

In the opinion of Co-Bond Counsel to the Authority, interest on the Series 2009A Bonds (as defined herein) will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date hereof, except as explained under "TAX MATTERS – Federal Income Tax Treatment for the Series 2009A Bonds" herein, including the alternative minimum tax on corporations. Interest on such Series 2009A Bonds will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under section 57(a)(5) of the Code (as defined herein). The Series 2009B Bonds are not obligations described in Section 103(a) of the Internal Revenue Code of 1986, and thus the interest on the Series 2009B Bonds is not excludable from the gross income of the holders thereof for federal income tax purposes. See "TAX MATTERS – Federal Income Tax Treatment for the Series 2009B Bonds" herein.



**\$1,243,165,000**  
**NORTH TEXAS TOLLWAY AUTHORITY**  
**SYSTEM REVENUE BONDS, SERIES 2009**  
 consisting of

**\$418,165,000 First Tier Tax-Exempt Current Interest Bonds, Series 2009A**  
**\$825,000,000 First Tier Taxable Current Interest Bonds, Series 2009B (Build America Bonds – Direct Payment)**

Dated Date: Date of Delivery

Due: As shown herein

The captioned revenue bonds (the "Series 2009 Bonds") will be issued as fully registered obligations by the North Texas Tollway Authority (the "Authority"), a body politic and corporate and a political subdivision of the State of Texas. Proceeds of the Series 2009 Bonds will be used for the purpose of (i) refunding a portion of the Authority's Dallas North Tollway System Revenue Refunding Bonds, Series 1997, Dallas North Tollway System Revenue Refunding Bonds, Series 1997A, Dallas North Tollway System Revenue Bonds, Series 1998, and Dallas North Tollway System Variable Rate Revenue Bonds, Series 2005C (collectively, the "Refunded Bonds"), (ii) refunding all of the Authority's outstanding commercial paper notes issued pursuant to the Authority's commercial paper program, (iii) financing certain swap termination payments, (iv) funding the development and construction of portions of the Sam Rayburn Tollway (formerly known as the "State Highway 121 Project"), The President George Bush Turnpike Eastern Extension, and other components of the NTTA System (as defined herein), (v) making a deposit to a debt service reserve fund, (vi) paying capitalized interest on a portion of the Series 2009B Bonds, and (vii) paying costs of issuance of the Series 2009 Bonds, all as more fully described herein. The Series 2009 Bonds will be registered in the nominee name of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2009 Bonds pursuant to its Book-Entry-Only System described herein. No physical delivery of the Series 2009 Bonds will be made to the respective beneficial owners thereof. Principal of, premium, if any, and interest on the Series 2009 Bonds will be payable by Wells Fargo Bank, N.A., as trustee (the "Trustee"), under an Amended and Restated Trust Agreement (the "Amended and Restated Trust Agreement"), to DTC, which will make distribution of the amounts so paid to the beneficial owners thereof. See "GENERAL INFORMATION REGARDING THE SERIES 2009 BONDS – Book-Entry-Only System."

The Series 2009 Bonds are authorized by and issued pursuant to (i) the laws of the State of Texas, particularly Chapter 366, Texas Transportation Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended, and (ii) a resolution (the "Resolution") adopted by the Board of Directors (the "Board") of the Authority on July 16, 2009. The Series 2009 Bonds, together with the Authority's outstanding revenue bonds and other obligations secured by the Amended and Restated Trust Agreement, are special, limited obligations of the Authority payable solely from, and secured solely by, the tolls and other revenues of the NTTA System and certain specified funds and accounts created pursuant to the Amended and Restated Trust Agreement, on the basis and in the priority described therein and herein.

Each series of the Series 2009 Bonds is further described in this Official Statement. See pages (ii) and (iii) for additional information relating to the specific series of Series 2009 Bonds, including provisions relating to maturities, interest rates, yields, and lien priorities.

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2009 BONDS ONLY FROM THE TOLLS AND OTHER REVENUES OF THE NTTA SYSTEM AND CERTAIN SPECIFIED FUNDS AND ACCOUNTS CREATED PURSUANT TO THE RESOLUTION AND THE AMENDED AND RESTATED TRUST AGREEMENT ON THE BASIS AND IN THE PRIORITY DESCRIBED THEREIN AND HEREIN. EXCEPT AS SPECIFIED IN THE PRECEDING SENTENCE, NONE OF THE STATE OF TEXAS, THE AUTHORITY, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2009 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2009 BONDS. THE AUTHORITY HAS NO TAXING POWER.

This cover page and pages (ii) and (iii) contain information for quick reference only. Such pages do not contain a complete summary of the Series 2009 Bonds. Potential investors must read the entire Official Statement to obtain information essential to making an informed investment decision. Investment in the Series 2009 Bonds is subject to certain investment considerations. See "RISK FACTORS."

