, denial or failure to obtain, or nonrenewal of any Governmental Approval other than an environmental approval, unless such event is the result of a lawsuit as described in the Design-Build Contract;

(v) The adoption or repeal of, or change in, a legal requirement which was passed but not yet effective as of March 3, 2016 or which increases the Design-Builder's costs but does not change the obligations to be performed by Contractor (except to the extent provided in the Design-Build Contract);

(vi) Any lawsuit relating to any new environmental approval, which is the Design-Builder's risk under the Design-Build Contract;

(vii) Any Force Majeure event under a utility agreement unless the claimed Force Majeure event also constitutes Force Majeure as provided above in clauses (a) through (f) above;

(viii) Any utility delay; and

(ix) All other matters not caused by CDOT or beyond the control of CDOT and not listed above.

Liquidated Damages. If the Design-Builder fails to meet a contract deadline, Project Completion and/or Final Acceptance by the applicable Completion Deadline, the Design-Builder has agreed to pay CDOT liquidated damages in the following amounts:

1. \$73,000 per day (or portion of a day) for the Design-Builder's failure to meet the E-470 Integration Prerequisites beyond the Completion Date

2. \$38,000 per day (or portion of a day) for the Design-Builder's failure to achieve Notice of Project Completion beyond the Completion Date.

3. \$13,000 per day (or portion of a day) for the Design-Builder's failure to achieve Affidavit of Project Completion beyond the Completion Date.

4. After a warning for the first occurrence from CDOT, \$5,000 per day (or portion of a day) for failure to obtain necessary rights of access to encroach upon private property.

Liquidated Damages may be assessed simultaneously under more than one subsection under the Design-Build Contract, but cumulative liquidated damages under the Design-Build Contract are not to exceed \$20,000,000.

Performance and Payment Bonds. The Design-Builder delivered to CDOT 100% payment and performance bonds in respect of its obligations under the Design-Build Contract. Each bond provider is required to have an investment grade rating. The performance bond covers the cost to perform all of the obligations of the Design-Builder under the Design-Build Contract. Whenever the Design-Builder shall

be, and is declared by CDOT to be, in default under the Design-Build Contract, the performance bond provider shall promptly remedy such default, or complete the work and perform the obligations, or cause the work to be completed and obligations performed. The payment bond covers all payment obligations of the Design-Builder under the Design-Build Contract. See “INVESTMENT CONSIDERATIONS – Construction Risks.”

Insurance. The Design-Builder is required to obtain and maintain a construction insurance program with project-specific limits for, among other coverages, commercial general liability, pollution liability, professional liability and builder’s risk. Certain components of the insurance required to be obtained by the Design-Builder are described below.

Workers’ Compensation and Employer’s Liability Coverage. The Design-Builder is required to obtain and maintain a policy or policies of workers’ compensation insurance with minimum limits of \$1,000,000 by disease each person, \$1,000,000 by disease aggregate, and \$1,000,000 each person by accident.

Commercial General Liability Insurance. The Design-Builder is required to obtain and maintain a policy or policies of commercial general liability insurance for bodily injury, property damage, personal injury and advertising liability with limits of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, \$1,000,000 for personal injury/advertising liability and \$2,000,000 products/completed operations liability aggregate.

Automobile Liability Insurance. The Design-Builder is required to obtain and maintain a policy or policies of commercial automobile liability insurance covering all owned/leased, non-owned and hired vehicles used in the performance of Project work, both on and off the Project site, including loading and unloading with a \$2,000,000 combined single limit for bodily injury and property damage liability.

Pollution Legal Liability Insurance. The Design-Builder is required to obtain and maintain contractor’s pollution liability insurance with a total limit of liability of no less than \$5,000,000 per occurrence and \$10,000,000 in the aggregate.

Excess (Umbrella) Liability Insurance. The Design-Builder is required to obtain and maintain umbrella or excess liability insurance with limits of not less than \$10,000,000 per occurrence and \$10,000,000 in the aggregate annually that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages required under the Design-Build Contract.

Professional Liability Insurance. The Design-Builder is required to obtain and maintain contractor’s professional liability insurance with limits not less than \$10,000,000 per claim and an aggregate of at least \$10,000,000.

Builder’s Risk Insurance. The Design-Builder is required to obtain and maintain a policy of builder’s risk insurance with replacement value for “all risks” or equivalent policy in the amount of probably maximum loss.

Delay in Start-Up Coverage. The Design-Builder is required to obtain and maintain such insurance as will insure CDOT and HPTE against loss of use and soft costs (including, for certainty, additional interest charges and loss of toll revenues) due to delay in completion as a result of fire, physical loss or damage by an insured peril. The amount of coverage shall be at least \$10,000,000.

Railroad Protective Insurance. The Design-Builder is required to obtain and maintain Railroad Protective Public Liability and Property Damage Insurance providing for combined single limit of \$5,000,000 per occurrence with an aggregate limit of \$10,000,000 applied separately for each annual period

to all damages arising out of bodily injuries to or death of one or more persons, and all damages arising out of injury to or destruction of property.

All such insurance policies are required to be procured from insurance companies with an A.M. Best Company rating level of A-VII or better.

See “INVESTMENT CONSIDERATION – Construction Risks.”

Right-of-Way Acquisition

As of December 1, 2016, all right-of-way parcels necessary for construction of the Project had been acquired.

Environmental Permits and Approvals

The National Environmental Policy Act of 1969, 42 U.S.C. § 4321, et seq. (“NEPA”) is a procedural statute which requires federal agencies to assess potential environmental impacts before undertaking major federal actions and is designed to ensure public participation and transparent decision-making by federal agencies. Under the Administrative Procedures Act, 5 U.S.C. Secs. 701-706 (the “APA”), a court may overturn an agency actions if it determines the agency acted arbitrarily and capriciously.

Pursuant to NEPA, CDOT and the Federal Highway Administration (“FHWA”) collaboratively conducted an environmental review of the Project. As a result of that environmental review, CDOT and FHWA issued a Revised Environmental Assessment (“Revised EA”) in July 2015. The Revised EA concluded, in part, that, based on certain noise studies, noise abatement walls along C-470 were reasonable or feasible for portions of the Project, but were not reasonable or feasible for other portions. On November 20, 2015, CDOT and FHWA issued a Finding of No Significant Impact (“FONSI”) recognizing the same conclusion.

In May 2016, the Highlands Ranch Neighborhood Coalition, a Colorado non-profit corporation, whose membership consists of over 88 families and/or residential property owners who live adjacent to C-470 (the “Coalition”), filed a Complaint for Declaratory and Injunctive Relief against CDOT and the FHWA in the United States District Court for the District of Colorado. The Coalition alleged, in part, that CDOT and FHWA failed to comply with NEPA by issuing the FONSI based on an incomplete and improper noise analysis and that CDOT and FHWA also did not allow for public comment on certain noise data collected by CDOT and FHWA. The Coalition requested that the District Court (a) declare that CDOT and FHWA violated NEPA, the FHWA noise regulations and the APA when they issued the FONSI, (b) void the FONSI and (c) enjoin CDOT and FHWA from conducting any further work on the Project until such time as CDOT and FHWA comply with NEPA, FHWA noise regulations and the APA. The Coalition subsequently filed a Motion for a Preliminary Injunction on August 9, 2016, which was subsequently amended. In its Amended Motion, the Coalition requested that the Court enjoin CDOT and FHWA from proceeding with the Project until such time as they had complied with NEPA.

On November 22, 2016, the District Court heard oral argument on the Coalition’s request for a preliminary injunction. To prevail on its request for a preliminary injunction, the Coalition was required to show: (1) a substantial likelihood of prevailing on the merits; (2) irreparable harm unless the injunction is issued; (3) that the threatened injury outweighs the harm that the preliminary injunction may cause the opposing party; and (4) that the injunction, if issued, will not adversely affect the public interest. On December 7, 2016, the District Court denied the Coalition’s motion for preliminary injunction “solely on the basis of failure to show irreparable harm based on the current record.” The District Court further held that its decision does not foreclose an ultimate ruling in the Coalition’s favor since the merits of the

Coalition's case "will be reached only after a consideration of the full record, after further briefing of the issues."

Although CDOT and FHWA prevailed with respect to the preliminary injunction, the District Court has yet to make a final determination on the merits of the case. Briefing of the underlying issues in the case is presently scheduled to begin in January 2017 and extend through mid-February 2017. It is not possible for HPTE to predict (a) the ruling of the District Court, (b) the timing of such ruling, (c) the amount of time required to conduct further environmental review of the Project and issue decisional documents if the Court concludes that CDOT and FHWA did not comply with NEPA, (d) the nature and scope of impacts, if any, on the Project as a result of further environmental review and issuance of any new decisional documents, or (e) the amount of time required for final disposition of the case if either party chooses to appeal the District Court's decision. However, such final disposition could extend beyond the time in which the TIFIA Lender is currently scheduled to provide disbursements to fund a portion of constructing the Project and to fund the accounts contemplated under the Plan of Finance. Since conditions for disbursements of funds under the TIFIA Loan include final disposition of such litigation and no violation of NEPA, it is possible that such funding by the TIFIA Lender could be delayed or terminated which could have a material negative effect on construction of the Project and the security for the Series 2016 Bonds. See "INVESTMENT CONSIDERATION – Funding Risks."

Further, a three-mile portion of the Project between Santa Fe Boulevard and Wadsworth Boulevard is located on an easement owned by the United States Army Corps of Engineers ("USACE"). CDOT is required to obtain a Section 408 permit from USACE determining that the Project will not impair USACE's use of Chatfield Reservoir. CDOT and FHWA coordinated with USACE during both the preparation of the Revised EA and the preliminary design stages of the Project to define the remaining steps, deliverables and deadlines required to complete the Section 408 permitting process. These requirements and time frames were then incorporated into the Design-Build Contract as responsibilities of the Design-Builder. The Design-Builder has conducted follow-up coordination meetings with USACE and submitted 30% of the design work for the affected portion of the Project. Based on communications with CDOT, HPTE expects the USACE permit to be received by May 2017. Since the Section 408 permit relates to the far west portion of the Project, construction of the Project is being phased to start on the east end and is not expected to impact the construction schedule.

The major remaining environmental permits with respect to the construction of the Project to be obtained by either CDOT or the Design-Builder are subject to the Design-Builder providing specific designs that meet permit requirements. The Design-Builder has informed CDOT that as of _____, 2017, there are no known technical impediments to obtaining the remaining environmental permits. See also "INVESTMENT CONSIDERATIONS – Construction Risks."

Toll System Design and Construction

The Design-Builder is obligated to design, furnish and install the required infrastructure for the Project, including all power and communication conduits and associated equipment, toll utility buildings, gantries, sign and camera poles and necessary foundations (referred to as "Intelligent Transportation Systems" below under "Project Costs") by August 14, 2018 (referred to in the Design-Build Contract as "Prerequisites for E-470 Integration"). HPTE expects that the E-470 Authority will provide the design, equipment, operations testing, installation, integration, training and warranty for the electronic toll collection system, including toll collection equipment and software pursuant to the Toll Operation Task Order (referred to as "Toll System Integration" below under "Project Costs"). See "OPERATION AND MAINTENANCE OF THE PROJECT – General" herein.

Project Costs

The following table presents the total costs under the Design-Build Contract and other costs of the Project:

| <u>Design-Build Contract</u> | <u>Amount</u> |
|---|----------------------|
| Project Management | \$39,394,000 |
| Geotechnical and Pavements | 48,750,200 |
| Earthwork | 21,450,100 |
| Drainage | 8,035,500 |
| Bridges and Minor Structures | 17,100,200 |
| Right-of-Way Acquisition (Design-Builder Responsibility) | 6,000,000 |
| Design | 13,500,000 |
| Walls | 17,737,500 |
| Utilities | 356,000 |
| Environmental Management | 2,063,000 |
| Signing, Pavement Marking, Signalization, Lighting | 16,186,900 |
| Intelligent Transportation Systems/Tolling ⁽¹⁾ | 9,270,000 |
| Maintenance of Traffic | 10,132,500 |
| Maintenance During Construction | 294,073 |
| Total Design-Build Contract Price | <u>\$204,270,973</u> |
| | |
| <u>Outside Design-Build Contract</u> | |
| Contingency | \$15,800,000 |
| Right-of-Way Acquisition (CDOT Responsibility) | 6,000,000 |
| Pre-Design-Build Contract Costs | 10,800,000 |
| Toll System Integration ⁽¹⁾ | 3,000,000 |
| CDOT Construction Management and Verification Testing | 9,200,000 |
| Indirect Expenditures | 26,500,000 |
| Total Outside Design-Build Contract | <u>\$71,300,000</u> |
| | |
| TOTAL PROJECT COSTS | \$275,600,000 |

(1) See "CONSTRUCTION OF PROJECT – Toll System Design and Construction."

