FULL FUNDING GRANT AGREEMENT (FFGA) SUMMARY

The FFGA Document and Attachments:
- The FFGA is a contract between the FTA and the City and County of Honolulu as the Grantee. The purposes of the FFGA are to:
  - Provide Federal funding ($255M first increment) and future Federal New Starts (Section 5309) funds;
  - Describe the scope of the Project;
  - Establish the Maximum Federal New Starts Financial Commitment ($1.55 B);
  - Establish the Grantee’s financial commitment (including the Local Share ($3.4 B per FFGA Section 10) and obligation to pay all costs necessary to complete the Project), commitment to achieve revenue operation by January 31, 2020 (FFGA Section 5), and to finance future maintenance and operational costs of the Project.

FFGA Appropriations
- The President’s Budget is submitted annually to Congress by the first Monday in February. It sets forth the Administration recommendations for the Federal budget for the upcoming fiscal year.
- The President’s Budget for FY 2013 included $250M for the Honolulu Rail Transit Project, which is consistent with the Proposed Schedule of Federal Funds (Based on Year of Appropriation) in FFGA Attachment 6. It is expected that the President’s future budgets will follow the proposed schedule in Attachment 6.
- Congressional appropriations process happens annually and is ongoing until enacted.
- It is possible that Congress could appropriate an amount that varies (+/-) from the Proposed Schedule of Federal Funds in the FFGA. However, the federal government has not in the 30-year history of the program defaulted on its commitment to fund projects. The Proposed Schedule of Federal Funds in the FFGA (Attachment 6) shows Section 5309 New Starts funds from 2012 and Prior through 2017. The increment annual is $250M until the final increment when it is $230M.
- Generally, within the New Starts program the FTA funds FFGA projects first in order to meet funding obligations.
- Incremental awards for annual appropriations will be processed through the FTA’s electronic grants award and management system.

FFGA Drawdown of Funds
- The federal funding for the Project will be reimbursement for eligible costs
- The annual funds appropriated for the FFGA need to be obligated within two years of the appropriations date. However, these funds do not necessarily have to be drawn down in any specific time frame once they are awarded.
ATTACHMENT 6

City and County of Honolulu
Honolulu Rail Transit Project
Honolulu, Hawaii

Section 20008 of the Moving Ahead for Progress in the 21st Century Act (Pub. L. 112-141: July 6, 2012) (“MAP-21”) authorizes FTA to award Federal major capital investment (New Starts) funds for final design and construction of the Honolulu Rail Transit Project (the Project). In accordance with Federal transit law at 49 U.S.C. Chapter 53 and FTA Circular 5200.1A, Full Funding Grant Agreements Guidance (December 5, 2002), by the execution of this Agreement the Government is limiting its commitment to provide New Starts funding for the Project to those funds that have been or may be appropriated during the term of MAP-21 and subsequent authorizations. The Government and the Grantee recognize, however, that the period of time necessary to complete the Project will extend beyond MAP-21, as evidenced by Attachment 4 of this Agreement (Baseline Schedule).

Moreover, the Government has previously awarded American Recovery and Reinvestment Act (ARRA) funds for the Project.

Currently, the Government and the Grantee anticipate that the New Starts funds and Section 5307 funds will be provided for the Project as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>ARRA Funds</th>
<th>Section 5309 New Starts Funds</th>
<th>Section 5307 Formula Funds</th>
<th>Local (1)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 and Prior</td>
<td>$4,000,000</td>
<td>$319,990,000</td>
<td>-</td>
<td>$616,751,367</td>
<td>$940,741,367</td>
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<tr>
<td>2013</td>
<td>-</td>
<td>$250,000,000</td>
<td>$32,941,432</td>
<td>$538,610,806</td>
<td>$821,552,238</td>
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<tr>
<td>2014</td>
<td>-</td>
<td>$250,000,000</td>
<td>$33,733,543</td>
<td>$540,118,678</td>
<td>$823,852,221</td>
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<td>2015</td>
<td>-</td>
<td>$250,000,000</td>
<td>$34,543,557</td>
<td>$541,660,631</td>
<td>$826,204,188</td>
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<tr>
<td>2016</td>
<td>-</td>
<td>$250,000,000</td>
<td>$35,373,020</td>
<td>$543,239,607</td>
<td>$828,612,627</td>
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<td>2017</td>
<td>-</td>
<td>$230,010,000</td>
<td>$36,221,856</td>
<td>$506,802,251</td>
<td>$773,034,107</td>
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<td>2018</td>
<td>-</td>
<td>-</td>
<td>$37,090,493</td>
<td>$70,605,921</td>
<td>$107,696,414</td>
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<tr>
<td>Total</td>
<td>$4,000,000</td>
<td>$1,550,000,000</td>
<td>$209,903,901</td>
<td>$3,357,789,262</td>
<td>$5,121,693,163</td>
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</tbody>
</table>

(1) Source of local funding is: local General Excise and Use Tax Surcharge revenues dedicated to the Project.