The Series 2009 Bonds are offered for delivery when, as, and if issued and received by the Underwriters and subject to the approval of the Attorney General of the State of Texas and McCall, Parkhurst & Horton L.L.P., Dallas, Texas and Mahomes Bolden Warren Sigmon PC, Dallas, Texas, Co-Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by Locke Lord Bissell & Liddell LLP, Dallas, Texas, General Counsel for the Authority, and for the Underwriters by Andrews Kurth LLP, Houston, Texas and West & Associates L.L.P., Dallas, Texas, Co-Counsel for the Underwriters. It is expected that delivery of the Series 2009 Bonds will be made through DTC on or about August 12, 2009.

**MORGAN STANLEY**  
 BOOKRUNNER FOR THE SERIES  
 2009A BONDS<sup>(1)</sup>

**GOLDMAN, SACHS & Co.**  
 BOOKRUNNER FOR THE SERIES  
 2009B BONDS<sup>(2)</sup>

The date of this Official Statement is August 6, 2009.

<sup>(1)</sup> See page (i) for a complete list of the underwriters for the Series 2009A Bonds

<sup>(2)</sup> See page (i) for a complete list of the underwriters for the Series 2009B Bonds



**UNDERWRITERS**

The underwriters for the Series 2009 Bonds are as follows:

**NORTH TEXAS TOLLWAY AUTHORITY  
SYSTEM REVENUE BONDS  
\$418,165,000 FIRST TIER TAX-EXEMPT CURRENT  
INTEREST BONDS, SERIES 2009A**

MORGAN STANLEY

J.P. MORGAN

MERRILL LYNCH & CO.

M.R. BEAL & COMPANY

RAMIREZ & CO., INC.

**NORTH TEXAS TOLLWAY AUTHORITY  
SYSTEM REVENUE BONDS  
\$825,000,000 FIRST TIER TAXABLE CURRENT  
INTEREST BONDS, SERIES 2009B (BUILD AMERICA BONDS – DIRECT PAYMENT)**

GOLDMAN, SACHS & Co.

CITI

MORGAN STANLEY

WELLS FARGO SECURITIES

BOSC, INC.  
(A SUBSIDIARY OF BOK FINANCIAL CORP.)

ESTRADA HINOJOSA & COMPANY, INC.

JEFFERIES & COMPANY, INC.

LOOP CAPITAL MARKETS, LLC

MORGAN KEEGAN & Co., INC.

RICE FINANCIAL PRODUCTS  
COMPANY

**MATURITIES, INTEREST RATES, YIELDS AND ADDITIONAL  
INFORMATION REGARDING THE SERIES 2009 BONDS**

**\$418,165,000 FIRST TIER TAX-EXEMPT CURRENT INTEREST BONDS, SERIES 2009A**

*General.* The First Tier Tax-Exempt Current Interest Bonds, Series 2009A (the "*Series 2009A Bonds*") will be issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof and will be dated their date of delivery. Interest will accrue on the Series 2009A Bonds, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2010. Principal will come due on January 1 of the years and in the amounts set forth below or upon the earlier redemption of the Series 2009A Bonds.

**MATURITY SCHEDULE FOR THE SERIES 2009A BONDS**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>SERIAL BONDS</u>			<u>CUSIP No.<sup>(2)</sup></u>
		<u>Interest Rate (%)</u>	<u>Yield (%)</u>		
January 1, 2011	\$ 14,160,000	3.000	2.650		66285WFC5
January 1, 2012	14,900,000	3.000	3.000		66285WFD3
January 1, 2013	10,385,000	3.200	3.200		66285WFE1
January 1, 2013	5,295,000	5.000	3.200		66285WFJ0

**TERM BONDS**

\$55,000,000 6.250% Term Bond due January 1, 2024, Priced to Yield 5.900%<sup>(1)</sup>; CUSIP No. 66285WFF8<sup>(2)</sup>  
 \$30,905,000 6.100% Term Bond due January 1, 2028, Priced to Yield 6.100%; CUSIP No. 66285WFH4<sup>(2)</sup>  
 \$123,405,000 6.000% Term Bond due January 1, 2028, Priced to Yield 6.100%; CUSIP No. 66285WFK7<sup>(2)</sup>  
 \$164,115,000 6.250% Term Bond due January 1, 2039, Priced to Yield 6.340%; CUSIP No. 66285WFG6<sup>(2)</sup>

*Optional and Mandatory Sinking Fund Redemption.* The Series 2009A Bonds are subject to optional and mandatory sinking fund redemption as described herein. See "**THE SERIES 2009 BONDS – The First Tier Tax-Exempt Current Interest Bonds, Series 2009A – Redemption.**"

*Lien Priority.* The Series 2009A Bonds constitute First Tier Bonds under the Amended and Restated Trust Agreement. See "**PLAN OF FINANCE – Priority of Payment**" and "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS.**"

*Tax Status.* In the opinion of Co-Bond Counsel to the Authority, interest on the Series 2009A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date hereof, except as explained under "**TAX MATTERS – Federal Income Tax Treatment for the Series 2009A Bonds**" herein, including the alternative minimum tax on corporations.