OPERATION AND MAINTENANCE OF THE PROJECT

General

HPTE has the exclusive right to receive and retain User Fees imposed by HPTE pursuant to FASTER on tolled vehicles riding on the C-470 Managed Lanes once they are open to vehicular traffic. Further, FASTER requires among other things that (i) all revenues generated from tolls are deposited in the Transportation Enterprise Special Fund created in the State treasury, (ii) moneys in such fund are continuously appropriated to HPTE for the purposes set forth in FASTER and (iii) moneys in such fund are not used for any purpose other than those set forth in FASTER. Pursuant to FASTER, HPTE may spend moneys in the Transportation Enterprise Special Fund to fund surface transportation infrastructure projects and that the HPTE Board has exclusive authority to budget and approve the expenditure of moneys in the Transportation Enterprise Special Fund.

In order to give effect to HPTE's right to receive User Fees, HPTE has entered into the Managed Lanes Tolling Services Agreement dated May 7, 2015 (the "Toll Operator Agreement") with the E-470 Authority which provides the overarching terms and conditions under which the E-470 Authority will provide certain toll equipment installation, toll collection, violations enforcement and customer service functions in connection with highways or roads constructed and operated as tolling facilities by HPTE. The

E-470 Authority is obligated to commence tolling services for the C-470 Managed Lanes provided HPTE fulfills certain obligations under the Toll Operator Agreement relating to the provision of operational requirements allowing the E-470 Authority to design, program and test all applicable software for the C-470 Managed Lanes. Currently, the Toll Operator Agreement is scheduled to terminate on June 30, 2020. The Indenture requires HPTE to enter into an extension of the Toll Operator Agreement or a replacement to the Toll Operator Agreement, in each case by no later than three months prior to June 30, 2020. Prior to such date, HPTE expects to enter into a task order with the E-470 Authority (the “Toll Operator Task Order”) to supplement the Toll Operator Agreement in order to govern its application to the C-470 Managed Lanes.

The E-470 Authority financed, constructed and now operates and maintains 47 miles of a tolled public highway in the State known as the E-470 Public Highway (“E-470”), including back office toll collection and customer services functions which the E-470 Authority provides by contract with a third party vendor. The E-470 Authority also performs its own toll evasion enforcement processing and operates an administrative law court through which independent administrative law judges adjudicate unpaid toll and toll evasion transportation liability pursuant to the Public Highway Authority Law, Sections 43-4-501 *et seq.*, C.R.S. The E-470 Authority has also historically performed back office toll collection and customer services and toll violations processing for managed lanes on I-25 pursuant to an intergovernmental agreement between HPTE and the E-470 Authority dated as of July 1, 2011.

Notwithstanding the use of the same toll operator, E-470, the I-25 Managed Lanes and the C-470 Managed Lanes are independent operations and their finances will not be comingled. Tolls on each of the E-470, I-25 Managed Lanes and C-470 Managed Lanes will be charged independently. Revenues earned from the I-25 Managed Lanes and E-470 do not constitute Pledged Revenues securing the Series 2017 Bonds. When travelling along C-470, vehicles will be able to use the tolled express lanes, or may use the general purpose lanes (which are free of charge). There will be no exemption for high occupancy vehicles (“HOV”).

Collection and Remittance of User Fees

The Indenture requires HPTE to cause the E-470 Authority (or any successor or assign) or any party to a subsequent tolling agreement to collect User Fees. Under the Toll Operator Agreement, the E-470 Authority is required to remit User Fees to HPTE no later than three business days after receipt. All revenues received by HPTE, including, but not limited to, revenues from the User Fees, are required to be deposited in the Transportation Enterprise Special Fund. See “SECURITY AND SOURCES OF PAYMENT – Transportation Enterprise Special Revenue Fund.”

Establishment of Tolls and Penalties

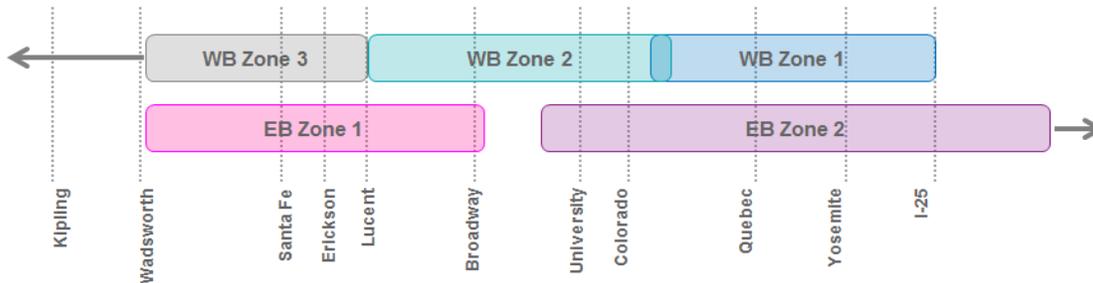
HPTE will establish a schedule for tolls and a schedule for civil penalties for toll evasion and currently intends to adopt the base case rate structure set forth in the Study prepared by the Traffic and Revenue Consultant attached as Exhibit A prior to Substantial Completion. The toll rates are to differ by zone and time of day. The base case toll rates and the zone structure are illustrated below.

Base Case Toll Rates

| <u>Eastbound</u> | <u>Westbound</u> |
|------------------|-------------------------------|
| | <u>6:00 a.m. to 6:59 a.m.</u> |
| \$2.00 | \$1.50 |
| | <u>7:00 a.m. to 8:59 a.m.</u> |
| \$4.00 | \$1.50 |
| | <u>9:00 a.m. to 2:59 p.m.</u> |
| \$2.00 | \$1.50 |
| | <u>3:00 p.m. to 3:29 p.m.</u> |
| \$3.00 | \$3.00 |
| | <u>3:30 p.m. to 6:29 p.m.</u> |
| \$4.00 | \$6.00 |
| | <u>6:30 p.m. to 5:59 a.m.</u> |
| \$3.00 | \$3.00 |

Base Case Zone-Based Tolling Structure⁽¹⁾

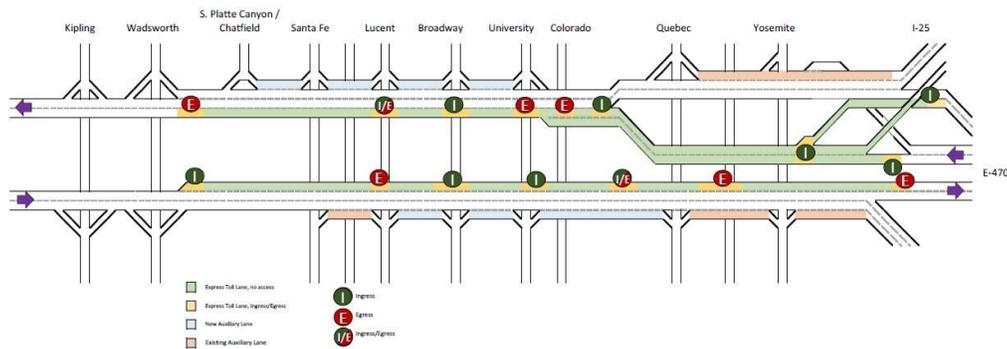
| Zone Label | Start | End | Approx. Length |
|------------------------|----------------|----------------|-------------------|
| Westbound Zones | | | 10.0 miles |
| WB Zone 1 | I-25 | E. of Colorado | 2.0 miles |
| WB Zone 2 | E. of Colorado | Lucent | 4.6 miles |
| WB Zone 3 | Lucent | Wadsworth | 3.4 miles |
| Eastbound Zones | | | 11.8 miles |
| EB Zone 1 | Wadsworth | E. of Broadway | 5.4 miles |
| EB Zone 2 | E. of Broadway | I-25 | 6.4 miles |



(1) The Project will use a zone-based tolling structure, whereby customers will pay a posted toll for each zone, regardless of distance travelled within that zone.

In the westbound direction, there are three toll zones. Vehicles entering and existing in zone 2 and zone 3 are to pay only for the zone they used. However, vehicles entering zone 1 must pay the toll for zones 1 and 2 since there are no egress points within zone 1. In the eastbound direction there is only one zone, so all C-470 Managed Lane users traveling eastbound are to pay the zone 1 toll regardless of their entry or exit point or distance traveled.

Project Lane Configuration



After the initial toll and penalty schedule is established for the C-470 Managed Lanes, HPTE may propose changes to the existing established toll and penalty schedule from time to time and as required under the Indenture or as it considers appropriate. Such changes could include modifying the zone and time of day structure outlined in the Study to dynamic tolling pursuant to which tolls could be continually adjusted according to traffic conditions. See “SECURITY AND SOURCES OF PAYMENT – Rate Covenant.” To comply with HPTE’s Outreach Plan, it takes at least three months to implement a toll rate increase. In the first month, the toll rate schedule is introduced to the HPTE Board. During both the first and second month, press releases, media visits, website changes, and variable message sign boards provide information to the public regarding the proposed toll schedule increase. At the beginning of the third month, thousands of affected residents are called by phone and are informed of the toll rate change, allowed to ask questions, and are polled on their views. The HPTE Board may then approve the toll rate schedule at their meeting held in the third month.

Electronic Toll Collection System

HPTE will collect tolls through the operation of an electronic toll collection system (“ETCS”) and currently expects that the ETCS will be installed by E-470 Authority under the Toll Operator Task Order. See “CONSTRUCTION OF THE PROJECT – Toll System Design and Construction.” The future tolling segments (points where motor vehicles may lawfully enter and exit the managed lanes) on the C-470 Managed Lanes are shown on the Project Lane Configuration diagram above.

HPTE is responsible for performing Level 1 Maintenance for the Lane Equipment and expects that the E-470 Authority will be responsible under the Toll Operator Task Order for performing the Level 2 Maintenance. HPTE will be responsible for maintaining the ETCS Infrastructure which includes all of the infrastructure related to the ETCS equipment including the toll gantries, electrical systems and automatic gate equipment.

“Level 1 Maintenance” means that Lane Equipment maintenance comprising, including but not limited to: (i) real time monitoring of servers and lane equipment including error logs, alarms, and specific messages (ii) visual camera and antenna inspections to ensure that camera and antenna angles/aim have not changed (iii) camera glass cleaning on a weekly basis and more frequently during weather events (iv) camera/antenna cable inspections on a quarterly basis (v) lane cabinet inspections of AVI Reader status lights, camera power supplies, loop detectors, and lane controllers and (vi) arranging lane closure and

coordinating with HPTE in the event of Level 2 Maintenance support. “Level 2 Maintenance” means maintenance necessary after Level 1 Maintenance actions were unable to resolve the problem comprising: (i) diagnosis of the problem (ii) creation of plan to resolve the problem (iii) facilitation of any warranty claims for hardware or 3rd Party components (iv) installation of spare equipment (if available) (v) installation of vendor repaired equipment and (vi) testing to verify problem resolution.

Tolling Methods. Toll collection on the C-470 Managed Lanes will be through an open road electronic toll collection system requiring no reduction in speed. Certain vehicles used for transit, law enforcement, waste collection and CDOT maintenance will be able to travel the C-470 Managed Lanes without paying a toll, provided that a multi-position transponder in toll-free mode is used. The all electronic toll collection system uses two methods to collect tolls. The first method, EXpressToll™ collection system, utilizes a transponder to recognize the vehicle and collect the toll from a prepaid EXpressToll™ account. The second method, a license plate toll collection system (“LPT”), captures images of the vehicle of which the registered owner will receive a statement of use for toll collection. LPT customers are expected to pay a surcharge of approximately [\$0.75] and such surcharge may increase in the future.

Users utilizing transponders will be required to prepay their accounts. The account is typically set up to automatically replenish itself to a predetermined amount using a stored credit card on file. For accounts that are paid by cash or check, once the account balance is reduced to a predetermined level, an invoice is mailed to collect payment on the account. The transponders used on the C-470 Managed Lanes will be interoperable with all other existing tolled roads in the State including the toll highways known as E-470, I-25 and the Northwest Parkway. The E-470 Authority will operate and manage EXpressToll™ accounts.

Customers who drive on the C-470 Managed Lanes without a transponder will automatically become an LPT customer. Cameras installed at each toll section will capture images of the vehicle’s license plate. The image will be processed and sent to either the State’s Department of Motor Vehicles or to a third party vendor to acquire out-of-state registered owner information of the vehicle. LPT tolls are expected to be accumulated for 30 days, and then a statement will be mailed to the customer for all tolls incurred during those 30 days. If the statement is not paid in full by the due date, a second statement is issued with a late fee of \$5 added to the amount due. If the amount overdue becomes three months overdue, a third statement will be issued. If the amount overdue becomes four months overdue, the account is expected to be referred to an outside agency collections law firm, at which time a one-time \$20 collection fee will be assessed and a civil penalty assessment notice with an additional \$25 civil penalty will be issued. If the civil penalty assessment notice is not responded to, the customer may be found liable for the unpaid tolls, which may result in a civil penalty, an administrative law court adjudication fee of \$20, and non-renewal of the customer’s vehicle registration.

Toll Enforcement

The Colorado Department of Public Safety, Division of Colorado State Patrol (the “CSP”) currently provides tolling enforcement services for various other managed lane projects in Colorado pursuant to Intra-Agency Agreements between HPTE and CSP. HPTE currently intends to enter into a toll enforcement agreement (the “Toll Enforcement Agreement”) for the C-470 Managed Lanes and has begun discussions to that end with the CSP. Although the terms of a Toll Enforcement Agreement have yet to be finalized, HPTE believes that its final terms will be similar to those set forth in its existing toll enforcement agreements with HPTE, including enforcement for toll evasion during half of the peak periods weekly to the extent CSP manpower is available to cover such enforcement. CSP is expected to provide targeted enforcement for frequent violations and toll evasion, including avoidance of toll gantries or absence of transponders and license plates. See “INVESTMENT CONSIDERATIONS – Enforcement Risk.”

Non-Tolling Operations and Maintenance

CDOT will perform or contract with a third party to perform non-tolling and maintenance activities on the C-470 Managed Lanes. Under the flow of funds provided in the Indenture, debt service payments on Senior Bond Payment Obligations, the TIFIA Loan and subordinate obligations are payable prior to operations and maintenance expenses of the Project. See “SECURITY AND SOURCES OF PAYMENT – Accounts and Subaccounts; Flow of Funds. Under the CDOT/HPTE Intra-Agency Agreement with CDOT, HPTE may request a loan from CDOT to the extent Pledged Revenues are inadequate to pay operations and maintenance expenses payable under the Indenture. See “INVESTMENT CONSIDERATIONS – Annual Allocation Risk.” A Project O&M Reserve Account is also contemplated under the flow of funds provided in the Indenture.

TRAFFIC AND REVENUE ESTIMATES

General

Louis Berger, as the Traffic and Revenue Consultant for the Project, has prepared the “C-470 Investment Grade Traffic & Revenue Study” dated August 9, 2016 (the “Study”), which is attached hereto as Appendix A. HPTE currently intends to adopt the tolling schedules set forth in the Study and has accordingly relied on the Study for its projection of Pledged Revenues generated by the Project. See “PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE.”

This section includes a brief summary of selected provisions of the Study and is not a full statement of the contents of the Study. Accordingly, the following summary is qualified in its entirety by reference to and is subject to the full text of the Study. The Study is expressly subject to the limitations and disclaimers set forth therein, including qualifications and assumptions made, procedures followed, matters considered and any limitation on the scope of work contained therein.

The Louis Berger Group, Inc.

The Traffic and Revenue Consultant is a full-service engineering firm founded in 1963 employing nearly 6,000 employees in over 50 countries worldwide. The Traffic and Revenue Consultant maintains an office in downtown Denver staffed with economists, urban planner, engineers, and environmental scientists. The firm has over 20 years of experience in demand forecasting for transportation assets, specifically the development of demand and revenue estimates, detailed OpEx/CapEx forecasts and due diligence assessments. The Traffic and Revenue Consultant has prior experience with the Denver Metropolitan Region and its socioeconomic conditions, having been engaged to develop demand forecasts for 1-70 Mountain Corridor and 1-25 South lanes. The Traffic and Revenue Consultant has experience developing traffic and revenue forecasts and conducting due diligence for managed lanes assets on behalf of government agencies and private investors nationwide, including managed lane projects in Virginia, Colorado, Texas and North Carolina.

Scope of Traffic and Revenue Study

The Study includes discussions of existing travel patterns; study methodology, including the development, validation and application of the traffic forecasting model; and socioeconomic forecasts. All of this information was used as the foundation for the traffic and revenue forecasts contained in the Study. As part of the Study, and as further described above, the Traffic and Revenue Consultant collected new traffic volume, speed data and origin-destination information in the C-470 corridor. These data were used to re-calibrate and validate the regional travel demand model for the corridor. Updated socio-economic were completed and incorporated into the model to forecast future traffic growth in the region.

In the Study, traffic volumes in the C-470 Corridor were determined from various sources: (1) continuous counter station data, (2) side-fire radar, (3) time-lapse aerial photographic surveys, and (4) traffic data from E-470 which has direct connectivity to the eastern terminus of C-470. Bi-directional traffic volume was analyzed for monthly daily and hourly variations.

A C-470 stated preference survey was developed and implemented in the first quarter of 2015 for the Study in order to establish the value of time of travelers in the greater Denver metropolitan area who currently make use of C-470 between I-25 and Kipling, and to gain insight on the characteristics of the travel market on the corridor.

The Study found that there are no compelling alternative routes to C-470. The only potential alternative is County Line Road, an urban arterial approximately half a mile north of C-470 that extends from Santa Fe to approximately I-25. However, given the number of signals, the road's current volumes and capacity, and the limited expansion expected in the future, the Study concluded that County Line Road has a limited appeal as a viable alternative for longer trips along the C-470 corridor, though in the short-term it may complete for traffic making shorter trips, such as ramp-to-ramp trips along C-470.

The Study also contains detailed forecasts and supporting commentary on socioeconomic trends in the seven-county Denver metropolitan area (including Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson Counties).

The Study discusses the methodology used to forecast future toll traffic and revenue for the C-470 Corridor based on "state-of-the art" microsimulation transmodeler model developed specifically for the C-470 Corridor ("TransModeler"). TransModeler synthesizes a list of trips from time-dependent (*e.g.*, 15-minute) matrices to produce a trip data table that has a record for every trip to be simulated, including fields representing each trip's departure time, origin, destination and path and then applies a microsimulation-based dynamic traffic assignment capable of finding a user equilibrium at which travelers cannot reduce their travel costs (*e.g.*, travel time and monetary cost) by switching to an alternative route, meaning that all paths used by any traveler are equal and minimum in total travel cost.

The traffic and revenue forecast in the Study assumes the revenue collection begins on January 1, 2018 and ends on December 31, 2068. As part of the Study, model runs for future year model assignments were run for the 2018 opening year, the 2025 interim year and the 2035 future year.

Base Case toll rates were optimized in the Study to reflect a balance between revenue and throughput on the C-470 Managed Lanes. The toll rates in the Study differ by zone and time of day. In the westbound direction, there are three toll zones. Vehicles entering and exiting in zone 2 and zone 3 pay only for the zone they used. However, vehicles entering zone 1 must pay the toll for zones 1 and 2 since there are no egress points within zone 1. In the eastbound direction there are two toll zones. Toll rates also vary by time of day.

HPTE has relied on the Study's estimate for revenue streams for its projection of user fees generated by the Project. See "PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE." See "INVESTMENT CONSIDERATIONS – Forward-Looking Statements."

PLAN OF FINANCE

General

The total cost of the Project is estimated at \$___ million, including capitalized interest, reserves and costs of issuance. The Project will be financed with (i) a portion of the proceeds of the Series 2017

Bonds in the amount of \$_____,* (ii) proceeds of the TIFIA Loan in the approximate principal amount of \$_____, all as more fully described herein (collectively, the “HPTE Capital Contribution”). CDOT also has funded additional costs of the Project prior to the issuance of the Series 2017 Bonds in the approximate amount of \$_____, (the “CDOT Capital Contribution”) to pay the construction costs of the Project. The CDOT Capital Contribution is comprised of (i) a net contribution of \$18 million allocated to the Project by the Transportation Commission under the Responsible Maintenance Acceleration of Maintenance and Partnership program (the “RAMP Funding”), (ii) a contribution of \$2 million allocated to the Project by the Transportation Commission under FASTER (the “FASTER Funding”), (iii) a contribution of \$6.3 million committed to the Project by CDOT under the Federal Highway Safety Improvement Program (the “HSIP Funding”), and (iv) a contribution of \$10 million contributed to the Project by the County Commissioners of Douglas County pursuant to an intergovernmental agreement with CDOT (the “Douglas County Funding”). No further approvals are required to secure the CDOT contribution and such amounts will be available to spend on costs of the Project upon issuance of the Series 2017 Bonds.

The delivery of the Series 2017 Bonds will be conditioned upon the prior execution of the TIFIA Loan Agreement **[to be updated upon finalization of terms with TIFIA]**.

TIFIA Loan

TIFIA Loan and TIFIA Bond. Pursuant to TIFIA and the Second Supplemental Indenture, HPTE will enter into the TIFIA Loan Agreement with the TIFIA Lender, pursuant to which HPTE will borrow the approximate principal amount of \$_____ plus compound interest under the TIFIA Loan. Proceeds of the TIFIA Loan, when drawn upon, are expected to be used to finance a portion of the costs of the Project. The TIFIA Loan will be evidenced by the TIFIA Bond. See “INTRODUCTION – Key Project Participants – TIFIA Lender.”

Debt service on the TIFIA Loan will be payable semiannually on each _____ and _____, commencing _____, 20__. Prior to _____, 20__, interest on the TIFIA Loan will compound semiannually on each _____ and _____ and be added to the principal amount thereof. The final maturity date under the TIFIA Loan Agreement is _____, 20__. See “PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE.”

TIFIA Loan Disbursement Conditions. Any disbursement by the TIFIA Lender of the TIFIA Loan to pay or reimburse HPTE for Eligible Project Costs incurred in connection with the Project, may be made no later than one year after Substantial Completion.

HPTE must satisfy certain requirements and conditions to draw funds under the TIFIA Loan Agreement. Specifically, (a) the proceeds of the TIFIA Loan may be disbursed solely in respect of Eligible Project Costs paid or incurred by or on behalf of HPTE in connection with the Project, and (b) such disbursements will be made pursuant to a requisition made by HPTE in the form set forth in the TIFIA Loan Agreement and approved by the TIFIA Lender, which form must include statements to the effect that (i) there does not currently exist an Event of Default under the TIFIA Loan Agreement or an event of default under the Indenture or any event which with the giving of notice or the passage of time or both would constitute such an Event of Default or event of default and as of the date of the draw; (ii) all documentation evidencing the Eligible Project Costs to be paid for or reimbursed by the disbursement has been delivered by HPTE as set forth in the TIFIA Loan Agreement; and (iii) at the time of any disbursement, the sum of all prior disbursements of TIFIA Loan proceeds and the disbursement then to be made will not exceed the

* Preliminary, subject to change.

cumulative disbursements through the end of the then-current year as set forth in the Anticipated TIFIA Loan Disbursement Schedule set forth in the TIFIA Loan Agreement, as amended from time-to-time.