<sup>(1)</sup>Yield to the first call date at par.

<sup>(2)</sup>CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the Underwriters and are included solely for the convenience of the holders of the Series 2009A Bonds. Neither the Authority nor the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2009A Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Series 2009A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2009A Bonds.



**\$825,000,000 FIRST TIER TAXABLE CURRENT INTEREST BONDS,  
SERIES 2009B (BUILD AMERICA BONDS - DIRECT PAYMENT)**

*General.* The First Tier Taxable Current Interest Bonds, Series 2009B (Build America Bonds - Direct Payment) (the "*Series 2009B Bonds*") will be issued as fully registered bonds, without coupons, in denominations of \$1,000 or any integral multiple thereof and will be dated their date of delivery. Interest will accrue on the Series 2009B Bonds, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2010. Principal will come due on January 1 of the years and in the amounts set forth below or upon the earlier redemption of the Series 2009B Bonds.

**MATURITY SCHEDULE FOR THE SERIES 2009B BONDS**

**TERM BOND**

\$825,000,000 6.718% Term Bond due January 1, 2049, Priced to Yield 6.718%; CUSIP No. 66285WFB7<sup>(1)</sup>

*Optional, Extraordinary Optional and Mandatory Sinking Fund Redemption.* The Series 2009B Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption as described herein. See "**THE SERIES 2009 BONDS – The First Tier Taxable Current Interest Bonds, Series 2009B (Build America Bonds - Direct Payment) – Redemption**" herein.

*Lien Priority.* The Series 2009B Bonds constitute First Tier Bonds under the Amended and Restated Trust Agreement. See "**PLAN OF FINANCE – Priority of Payment**" and "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS.**"

*Tax Status.* **The Series 2009B Bonds are not obligations described in Section 103(a) of the Internal Revenue Code of 1986, as amended, and thus interest on the Series 2009B Bonds is not anticipated to be excludable from gross income for federal income tax purposes.**

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<sup>(1)</sup>CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the Underwriters and are included solely for the convenience of the holders of the Series 2009B Bonds. Neither the Authority nor the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2009B Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Series 2009B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2009B Bonds.

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**AUTHORITY BOARD, ADMINISTRATION, CONSULTANTS AND ADVISORS**

**Board of Directors<sup>(1)</sup>**

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires August 31<sup>(2)</sup></u>	<u>Appointed by</u>	<u>Occupation</u>
Paul N. Wageman, Chairman	9 years	2010	Collin County	Attorney
Victor T. Vandergriff, Vice Chairman	2 years	2010	Tarrant County	Businessman
Alan E. Sims	6 years	2010	Dallas County	City Manager, City of Cedar Hill
David R. Denison	4 years	2009	Denton County	Businessman
Gary Base	3 years	2009	Collin County	Businessman
Robert K. Shepard	3 years	2009	Governor	Airline Pilot
Michael R. Nowels	2 years	2010	Denton County	Businessman
Dr. Bob Day	2 years	2009	Dallas County	Optometrist
Kenneth Barr	1 year	2009	Tarrant County	Businessman

**Administration<sup>(3)</sup>**

<u>Name</u>	<u>Position</u>
Allen Clemson	Executive Director
Rick Herrington	Deputy Executive Director
Janice D. Davis	Chief Financial Officer
Magdalena M. Kovats	Director of Internal Audit
Gerald E. Carrigan	Assistant Executive Director of Project Delivery
Clayton Howe	Assistant Executive Director of Operations
Kimberly B. Tolbert	Assistant Executive Director of Administrative Services
Everett Ray Zies	Controller
Ruby Franklin	Secretary to the Board

**Consultants and Advisors**

General Counsel	Locke Lord Bissell & Liddell LLP Dallas, Texas
Co-Bond Counsel	McCall, Parkhurst & Horton L.L.P. Dallas, Texas
Co-Bond Counsel	Mahomes Bolden Warren Sigmon PC Dallas, Texas
Independent Auditors	Crowe Horwath LLP Chicago, Illinois
Traffic Engineers	Wilbur Smith Associates Dallas, Texas
Consulting Engineers	HNTB Corporation Dallas, Texas
Financial Advisor	RBC Capital Markets Corporation Dallas, Texas
Co-Financial Advisor	TKG & Associates Dallas, Texas
Trustee and Paying Agent	Wells Fargo Bank, N.A. Dallas, Texas

For additional information regarding the Authority, please contact:

Ms. Janice Davis  
Chief Financial Officer  
North Texas Tollway Authority  
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Plano, Texas 75093-4694  
(214) 461-2000

Mr. Doug Hartman, Managing Director  
Mr. Dan Heimowitz, Managing Director  
RBC Capital Markets Corporation  
2711 North Haskell Ave., Suite 2500  
Dallas, Texas 75204  
(214) 989-1618

(1) See "THE AUTHORITY – The Board of Directors."