In addition to the foregoing, each of the following conditions precedent must be satisfied or waived in writing by the TIFIA Lender in its sole discretion: (a) HPTE has certified as to the absence of debarment or suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters and has provided to the TIFIA Lender a certificate to that effect in the form attached to the TIFIA Loan Agreement, (b) HPTE has delivered to the TIFIA Lender satisfactory evidence of compliance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. § 4321 et seq.), (c) HPTE has provided to the TIFIA Lender satisfactory evidence that the Project has satisfied the applicable planning and programmatic requirements of 23 U.S.C. §§134 and 135, and that the Project is included in the State's approved transportation improvement program and approved statewide transportation improvement program pursuant to 23 U.S.C. §§134 and 135, (d) HPTE has demonstrated to the TIFIA Lender's satisfaction that the funds forecasted to be available under the Base Case Financial Model and in the Project budget will be sufficient to complete the Project, (e) HPTE has provided a schedule of Project right-of-way parcels in which the Borrower reasonably intends to acquire an interest utilizing the proceeds of the TIFIA Loan, (f) HPTE has demonstrated to the TIFIA Lender's satisfaction that it has all governmental approvals necessary to commence construction of the Project and that all such Governmental Approvals are final, non-appealable and in full force and effect, and (g) HPTE has delivered to the TIFIA Lender a certified schedule acceptable to the TIFIA Lender demonstrating that the projected Pledged Revenues will be sufficient to meet the Loan Amortization Schedule and meet the requirements of the Rate Covenant.

The TIFIA Lender is entitled to withhold approval of any pending or subsequent requests for the disbursement of TIFIA Loan proceeds if (i) HPTE knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated by the TIFIA Loan Agreement; or (ii) HPTE fails to observe or comply with any applicable federal or local law, or any term or condition of the TIFIA Loan Agreement; or (iii) HPTE fails to satisfy the conditions set forth in the TIFIA Loan Agreement relating to disbursement conditions; or (iv) an Event of Default or event that, with the giving of notice or the passage of time or both, would constitute an Event of Default under the TIFIA Loan Agreement has occurred and is continuing; or (v) HPTE fails to construct the Project in a manner consistent with the Governmental Approvals with respect to the Project or with good engineering practices, where such failure prevents or materially impairs the Project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by HPTE with applicable federal or local law pertaining to the Project, or with the terms and conditions of the TIFIA Loan Agreement; or (vi) fails to observe or comply with any applicable federal or local law, or any term or condition of the TIFIA Loan Agreement; or (vii) fails to deliver documentation satisfactory to the TIFIA Lender evidencing Eligible Project Costs claimed for disbursement at the times and in the manner specified by the TIFIA Loan Agreement; provided, that in such case the TIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate documentation evidencing Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

Default under TIFIA Loan Agreement. As described above, the TIFIA Lender is not required to fund the TIFIA Loan if a default under the TIFIA Loan Agreement has occurred and is continuing. An event of default exists under the TIFIA Loan Agreement if:

(a) HPTE fails to pay any of the principal amount of or interest on the TIFIA Loan (including, without limitation, TIFIA Mandatory Debt Service required to have been paid pursuant to the TIFIA Loan Agreement, and any mandatory prepayment required pursuant to the TIFIA Loan Agreement) (each a "Payment Default"); or

(b) HPTE [or CDOT] fail to observe or perform any covenant, agreement or obligation of HPTE under the TIFIA Loan Agreement, the TIFIA Bond or any other TIFIA Loan Document (other than in the case of any Payment Default any Development Default, and such failure shall not be cured within 30 days after the earlier to occur of (A) receipt by HPTE from the TIFIA Lender of written notice thereof, or (B) HPTE's knowledge of each failure; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such 30 day period, then no Event of Default shall be deemed to have occurred or be continuing under this clause (b) if and so long as within such 30 day period HPTE shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, provided such failure is cured within 180 days of the date specified in (A) or (B) above; or

(c) HPTE fails to diligently prosecute the work related to the Project or fails to complete the Project by the substantial completion date identified in a financial plan proposed by HPTE to the TIFIA Lender under the TIFIA Loan Agreement within 60 days of the issuance of the Series 2017 Bonds and as updated annually thereunder (a "Development Default"). In such a case, the TIFIA Lender may: (A) suspend the disbursement of the TIFIA Loan proceeds under the TIFIA Loan Agreement; and (B) pursue such other remedies as provided in the TIFIA Loan Agreement, including declaring the TIFIA Default Rate in effect. If so required by the TIFIA Lender, HPTE shall immediately repay any unexpended TIFIA Loan proceeds previously disbursed to HPTE and all obligations of the TIFIA Lender under the TIFIA Loan Agreement with respect to the disbursements of any undisbursed amounts of the TIFIA Loan shall immediately be deemed terminated.

(d) Any of the representations, warranties or certifications of HPTE made in or delivered pursuant to the TIFIA Loan Documents shall prove to have been false or misleading in any material respect when made or deemed made, subject to certain exceptions provided in the TIFIA Loan Agreement; or

(e) Any acceleration shall occur of the maturity of any Senior Bond Payment Obligation or Junior Bond Payment Obligations, or any such Senior Bond Payment Obligation shall not be paid in full upon the final maturity thereof; or

(f) (A) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the Indenture, or made in or delivered pursuant to the documents under which any Senior Bond Payment Obligation, Junior Bond Payment Obligation or Existing Indebtedness is created or incurred (the "Other Loan Documents"), shall prove to be false or misleading in any material respect (each an "Other Indebtedness Misrepresentation Default"), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under the Indenture Documents or the Other Loan Documents, and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Indenture Documents or the Other Loan Documents (as the case may be) with respect to such default (each an "Other Indebtedness Covenant Default"), if the effect of such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default shall be to permit the immediate acceleration of the maturity of any or all of the Senior Obligations, Junior Bond Payment Obligations or Existing Indebtedness, as applicable, and, in the case of any such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default, the Borrower shall have failed to cure such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default or to obtain an effective written waiver thereof in accordance with the terms of such Senior Obligations, Junior Bond Payment Obligations or Existing Indebtedness; or

(B) HPTE or CDOT shall default in the timely performance of any covenant, agreement or obligation under any Related Document or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a Material Adverse Effect), and HPTE or CDOT shall have failed to cure such default or to obtain an effective written waiver or revocation thereof prior to the expiration of the applicable grace period specified in any such Related Document, or to obtain an effective revocation of such termination (as the case may

be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under this section (B) if, in the case of any termination of a Principal Project Contract, HPTE or CDOT, as applicable, replaces such Principal Project Contract with a replacement agreement (1) entered into with another counterparty that (I) is of similar or greater creditworthiness and experience as the counterparty being replaced was at the time the applicable Principal Project Contract was originally executed (or otherwise reasonably acceptable to the TIFIA Lender) and (II) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, (2) on substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the TIFIA Lender) and (3) effective as of the date of termination of the Principal Project Contract being replaced.

(g) One or more judgments (A) for the payment of money in an aggregate amount in excess of \$1,000,000 (inflated annually by CPI) that are payable from Pledged Revenues and not otherwise fully covered by insurance, or (B) that would reasonably be expected to result in a Material Adverse Effect shall, in either case, be rendered against HPTE, and the same shall remain undischarged for a period of 30 consecutive days during which time period execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the HPTE to enforce any such judgment; or

(h) HPTE shall fail to maintain its existence as a government-owned business within CDOT, as an “enterprise” for purposes of section 20 article X of the State constitution, and under FASTER and the other laws of the State, unless at or prior to the time the HPTE ceases to exist in such form a successor public agency or governing body has been created by the State pursuant to a valid and unchallenged State law with the same rights and privileges as the HPTE had as of the Effective Date and has succeeded to the assets of the HPTE and has assumed all of the obligations of the HPTE under the TIFIA Loan Documents and the Indenture, including the payment of all Secured Obligations; or

(i) A Bankruptcy Related Event shall occur with respect to HPTE, CDOT [the Designer-Builder, the E-470 Authority or any party to a contract entered into by HPTE or CDOT required under the Design-Build Contract requiring payments by HPTE in excess of \$1,000,000 annually]; or

(j) HPTE shall abandon the Project; or

(l) (A) Any TIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or any party thereto (other than the TIFIA Lender) contests in any manner the validity or enforceability of any TIFIA Loan Document to which it is a party or denies it has any further liability under any TIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any TIFIA Loan Document to which it is a party; or (B) any Indenture ceases (other than as expressly permitted thereunder) to be effective to grant a valid and binding security interest on any material portion of the Trust Estate other than as a result of actions or a failure to act by, and within the control of, the Trustee or any Secured Party, and with the priority purported to be created thereby; or

(l) Operation of the Project shall cease for a continuous period of not less than one hundred eighty (180) days unless such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of the HPTE or CDOT (and which the HPTE and CDOT could not reasonably have avoided or mitigated) and the HPTE or CDOT shall either be self-insured in an amount sufficient to cover, or shall have in force an insurance policy or policies under which the HPTE or CDOT is entitled to recover amounts sufficient to pay (and may use such amounts to pay) all Senior Debt Service, TIFIA Debt Service and costs and expenses of the HPTE during such cessation of operations; or

(m) HPTE shall fail to regain compliance with the Rate Coverage Test by the sixth (6th) Semi-Annual Payment Date occurring after the first date on which the Borrower failed to satisfy the Rate Coverage Test; or

(n) CDOT shall fail to observe or perform any covenant, agreement or obligation of CDOT under the CDOT Direct Agreement or fail to diligently pursue an advance of funds subject to and in accordance with the terms of any CDOT O&M Loan Agreement.

Whenever any Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid under the TIFIA Loan Agreement or under the TIFIA Bond or the other TIFIA Loan Documents, and may prosecute any such judgment or final decree against HPTE and collect in the manner provided by law out of the property of HPTE the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies of a secured creditor under the Uniform Commercial Code, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by HPTE under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of HPTE under the TIFIA Loan, the TIFIA Bond or the other TIFIA Loan Documents.

Whenever any Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing, the TIFIA Lender may suspend or debar HPTE from further participation in any Government program administered by the TIFIA Lender and to notify other departments and agencies of such default.

The TIFIA Loan will be secured by the Trust Estate on a basis subordinate to the Series 2017 Bonds, payable from amounts on deposit in the Subordinate Lien Obligations Interest Account, the Subordinate Lien Obligations Principal Account and the Subordinate Lien Obligations Reserve Fund, except as provided below.

Upon the occurrence and during the continuance of any Bankruptcy Related Event of HPTE, that portion of the TIFIA Obligations owned by the TIFIA Lender or another governmental lender at such time, automatically and without action on the part of the TIFIA Lender or any other person, will immediately be of equal rank and on a parity with the Senior Bond Payment Obligation, and the TIFIA Lender will become and be entitled to all rights of an owner of Senior Bond Payment Obligation under the Indenture (including, without limitation, the right of payment pro rata with other Senior Bond Payment Obligation under the Indenture). Funds held in the Senior Bonds Debt Service Reserve Account, however, shall secure only the Series 2017 Bonds and Senior Bond Payment Obligation issued to refinance the Series 2017 Bonds. In addition, upon the occurrence of a Bankruptcy Related Event of which the Trustee is notified in writing, the TIFIA Loans Debt Service Reserve Account that secures payment of the TIFIA Bond will be funded on a parity with the Senior Bond Debt Service Reserve Account and will be available only to pay principal of and interest on the TIFIA Bond.

Bankruptcy-Related Event. As used in the TIFIA Loan Agreement and the Indenture, the term Bankruptcy Related Event means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any entity or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such entity for a substantial part of the assets thereof, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; (b) such entity shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, or (ii) generally not be paying its debts as they become due

unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, 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), or (vii) take any action for the purpose of effecting any of the foregoing including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law.

See “INVESTMENT CONSIDERATIONS – Dilution of Senior Lien Security Upon Bankruptcy Related Event” and Appendix C – Glossary of Terms and Summary of Certain Provisions in the TIFIA Loan Agreement.

Series 2017 Bonds Delivery Contingency

The delivery of Series 2017 Bonds is conditioned upon the contemporaneous delivery of the prior execution of the TIFIA Loan Agreement.

Estimated Sources and Uses of Bond Proceeds

The estimated sources and uses of the Series 2017 Bonds are as follows:

Estimated Sources and Uses of Bond Proceeds

Sources:

| | |
|-------------------------|------------|
| Principal Amount | \$ _____ * |
| Original Issue Discount | |
| Total Sources of Funds | |

Uses:

| |
|--|
| Bond Proceeds Subaccount of Construction Account |
| Initial Capitalized Interest Subaccount ⁽¹⁾ |
| Costs of Issuance ⁽²⁾ |
| Total Uses of Funds |

(1) Amount deposited is sufficient to pay interest on the Series 2017 Bonds through and including ____ __, 20__.

(2) Includes Underwriters’ discount and costs of issuance of the Series 2017 Bonds.

* Preliminary, subject to change.

Project Sources and Uses of Funds

The estimated sources and uses of funds for the Project are summarized in the following table. The proceeds of the Series 2017 Bonds will provide approximately ___% of the total funding needed for the Project.

Project Sources and Uses of Funds

Sources of Funds:

| | |
|---|--------------|
| Series 2017 Bonds | \$ _____ * |
| TIFIA Loan | _____ * |
| CDOT Net Contributions of RAMP Funding ⁽¹⁾ | [18,000,000] |
| CDOT Contribution of FASTER Funding | 2,000,000 |
| CDOT Contribution of HSIP Funding | 6,300,000 |
| CDOT Contribution of Douglas County Funding | 10,000,000 |
| Investment Earnings ⁽²⁾ | _____ |
| Total Sources | _____ |

Uses of Funds:

| | |
|--|-------|
| Construction Account ⁽³⁾⁽⁴⁾ | |
| Capitalized Interest Account | |
| Senior Bonds Debt Service Reserve Account ⁽⁵⁾ | |
| TIFIA Debt Service Reserve Account ⁽⁵⁾ | |
| Ramp-Up Reserve Account ⁽⁵⁾ | |
| Project O&M Reserve Account ⁽⁵⁾ | |
| Project Renewal and Replacement Account ⁽⁵⁾ | |
| Extended Capitalized Interest Account ⁽⁵⁾ | |
| Costs of Issuance ⁽⁶⁾ | _____ |
| Total Uses | _____ |

- (1) CDOT has contributed \$[39.5] million of RAMP funding, but will be reimbursed \$[21.5] million from the proceeds of the Series 2017 Bonds.
- (2) Assumes interest earnings on amounts in various Project funds and accounts ranging from ___% to ___% per annum.
- (3) Includes deposit of Series 2017 Bond proceeds into the Bond Proceeds Subaccount of the Construction Account and deposit of TIFIA Loan proceeds into the TIFIA Loans Subaccount of the Construction Account.
- (4) Includes construction contingency of \$_____ in addition to contingency provided within the Contract Price under Design-Build Contract.
- (5) Funded on substantial completion of the Project by draws on TIFIA Loan.
- (6) Includes Underwriters' discount and costs of issuance of the Series 2017 Bonds.

* Preliminary, subject to change.

DEBT SERVICE REQUIREMENTS

The following table is the annualized debt service schedule for the Series 2017 Bonds assuming no redemption other than mandatory sinking fund redemption.

Annual Bond Debt Service Requirements⁽¹⁾

| <u>Fiscal Year Ending June 30</u> | Principal¹⁾ | Interest⁽²⁾ | Total Debt Service |
|--|-------------------------------|-------------------------------|---------------------------|
|--|-------------------------------|-------------------------------|---------------------------|

(1) Totals presented may not add due to rounding. Assumes a _____, 2011 financial close date.
 (2) Interest due on the Series 2017 Bonds through _____, 20__ is to be paid from the Series 2017 Capitalized Interest Account.

PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE

The table on the following page presents, for the years ending June 30, 2017 through June 30, _____, both inclusive, the User Fees for usage of the C-470 Managed Lanes as estimated by the Traffic and Revenue Consultant, and the Operation and Maintenance Expenses of the C-470 Managed Lanes as estimated by _____, as well as estimated debt service and debt service coverage ratios for the Series 2017 Bonds and the TIFIA Loan. See Appendix A – Traffic and Revenue Study. Actual operating results achieved during the projection period may vary from those presented below and such variations may be material. See “INVESTMENT CONSIDERATIONS – Forward-Looking Statements.”

Series 2017 Bonds

| Calendar Year | Revenue Available for Debt Service | Series 2017 Bonds | | | | Coverage | Revenue Available for TIFIA Loan | TOTAL TIFIA Debt Service | Total Coverage | Revenue Available for O&M |
|---------------|------------------------------------|-------------------|----------------------|------------------|-------------|----------|----------------------------------|--------------------------|----------------|---------------------------|
| | Principal | Interest | Capitalized Interest | Net Debt Service | | | | | | |
| 2017 | -- | -- | \$3,475,000 | \$3,475,000 | -- | -- | -- | -- | -- | |
| 2018 | -- | -- | 8,687,500 | 8,687,500 | -- | -- | -- | -- | -- | |
| 2019 | \$7,001,646 | -- | 8,687,500 | 8,687,500 | -- | -- | \$7,001,646 | -- | \$7,001,646 | |
| 2020 | 13,280,291 | -- | 8,687,500 | 8,687,500 | -- | -- | 13,280,291 | -- | 13,280,291 | |
| 2021 | 13,653,410 | -- | 8,687,500 | -- | \$8,687,500 | 1.57 | 4,965,910 | -- | 4,965,910 | |
| 2022 | 17,683,978 | -- | 8,687,500 | -- | 8,687,500 | 2.04 | 8,996,478 | -- | 8,996,478 | |
| 2023 | 20,095,251 | -- | 8,687,500 | -- | 8,687,500 | 2.31 | 11,407,751 | -- | 11,407,751 | |
| 2024 | 22,785,913 | -- | 8,687,500 | -- | 8,687,500 | 2.62 | 14,098,413 | \$4,793,952 | 9,304,461 | |
| 2025 | 25,838,651 | -- | 8,687,500 | -- | 8,687,500 | 2.97 | 17,151,151 | 4,769,861 | 12,381,290 | |
| 2026 | 27,886,952 | -- | 8,687,500 | -- | 8,687,500 | 3.21 | 19,199,452 | 4,745,786 | 14,453,666 | |
| 2027 | 30,100,652 | -- | 8,687,500 | -- | 8,687,500 | 3.46 | 21,413,152 | 4,721,711 | 16,691,441 | |
| 2028 | 32,353,991 | -- | 8,687,500 | -- | 8,687,500 | 3.72 | 23,666,491 | 4,697,652 | 18,968,838 | |
| 2029 | 34,726,659 | -- | 8,687,500 | -- | 8,687,500 | 4.00 | 26,039,159 | 4,673,561 | 21,365,598 | |
| 2030 | 37,364,668 | -- | 8,687,500 | -- | 8,687,500 | 4.30 | 28,677,168 | 4,649,486 | 24,027,683 | |
| 2031 | 40,202,831 | -- | 8,687,500 | -- | 8,687,500 | 4.63 | 31,515,331 | 4,625,411 | 26,889,920 | |
| 2032 | 43,256,329 | -- | 8,687,500 | -- | 8,687,500 | 4.98 | 34,568,829 | 4,601,352 | 29,967,477 | |
| 2033 | 46,541,495 | -- | 8,687,500 | -- | 8,687,500 | 5.36 | 37,853,995 | 4,577,261 | 33,276,734 | |
| 2034 | 50,075,899 | -- | 8,687,500 | -- | 8,687,500 | 5.76 | 41,388,399 | 4,553,186 | 36,835,214 | |
| 2035 | 53,878,447 | -- | 8,687,500 | -- | 8,687,500 | 6.20 | 45,190,947 | 8,767,285 | 36,423,662 | |
| 2036 | 56,056,921 | -- | 8,687,500 | -- | 8,687,500 | 6.45 | 47,369,421 | 8,767,388 | 38,602,033 | |
| 2037 | 58,323,441 | -- | 8,687,500 | -- | 8,687,500 | 6.71 | 49,635,941 | 8,767,264 | 40,868,678 | |
| 2038 | 60,681,565 | -- | 8,687,500 | -- | 8,687,500 | 6.98 | 51,994,065 | 8,767,252 | 43,226,813 | |
| 2039 | 63,134,995 | -- | 8,687,500 | -- | 8,687,500 | 7.27 | 54,447,495 | 8,767,241 | 45,680,254 | |
| 2040 | 65,687,581 | -- | 8,687,500 | -- | 8,687,500 | 7.56 | 57,000,081 | 8,767,358 | 48,232,723 | |
| 2041 | 68,343,329 | -- | 8,687,500 | -- | 8,687,500 | 7.87 | 59,655,829 | 8,767,216 | 50,888,613 | |
| 2042 | 71,106,410 | -- | 8,687,500 | -- | 8,687,500 | 8.18 | 62,418,910 | 8,767,203 | 53,651,707 | |
| 2043 | 73,981,159 | -- | 8,687,500 | -- | 8,687,500 | 8.52 | 65,293,659 | 8,767,190 | 56,526,469 | |
| 2044 | 76,972,089 | \$5,295,000 | 8,555,125 | -- | 13,850,125 | 5.56 | 63,121,964 | 8,096,044 | 55,025,920 | |
| 2045 | 80,280,179 | 11,080,000 | 8,145,750 | -- | 19,225,750 | 4.18 | 61,054,429 | 7,424,695 | 53,629,734 | |
| 2046 | 82,908,441 | 11,650,000 | 7,577,500 | -- | 19,227,500 | 4.31 | 63,680,941 | 7,424,683 | 56,256,257 | |
| 2047 | 85,622,737 | 12,250,000 | 6,980,000 | -- | 19,230,000 | 4.45 | 66,392,737 | 7,424,671 | 58,968,066 | |
| 2048 | 88,425,884 | 12,875,000 | 6,351,875 | -- | 19,226,875 | 4.60 | 69,199,009 | 7,424,792 | 61,774,217 | |
| 2049 | 91,320,790 | 13,535,000 | 5,691,625 | -- | 19,226,625 | 4.75 | 72,094,165 | 7,424,646 | 64,669,519 | |
| 2050 | 94,310,458 | 14,230,000 | 4,997,500 | -- | 19,227,500 | 4.90 | 75,082,958 | 7,424,633 | 67,658,325 | |
| 2051 | 97,397,989 | 14,960,000 | 4,267,750 | -- | 19,227,750 | 5.07 | 78,170,239 | 7,424,619 | 70,745,620 | |
| 2052 | 100,586,588 | 15,730,000 | 3,500,500 | -- | 19,230,500 | 5.23 | 81,356,088 | 7,424,756 | 73,931,331 | |
| 2053 | 103,879,561 | 16,535,000 | 2,693,875 | -- | 19,228,875 | 5.40 | 84,650,686 | 7,424,590 | 77,226,096 | |
| 2054 | 107,280,326 | 17,380,000 | 1,846,000 | -- | 19,226,000 | 5.58 | 88,054,326 | 3,712,046 | 84,342,280 | |
| 2055 | 110,792,410 | 18,275,000 | 954,625 | -- | 19,229,625 | 5.76 | 91,562,785 | -- | 91,562,785 | |
| 2056 | 114,419,458 | 9,955,000 | 248,875 | -- | 10,203,875 | 11.21 | 104,215,583 | -- | 104,215,583 | |

INVESTMENT CONSIDERATIONS

HPTE's ability to pay principal of and interest on the Series 2017 Bonds depends upon numerous factors, many of which are not subject to the control of HPTE. Described below are certain factors that could affect the ability of HPTE to pay debt service on the Series 2017 Bonds. Investors should consider carefully the information set forth in this section along with all of the other information provided in this Official Statement before deciding whether to invest in the Series 2017 Bonds.

Special, Limited Obligations

The Series 2017 Bonds are special, limited obligations of HPTE, payable solely and secured solely by the Trust Estate, consisting primarily of amounts collected from the User Fees. The owners of the Series 2017 Bonds may not look to any general or other funds of HPTE or to any revenues or funds of CDOT (except to the extent described herein) or the State for payment of principal of or interest on the Series 2017 Bonds, and the Series 2017 Bonds will not be deemed or construed as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation of CDOT or the State within the meaning of the State Constitution or laws of the State concerning or limiting the creation of indebtedness of the State. The payment of the Series 2017 Bonds shall not be secured by any encumbrance, mortgage or other pledge of property of HPTE, CDOT or the State, other than the Trust Estate. Neither HPTE nor CDOT have taxing powers. See "SECURITY AND SOURCES OF PAYMENT."

Funding Risks

Proceeds of the TIFIA Loan constitute a key component of Project funding. Failure to meet certain disbursement conditions set forth in the TIFIA Loan Agreement as well as an event of default under the TIFIA Loan Agreement may result in the suspension or delay in the disbursement of proceeds of the TIFIA Loan Agreement. In addition, the TIFIA Loan Agreement restricts the ability of HPTE to amend, modify or waive timely performance by any party under the Design-Build Contract without the prior written consent of the TIFIA Lender if such amendment, modification or waiver could reasonably be expected to have a Material Adverse Effect, as defined in the TIFIA Loan Agreement. Under the Design-Build Contract, the Design-Builder is entitled to change orders that increase the contract price and/or extend the completion deadlines specified in the Design-Build Contract under certain circumstances, such as the occurrence of a Force Majeure Event. See "CONSTRUCTION OF THE PROJECT – Design-Build Contract." If the Design-Builder requests a change order under such circumstances, no assurances can be given that the TIFIA Lender's exercise of its rights under the TIFIA Loan Agreement will not result in a suspension of disbursements of TIFIA Loan proceeds.

No assurances can be given that the amount of capitalized interest on deposit in the Capitalized Interest Accounts will be sufficient to pay debt service on the Series 2017 Bonds if substantial completion of the Project is significantly delayed by suspended or delayed funding under the TIFIA Loan Agreement. See Appendix C – Glossary of Terms and Summary of Certain Provisions in the TIFIA Loan Agreement.

Rate Covenant Not a Guarantee

The ability of HPTE to pay the debt service with respect to the Series 2017 Bonds depends on the ability of HPTE to generate User Fees at the levels required by the Indenture, which in turn depends on the successful completion of the Project and use of the C-470 Managed Lanes by a sufficient number of toll-paying vehicles. Although HPTE has covenanted in the Indenture to establish toll rates at specified levels as more particularly described herein, and expects that sufficient User Fees will be generated through the imposition and collection of such tolls, HPTE's covenant does not constitute a guarantee that sufficient Pledged Revenues will be available to pay debt service with respect to the Series 2017 Bonds. See "SECURITY AND SOURCES OF PAYMENT."

Limited Remedies under the Indenture

The remedies available to owners of the Series 2017 Bonds upon an Event of Default under the Indenture are limited. NO ACCELERATION REMEDY IS AVAILABLE TO OWNERS OF THE SERIES 2017 BONDS. Therefore, owners of the Series 2017 Bonds will be able to collect principal and interest that become due after an Event of Default only from the Trust Estate (after payment of Trustee and TIFIA Lender costs) included in the pledge under the Indenture and only when such principal and interest is scheduled to be paid. The remedies available under the Indenture depend in many respects upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Code and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2017 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Annual Allocation Risk

As described in "PLAN OF FINANCE," CDOT is expected to fund any costs of construction of the Project to the extent the HPTE Capital Contribution and CDOT Capital Contribution are inadequate to complete construction of the Project. Pursuant to the CDOT/HPTE Intra-Agency Agreement, HPTE is also required to notify CDOT of its desire to obtain a loan from CDOT to the extent Pledged Revenues are inadequate to pay operation and maintenance expenses payable under the Indenture. Notwithstanding any provision of the CDOT/HPTE Intra-Agency Agreement, the Transportation Commission has no obligation to allocate funds to pay additional capital costs of the Project or loan amounts to fund operation and maintenance expenses in any fiscal year and the decisions whether or not to allocate funds, and the amount, if any, of funds allocated, is to be made at the sole and absolute discretion of the Transportation Commission. See "LEGAL MATTERS—Certain Constitutional Limitations" herein.

Although the CDOT Executive Director has agreed in the Intra-Agency Agreement to include in the annual budget requests submitted to the Transportation Commission, the amounts necessary to make such payments or to fund such loans, the Transportation Commission has complete discretion as to whether or not to allocate such amounts for such purposes. If for any fiscal year the Transportation Commission exercises its discretion not to allocate funds, HPTE might need to secure alternate funds to either complete construction of the C-470 Managed Lanes Project or pay operational and maintenance expenses.

Any failure of HPTE to make payments could result in a shortfall of monies to finish the Construction Project) and/or could result in a shortfall of monies to pay for operations and maintenance expenses.

Political, Litigation and Community Risks

As is the case with the development of many major infrastructure projects, the Project may prompt community and/or political reaction. Various constituencies, including possibly political and community leaders, may publicly oppose the Project for any number of reasons, including construction of the Project,

tolling of the Project, ability to construct non-tolled roads in the vicinity of the Project, and perceived increased congestion on the general purpose lanes or on nearby streets and highways.

There may be future opposition to the Project and no assurance can be given that any future efforts to oppose the Project will not be successful, and if successful, that such efforts would not materially delay, impair or preclude HPTE's ability to make payments pursuant to the Indenture to pay debt service on the Series 2017 Bonds or other payments required under the Indenture with respect to the Series 2017 Bonds.

Although the C-470 Managed Lanes will not be the first managed toll lanes in Colorado, managed toll lanes are still relatively new and public resistance or antagonism at having to pay what could be a relatively high toll to avoid heavy congestion on the general purpose lanes or other routes could lead to public opposition and political pressure. Managed lanes represent one side of competing public policies with respect to urban transportation and related environmental, quality-of-life and other issues. The construction of competing highways or other forms of transportation improvements may reduce the number of vehicles on the C-470 Managed Lanes and may have an adverse effect on User Fees and HPTE's ability to pay debt service on the Series 2017 Bonds.

Construction of the Project could have considerable local business and community impacts, in particular, noise, dust, vibrations and significantly increased local traffic throughout the construction period. No assurance can be given that the process of addressing impacts to the satisfaction of local residents and businesses will not result in schedule delays and increased costs and impact HPTE's ability to pay debt service on the Series 2017 Bonds or other payments required under the Indenture with respect to the Series 2017 Bonds.

Dilution of Senior Lien Security Upon Bankruptcy-Related Event

Upon the occurrence of a Bankruptcy-Related Event while the TIFIA Lender or another governmental lender owns the TIFIA Bond, the TIFIA Bond (other than any portion thereof that has been sold to a non-governmental commercial entity) will be secured on parity with Senior Bond Payment Obligations, including the Series 2017 Bonds. The terms of the TIFIA Loan Agreement include a deferral of interest on the TIFIA Loan through the construction period and allow the payment of TIFIA Mandatory Debt Service (as defined in the TIFIA Loan Agreement) which is less than 100% of accrued interest through Fiscal Year _____. Accrued interest on the TIFIA Loan that is not paid in any period is added to the principal amount of the TIFIA Loan. See Appendix C – Glossary of Terms and Summary of Certain Provisions in the TIFIA Loan Agreement. Following a Bankruptcy-Related Event, the principal amount of the TIFIA Loan may be materially larger than the original loan amount referenced in this Official Statement due to the accretion of such accrued but unpaid interest.

The Indenture permits HPTE, subject to certain conditions, to issue from time to time additional TIFIA Payment Obligations in the form of or securing payment of a TIFIA loan that would also be deemed to be payable on parity with the Senior Bond Payment Obligations upon the occurrence of a Bankruptcy-Related Event to the extent the TIFIA Lender or another federal governmental lender owns such obligations.

The term "Bankruptcy-Related Event" as defined in the Indenture includes HPTE becoming unable to pay its debts generally as they become due. Thus, it is not necessary for HPTE to file as a debtor under Chapter 9 of the U.S. Bankruptcy Code in order for a Bankruptcy-Related Event to occur. Moreover, HPTE's ability to pay its debts generally as they become due is not always subject to precise determination. Any failure by HPTE to pay TIFIA Mandatory Debt Service with respect to the TIFIA Loan in a timely manner may provide the TIFIA Lender with the opportunity to claim that a Bankruptcy-Related Event has occurred.

Control-Related Risks

As in any commercial arrangement, the parties may disagree about the appropriate course of action to be taken, particularly if adverse events, conditions or circumstances occur. The TIFIA Lender and the Trustee on behalf of the owners of the Series 2017 Bonds, may have different interests and priorities following an adverse event and no assurance can be given that the TIFIA Lender, the Trustee or such other parties will be willing or able to take into account the interests of the owners of the Series 2017 Bonds if an event of default, Force Majeure Event, a termination or another adverse event occurs.

HPTE and CDOT intend to maintain an active role in overseeing the construction and operation of the Project. As the State agency responsible for the construction, maintenance and efficiency of the State's roads, bridges and tunnels, CDOT's first priorities are safety and efficient transportation and may not always coincide with the interests and priorities of the owners of the Series 2017 Bonds. Such disagreements among the parties may negatively impact the ability of HPTE to pay debt service on the Series 2017 Bonds or other payments required under the Indenture with respect to the Series 2017 Bonds.

Construction Risks

Pursuant to the terms and conditions of the Design-Build Contract, the Design-Builder is obligated to achieve certain deadlines, which may be extended under certain circumstances in accordance with the Design-Build Contract. If the work is not completed by such deadlines, then the Design-Build Contract provides that the Design-Builder must pay daily liquidated damages until the date the relevant work is completed. The total aggregate amount of the liquidated damages payable under the Design-Build Contract is capped at \$20 million

As with any major construction effort, the Project involves many risks that could result in cost overruns, in delays or in a failure to complete the Project. Certain of the risks to achieving the construction milestones on time and within budget include shortages of materials and labor, work stoppages, labor disputes, bad weather, floods, earthquakes, hurricanes and other casualties, delays in achieving utility relocations, unforeseen engineering, environmental or geological problems, changes in law, discovery of unidentified hazardous materials, historical artifacts or unidentified utilities, third-party litigation or protests (including protests or litigation about noise or vibrations or traffic delays in adjacent lanes resulting from construction), 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, and interference with or by military operations, any of which could increase the cost and delay of the Project. In addition, lack of coordination among HPTE, the Design-Builder, CDOT, the E-470 Authority, utility owners or permitting agencies or the failure of any of them to complete their portions of the work or their inspections or approvals on schedule could also result in delays and/or cost overruns or in a failure to complete the Project.

The Design-Build Contract is a fixed-price contract and a number of these risks - such as the risks related to Force Majeure events under the Design-Build Contract and, except under certain circumstances, the risks related to completion of the construction work on schedule and on budget and without unauthorized lane closures - have been contractually allocated to the Design-Builder under the Design-Build Contract. Not all of these risks, however, have been shifted or can be insured against, and there can be no assurance that CDOT will have or will be able to obtain sufficient funds, if necessary, to cause the Design-Builder to complete the construction work within the projected time table or in line with the budget and other assumptions described in this Official Statement.

The Design-Builder has not waived its rights to contest a demand for payment of liquidated damages, and neither the Design-Builder nor the issuer of any performance bond or other security is guaranteeing performance by the Design-Builder under all circumstances. No assurance can be given that

contingency funds, insurance, and/or other funds will be available or sufficient should delays occur or should CDOT have payment obligations that are not satisfied by or the responsibility of the Design- Builder under the Design-Build Contract.

Any delay in achieving the construction deadlines for which CDOT does not have sufficient remedy against the Design-Builder under the Design-Build Contract, or for which CDOT does not have a right to claim payment under the Design-Build Contract, likely would result in lower than expected Pledged Revenues because of the delayed commencement of toll operations and from the damages payments described above, limiting HPTE's ability to make payments pursuant to the Indenture in the amounts and at the times required to enable HPTE to pay debt service on the Series 2017 Bonds or other payments required under the Indenture with respect to the Series 2017 Bonds. In the event of a termination of the Design-Build Contract, the amount of termination compensation payable to CDOT may not be sufficient to pay 100% of the then outstanding repayment obligations of HPTE under the Series 2017 Bonds.

Negotiation of Future Contracts

Certain agreements relating to the construction and operation of the Project have not been finalized and need to be negotiated, executed and delivered by various parties. These include the Toll Operator Task Order between HPTE and the E-470 Authority, providing certain toll equipment installation, toll collection, violations enforcement and customer services functions in connection with the C-470 Managed Lanes and the Toll Enforcement Agreement between HPTE and CSP, providing for tolling enforcement services on the C-470 Managed Lanes.

Further, the Toll Operator Agreement expires on June 30, 2020. HPTE will need to extend the Toll Operator Agreement or contract with another Toll Operator prior to such termination date.

The failure to enter into such agreement in a timely manner could delay or prevent Substantial Completion of the Project and could have a material adverse effect on the generation of User Fees.

Permits and Approvals

Construction and operation require a number of permits and approvals from federal, state and local agencies. Some of these permits already have been obtained. See "CONSTRUCTION PROJECT – Environmental Permits and Approvals." The Design-Builder has assumed this responsibility under the Design-Build Contract (other than for such permits expressly specified in the Design-Build Contract to be the responsibility of others). Delay or failure to obtain or to maintain all required permits could cause substantial delays in completing the Project or in operations. Permitting requirements can change over time, and such changes are uninsured risks. HPTE may not have a source of additional funds in the event changes in permit requirements or conditions increase costs or cause delays. See " – Governmental Approvals."

Ramp-Up Risk

The Traffic and Revenue Study assumes that the Project will undergo a ramp-up period for User Fees to reach the levels projected in the Traffic and Revenue Study based on various factors. See "TRAFFIC AND REVENUE ESTIMATES" and Appendix A – Traffic and Revenue Study for a discussion of the assumptions made in the Study. Historically, some toll roads or tolled lanes have had longer ramp-up periods than initially projected, which can lead to a reduction in the projected toll revenues for the early years of the tolling project. In addition, it is possible that construction may alter the commuting patterns of drivers on C-470, which could have a negative impact on User Fees during the early years of the Project.

Operational Risks

The operation and maintenance of the Project involves various operational risks. The quality of the operation and maintenance of the Project, as well as events outside of HPTE's control, could reduce the User Fees generated or could increase the expense of operating and maintaining the Project and make it difficult or impossible for HPTE to make payments pursuant to the Indenture in the amounts and at the times required under the Indenture.

The Project will incorporate certain hardware and software systems, including the ETCS, for the processing of transponder transactions and the monitoring and identification and reporting of violators. In the event the design of such systems proves to be inadequate, a significant malfunction of, or error with respect to, such systems or a failure to operate such systems properly occurs or in the event the Toll Operator fails to coordinate properly with HPTE, HPTE may suffer a reduction in User Fees, or require significant time and incur significant expenses in identifying and implementing new or improved systems, for which insurance coverage would not be available. Although the design and installation of the ETCS will have been through a rigorous series of tests, no assurance can be given that a defect or malfunctioning of the ETCS or any portion thereof will not result in delays to the completion of the Project or difficulties in the operations of the Project that could lead to a reduction in User Fees or the incurrence by HPTE of increased costs and expenses.

All tolling operations, toll collections and violations enforcement work will be outsourced by HPTE; therefore there can be no assurances that the contract counterparties will perform their obligations under the relevant agreements. HPTE's recourse will be limited to contractual claims under the agreements subject to the liability caps and limitations described therein, and a dispute or termination of such agreements could lead to disruptions in collection of the User Fees. Any disruption in HPTE's ability to collect User Fees could negatively impact the ability of HPTE to make payments pursuant to the Indenture in the amounts and at the times required to pay debt service on the Series 2017 Bonds or other payments required under the Indenture with respect to the Series 2017 Bonds.

When travelling C-470, vehicles will be able to use either or both of C-470 Managed Lanes or may use the general purpose lanes (which do not require payment of a toll). Neither the Indenture nor the TIFIA Loan Agreement contains restrictions on the ability of CDOT to construct new or improved roadways or other transit facilities that may compete with the C-470 Managed Lanes.

Finally, there is no assurance that motor fuel will remain in adequate supply or that motor fuel prices and federal and State motor fuel taxes will not increase. Increases in motor fuel prices could adversely affect the User Fees of HPTE. Additionally, if motor fuel prices increase, it could have a material adverse effect on the economy of the regions served by the C-470 Managed Lanes and the User Fees of HPTE.

Future Technological and Societal Changes

Neither HPTE nor the Traffic and Revenue Consultant can predict the technological and societal changes which may affect the use of the C-470 Managed Lanes during the period the Series 2017 Bonds remain outstanding. Societal changes might include, for example, the increased use of telecommuting. Technological advancements might include broadened use of electric or battery-driven cars, which, together with more stringent air quality standards, might radically change the characteristics of vehicles on the road. Increased use of ride-sharing services like Uber and Lyft might decrease traffic congestion and, therefore, the use of managed lanes as a result of reduced car ownership or surge pricing which possibly delays or diverts peak hour demands. Further development and widespread adoption of autonomous vehicles could also reduce traffic congestion through decreases in accidents due to human error and better synchronized

traffic flow through communication between such vehicles. These are only a few of the potential societal or technological changes which may adversely affect use of the C-470 Managed Lanes and its revenues.

Enforcement Risk

Although the terms of the Toll Enforcement Agreement have yet to be finalized, HPTE believes that its costs under the Toll Enforcement Agreement will be reasonable and within its projected operating costs. The State has limited means of enforcing toll requirements for out-of-state registered vehicles. HPTE is pursuing several mitigation measures in place to help address this risk.] CSP has arrangements in place with other state agencies and will pursue out-of-state violators through those agencies or third party collection agencies.

Uncertainties of Forecasts and Assumptions

The User Fees collected from the operation of the Project will be HPTE's primary source of revenue for the payment of its obligations (via the Indenture) of debt service on the Series 2017 Bonds and other amounts due under the Indenture. The Study and the projected financial information set forth in "PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE" contain certain assumptions and projections, including projections of the traffic flows, but actual results may differ materially from those included in the Study and in such projected financial information. Demonstration of compliance with certain of the covenants contained in the Design-Build Contract and the TIFIA Loan Agreement also may be based upon assumptions and projections.

The assumptions, forecasts and projections contained in the Study are not necessarily indicative of future performance. HPTE cannot give any assurances that the events assumed will materialize or that actual results will match those projected and any such differences may be material. Managed lane facilities are relatively new in the United States and, as a result, traffic projections are subject to a high degree of uncertainty and volatility. Preparing traffic and revenue projections on managed lane projects is a complex exercise due in part to the existence of a free alternative (in the form of general purpose lanes) right next to the managed lanes.

In addition, the future policy, business, operations and financing decisions of HPTE or CDOT may not be the same as those assumed. 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 2017 Bonds are cautioned not to place undue reliance upon the projections in the Study or upon any other projections or requirements for projections. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, HPTE's ability to make payments pursuant to the Indenture in the amounts and at the times required to pay debt service on the Series 2017 Bonds or other payments required under the Indenture with respect to the Series 2017 Bonds, may be materially and adversely affected.

In the Study, the Traffic and Revenue Consultant made assumptions about employment, population, housing and income growth rates, and noted that the value of time and drivers' willingness to pay a toll depend significantly on such economic and demographic factors. Efforts to reduce federal spending, and thus, federal employment, cultural shifts in attitudes towards public transportation, casual and arranged carpools and telecommuting, governmental or employer incentive programs or subsidies and other trends that are hard to predict could affect the number of commuters willing and able to pay a toll on the C-470 Managed Lanes and affect User Fees.

Other risks that are impossible to predict and thus are not taken into account in the long-term forecasts included in the Study or in the projected financial information, but that could affect the number of toll payers and Pledged Revenues in the shorter term, include malfunctions of the tolling system, unusual

weather, casualty events and other emergencies. No advisor and no other party can guarantee that the projected results set forth in the Study will reflect actual results and the differences may be material.

Force Majeure and Insurance Limitations

Construction and operation of the Project are at risk from events of force majeure, such as damaging storms, winds and floods, fires and explosions, earthquakes, strikes and lockouts, sabotage, wars, blockades, riots and spills of hazardous substances, among other events. Construction and operations also may be stopped or delayed by non-casualty events such as changes in law, delays in obtaining or renewing permits, revocation or revision of permit requirements and litigation, among other things.

Although the Design-Builder will be required to provide insurance during the construction work period and HPTE will be required to provide insurance after the construction work is completed, the required policies do not cover damage and delay from all events that potentially could interrupt construction or operations. Insurance policies may not be maintained or be obtainable in amounts that would be sufficient or be paid on time in all events to pay all of the costs required to be paid in connection with the Project, including fees and operating and maintenance expenses and debt service on the Series 2017 Bonds. As recommended by insurance consultants, for major road projects such as the Project, policy limits (and delayed opening or business interruption coverage) will be based upon “maximum probable loss” scenarios and not on replacement value, but no assurance can be given that proceeds of such insurance would be sufficient if an extraordinary event with extraordinary losses occurred.

Risks that are not insurable or 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, strikes, riot and civil commotion and insurer insolvency. In addition, changes in federal, state or local design, construction and environmental requirements and other changes in law are risks that generally are not insurable. There can be no assurance that sufficient insurance coverage will be available to cover such risks. In addition, there can be no assurance that any use by the Design-Builder or HPTE of insurance proceeds would not be challenged by other creditors, that HPTE could repair any damage if insurance proceeds were not available or that the insurance proceeds could be used to pay debt service if damaged facilities cannot be repaired, replaced or restored.

Change in Law

The Project is subject to various laws and regulations, including, among others, laws governing environmental protection and laws governing tolling, which may change from time to time. The Project and HPTE’s business, financial condition and results of operations may be adversely affected by changes in such laws or regulations.

In each session of the State General Assembly, bills may be introduced that have a potential impact on HPTE or the imposition of fees or other charges on the use or ownership of vehicles to which the User Fees applies. In addition, State law allows voter initiatives meeting certain conditions to be placed on the ballot, which initiatives may involve statutory measures or constitutional amendments. Voter initiatives could potentially directly or indirectly affect HPTE or the imposition or collection of the User Fees. Although HPTE and CDOT actively monitor such bills and proposals and interact with members of the General Assembly and staff members during the legislative sessions, there can be no assurance that there will not be future legislative changes or voter initiatives that may have a material effect on HPTE.

To the extent that HPTE is required to expend additional funds not originally contemplated model to comply with any new or amended regulations or laws, particularly if HPTE is not entitled to compensation under the Design-Build Contract, such amended or new law or regulation could have a negative impact on HPTE’s cash flow.

Governmental Approvals

Pursuant to the Design-Build Contract, the Design-Builder is responsible for obtaining, furnishing, paying the cost of, and maintaining in full force and effect, all Governmental Approvals (unless specifically identical as CDOT's responsibility) required for the construction and operation of the Project. With respect to the construction of the Project, some of these permits have been obtained. No assurance can be given that CDOT or the Design-Builder will be able to obtain and maintain the applicable Governmental Approvals. A failure to obtain and maintain any Governmental Approvals, especially if the schedule, cost or revenue impact on the Project as a result of such failure is not accommodated under the Design-Build Contract, could have an adverse effect on the Project, including, but not limited to, preventing or delaying commencement of the tolling operations on the Project. The occurrence of any such event could adversely affect HPTE's ability to make payments pursuant to the Indenture and, in turn, adversely impacting HPTE's ability to make payments of debt service on the Series 2017 Bonds or other payments required under the Indenture with respect to the Series 2017 Bonds.

Market Liquidity Risks

Two credit rating agencies have been engaged to assign credit ratings to the Series 2017 Bonds. A rating is not a recommendation to purchase, hold or sell the Series 2017 Bonds, and does not address the market price or suitability of the Series 2017 Bonds for a particular investor. A rating on the Series 2017 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 credit strength of the Trust Estate.

The Underwriters are not required to make a market in the Series 2017 Bonds, and they may cease market-making at any time without notice. HPTE cannot assure potential investors that an active market for the Series 2017 Bonds will develop. Even if a market for the Series 2017 Bonds does develop, depending on prevailing interest rates and market conditions generally, the Series 2017 Bonds could trade at a discount from their initial offering price. Holders of the Series 2017 Bonds may not be able to sell their Series 2017 Bonds in the future or such sale may not be at a price equal to or greater than the initial offering price of the Series 2017 Bonds. As a result, holders of the Series 2017 Bonds may not be able to liquidate their investment quickly or to liquidate it at an attractive price or at all.

Forward-Looking Statements

This Official Statement and Appendices hereto contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement and Appendices hereto that any person expects or anticipates will, should or may occur in the future, including, but not limited to, the projections in the Study, are forward-looking statements. These statements are based on assumptions and analysis made by HPTE and the Traffic and Revenue Consultant, as applicable, in light of their experience and perception of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under "PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE" and this "INVESTMENT CONSIDERATIONS" caption of this Official Statement as well as additional factors beyond HPTE's control. The important risk factors and assumptions described under that caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices hereto are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on Pledged Revenues. All subsequent forward-looking

statements attributable to HPTE or persons acting on its behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to HPTE and the other aforementioned entities on the date hereof, and neither HPTE nor any of such other aforementioned entities assumes any obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward- looking statements included in this Official Statement will prove to be accurate.

TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Series 2017 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2017 Bonds (the “Tax Code”), interest on the Series 2017 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below. Income from any Series 2017 Bonds is exempt from all taxation and assessments in Colorado. *For purposes of this paragraph and the succeeding discussion, “interest” includes the original issue discount on certain of the Series 2017 Bonds only to the extent such original issue discount is accrued as described herein.*

The Tax Code imposes several requirements which must be met with respect to the Series 2017 Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the Series 2017 Bonds. These requirements include: (a) limitations as to the use of proceeds of the Series 2017 Bonds; (b) limitations on the extent to which proceeds of the Series 2017 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Series 2017 Bonds above the yield on the Series 2017 Bonds to be paid to the United States Treasury. HPTE will covenant and represent in the Indenture that it will take all steps to comply with the requirements of the Tax Code (in effect on the date of delivery of the Series 2017 Bonds) to the extent necessary to maintain the exclusion of interest on the Series 2017 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under such federal income tax laws. Bond Counsel’s opinion as to the exclusion of interest on the Series 2017 Bonds from gross income, alternative minimum taxable income (to the extent described above), is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of HPTE to comply with these requirements could cause the interest on the Series 2017 Bonds to be included in gross income, alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of HPTE and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Series 2017 Bonds.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Series 2017 Bonds. Owners of the Series 2017 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Series 2017 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Series 2017 Bonds [may be][were] sold at a premium, representing a difference between the original offering price of those Series 2017 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the Series 2017 Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Series 2017 Bonds. Owners of the Series 2017 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Series 2017 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Series 2017 Bonds, the exclusion of interest on the Series 2017 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Series 2017 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Series 2017 Bonds. Owners of the Series 2017 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Series 2017 Bonds. If an audit is commenced, the market value of the Series 2017 Bonds may be adversely affected. Under current audit procedures, the Service will treat HPTE as the taxpayer and the Owners may have no right to participate in such procedures. HPTE has covenanted in the Indenture not to take any action that would cause the interest on the Series 2017 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of HPTE, Underwriter, Financial Advisor, Bond

Counsel or Special Counsel is responsible for paying or reimbursing any Series 2017 Bondholder with respect to any audit or litigation costs relating to the Series 2017 Bonds.

RATINGS

Fitch, Inc. (“Fitch”) and DBRS Limited (“DBRS”) have assigned the Series 2017 Bonds ratings of “____” and “____,” respectively.

A rating reflects only the views of the rating agency assigning such rating, and an explanation of the methodology used by respective rating agencies and the significance of each such rating may be obtained from such rating agency. HPTE has furnished to the rating agencies certain information and materials relating to the Series 2017 Bonds, HPTE, the State and HPTE’s financial condition and operations, including certain information and materials which have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2017 Bonds. HPTE has undertaken no responsibility to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE UNDERTAKING

HPTE has covenanted, for the benefit of the owners of the Series 2017 Bonds, in a Continuing Disclosure Undertaking executed in connection with the issuance and sale of the Series 2017 Bonds, to provide (i) certain financial information and operating data related to HPTE by not later than 270 days after the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2017 (the “Annual Financial Information”), (ii) audited financial statements for HPTE by not later than 210 days after the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2017 (the “Audited Financial Statements”), and (iii) notices of the occurrence of certain enumerated material events. The Annual Financial Information, Audited Financial Statements and the notices of material events will be filed or caused to be filed by HPTE or its designee for such purpose with the MSRB through the EMMA system. See Appendix E for the form of HPTE’s Continuing Disclosure Undertaking. The Continuing Disclosure Undertaking relating to the Series 2017 Bonds is the first such undertaking executed by HPTE. Accordingly, HPTE has not previously filed information of the type covered by the Continuing Disclosure Undertaking described herein.

LEGAL MATTERS

Litigation

There is no litigation or proceeding pending, or, to the best knowledge of HPTE, threatened, which would affect the right of HPTE to execute, deliver or perform its obligations under the Indenture or to issue, execute, deliver or perform its obligations under the Series 2017 Bonds.

Governmental Immunity Act

As provided in the Colorado Governmental Immunity Act, Article 10 of Title 24, Colorado Revised Statutes (the “Immunity Act”), public entities and their employees acting within the course and scope of their employment shall be immune from liability for tort claims or claims that could be in tort under Colorado state law based on the principle of sovereign immunity except for those specifically identified events or occurrences defined in the Immunity Act. The exceptions in the Immunity Act allow liability for, among other things, injuries resulting from a dangerous condition which interferes with the movement of

traffic on any public highway, road, street, or sidewalk; a dangerous condition caused by failure to realign a turned stop or yield sign or to repair a traffic signal displaying conflicting directions; a dangerous condition caused by known accumulation of snow and ice that physically interferes with public access on walks leading to a public building; the operation of a motor vehicle owned or leased by the public entity, except for emergency vehicles; a dangerous condition of any public building of the public entity; and the operation and maintenance of or a dangerous condition of public water, gas, sanitation, electrical, or power facilities. Whenever recovery is permitted, the Immunity Act also generally limits the maximum amount that may be recovered to \$150,000 for injury to one person in a single occurrence, and \$600,000 for an injury to two or more persons in a single occurrence, except that no one person may recover in excess of \$150,000. The Immunity Act does not limit recovery against a public employee who is acting outside the course and scope of his/her employment. The Immunity Act specifies the sources from which judgments against public entities may be collected and provides that public entities are not liable for punitive or exemplary damages. Punitive or exemplary damages may be assessed, however, against a public employee personally who is acting outside the course and scope of his/her employment. The Immunity Act does not prohibit claims against public entities or their employees under federal law, contract law, or under other common law theories.

Certain Constitutional Limitations

At the general election on November 3, 1992, the voters of Colorado approved a constitutional amendment which is codified as Article X, Section 20, of the Colorado Constitution (the Taxpayers Bill of Rights or “TABOR”). In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, but does not apply to “enterprises,” defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption. Additional litigation may be commenced in the future seeking further interpretation of TABOR.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government’s spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated.

Enterprise Status. HPTE has determined that it is currently an enterprise; however, TABOR contemplates that enterprise status is to be determined on an annual basis. Because the Series 2017 Bonds are issued by HPTE, voter approval for the issuance of the Series 2017 Bonds is not required under TABOR, and the remaining terms of TABOR do not apply to the operation of HPTE.

If HPTE was ever to be disqualified as an enterprise, such disqualification would have the effect, during such period of disqualification only, of requiring inclusion of HPTE in the State's overall spending and revenue base and limitations, and of requiring voter approval for various actions, including, with certain exceptions, the issuance of additional bonds payable from Pledged Revenues. One of such exceptions is the ability to refund bonds at a lower interest rate. Even if HPTE ceases to have enterprise status, the Rate Covenant and the lien on Pledged Revenues provided for in the Indenture will continue to secure the payment of debt service on the Series 2017 Bonds.

UNDERWRITING

The Underwriters have jointly and severally agreed to purchase the Series 2017 Bonds from HPTE pursuant to and subject to the conditions set forth in a Bond Purchase Agreement dated _____, 2017, at a price of \$_____, which represents the principal amount of the Series 2017 Bonds less an Underwriters' discount of \$_____. The Underwriters are committed to purchase all of the Series 2017 Bonds if any are purchased. The prices at which the Series 2017 Bonds are offered to the public (and the yields resulting therefrom) may vary from the initial public offering prices appearing on the inside front cover page of this Official Statement. In addition, the Underwriters may allow commissions or discounts from such initial offering prices to dealers and others.

FINANCIAL ADVISOR

HPTE has retained First Southwest, a Division of Hilltop Securities, Inc., Denver, Colorado as financial advisor (the "Financial Advisor") in connection with the authorization and issuance of the Series 2017 Bonds. The Financial Advisor will act as an independent advisory firm and will not be engaged in underwriting or distributing the Series 2017 Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the issuance and sale of the Series 2017 Bonds and the tax treatment of interest on the Series 2017 Bonds are subject to the approving opinion of Sherman & Howard L.L.C., Denver, Colorado, the substantially final form of which is attached hereto as Appendix F. Certain legal matters will be passed upon for HPTE by the Office of the State Attorney General and by HPTE's co-special counsel, Nossaman LLP, Los Angeles, California, and Sherman & Howard L.L.C., Denver, Colorado, and for the Underwriters by Hogan Lovells US LLP.

MISCELLANEOUS

The description and summaries in this Official Statement of the Series 2017 Bonds, the Indenture, the Continuing Disclosure Undertaking, various agreements, statutes and other reports, documents, certificates and instruments do not purport to be complete, comprehensive or definitive, and each such description or summary is qualified in its entirety by reference to each such agreement, statute, report, document, certificate or instrument for a complete statement of its provisions. Copies of such agreements, statutes, reports, documents, certificates and other instruments generally are available upon written request to HPTE, Attention: Director, 4201 East Arkansas Avenue, Denver, Colorado 80222, or to the Underwriters c/o _____, Attention: _____.

The attached Appendices are integral parts of this Official Statement and should be read in their entirety.

STATE OF COLORADO
John Hicklenlooper, Governor
COLORADO HIGH PERFORMANCE
TRANSPORTATION ENTERPRISE

By: _____
David Spector, Director of the Colorado
High Performance Transportation
Enterprise

APPENDIX A
TRAFFIC AND REVENUE STUDY

APPENDIX B

GLOSSARY OF TERMS AND SUMMARY OF CERTAIN PROVISIONS IN INDENTURE

APPENDIX C

**GLOSSARY OF TERMS AND SUMMARY OF CERTAIN PROVISIONS IN THE TIFIA LOAN
AGREEMENT**

APPENDIX D**BOOK-ENTRY ONLY SYSTEM**

The information in this section concerning The Depository Trust Company (“DTC”) New York, New York and DTC’s Book-Entry Only System has been obtained from DTC, and HPTE and the Underwriters take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2017 Bonds. The Series 2017 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 certificate will be issued for the Series 2017 Bonds, as set forth on the inside front cover page hereof, in the aggregate principal amount of each maturity of the Series 2017 Bonds and 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 Uniform Commercial Code, 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 & 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”). DTC has Standard & Poor’s highest rating: “AAA.” 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 and www.dtc.org.

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2017 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 2017 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 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 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 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial

ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts 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 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 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 registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2017 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to HPTE 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 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2017 Bonds are to 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 HPTE or Trustee, on payable date 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 or HPTE, subject to any statutory or regulatory requirements as may be in effect from time-to-time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of HPTE 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 securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to HPTE or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

HPTE may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

APPENDIX F
FORM OF BOND COUNSEL OPINION