(2) Serves until appointment of successor or reappointment.

(3) See "THE AUTHORITY – Key Staff Members."

## USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman, or other person has been authorized by the Authority or Morgan Stanley & Co., Goldman, Sachs & Co., BOSC, Inc., Citigroup Global Markets, Inc., Estrada Hinojosa & Company, Inc., Jefferies & Company, Inc., J.P. Morgan Securities, Inc., Loop Capital Markets, LLC, Morgan Keegan & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith, Incorporated, M.R. Beal & Company, Ramirez & Co., Inc., Rice Financial Products Company, or Wells Fargo Securities, the trade name for certain capital markets and investment banking services of Wells Fargo Company and its subsidiaries, including Wachovia Bank, National Association, (collectively, the "*Underwriters*") to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2009 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale of the Series 2009 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2009 Bonds and in no instance may this Official Statement be reproduced or used for any other purpose.

CUSIP numbers have been assigned to the Series 2009 Bonds by Standard & Poor's CUSIP Service Bureau for the convenience of the owners of the Series 2009 Bonds. None of the Authority, its Financial Advisors or the Underwriters shall be responsible for the selection or the correctness of the CUSIP numbers.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION WILL NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE SERIES 2009 BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

THE TRUSTEE ASSUMES NO RESPONSIBILITY FOR THIS OFFICIAL STATEMENT AND HAS NOT REVIEWED OR UNDERTAKEN TO VERIFY ANY INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT.

NONE OF THE AUTHORITY, THE CO-FINANCIAL ADVISORS, OR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("*DTC*") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION WAS FURNISHED BY DTC.

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 TO INVESTORS 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.

THE PRICE AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2009 BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER SUCH SERIES 2009 BONDS ARE RELEASED FOR SALE, AND SUCH SERIES 2009 BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICE, INCLUDING SALES TO DEALERS WHO MAY SELL SUCH SERIES 2009 BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE SERIES 2009 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2009 BONDS AT A LEVEL ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No registration statement relating to the Series 2009 Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Series 2009 Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2009 Bonds been registered or qualified under the securities laws of any other jurisdiction. The Authority assumes no responsibility for the registration or qualification for sale or other disposition of the Series 2009 Bonds under the securities laws of any jurisdiction in which the Series 2009 Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Series 2009 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE SERIES 2009 BONDS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2009 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The statements contained in this Official Statement, and in other information provided by the Authority, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. See "**RISK FACTORS – Forward-Looking Statements.**"

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## OFFICIAL STATEMENT

relating to

**\$1,243,165,000**

### **NORTH TEXAS TOLLWAY AUTHORITY SYSTEM REVENUE BONDS, SERIES 2009**

consisting of

**\$418,165,000 First Tier Tax-Exempt Current Interest Bonds, Series 2009A**

**\$825,000,000 First Tier Taxable Current Interest Bonds, Series 2009B (Build America Bonds - Direct Payment)**

## INTRODUCTION

This Official Statement (this "*Official Statement*") contains certain information relating to the offering and sale by the North Texas Tollway Authority (the "*Authority*") of its System Revenue Bonds, Series 2009 consisting of its First Tier Tax-Exempt Current Interest Bonds, Series 2009A (the "*Series 2009A Bonds*") and its First Tier Taxable Current Interest Bonds, Series 2009B (Build America Bonds - Direct Payment) (the "*Series 2009B Bonds*" and, together with the Series 2009A Bonds, the "*Series 2009 Bonds*"). The Authority is a body corporate and politic and a political subdivision of the State of Texas (the "*State*") currently serving Collin, Dallas, Denton and Tarrant Counties (the "*Member Counties*").

The Series 2009 Bonds are being issued by the Authority pursuant to (i) the laws of the State, particularly Chapter 366, Texas Transportation Code, as amended (the "*Authority Act*"), and Chapters 1207 and 1371, Texas Government Code, as amended, and (ii) a resolution adopted by the Board of Directors (the "*Board*") of the Authority on July 16, 2009 (the "*Resolution*") which authorizes the issuance of the Series 2009 Bonds.

The Series 2009 Bonds, together with the Authority's outstanding revenue bonds and other obligations secured by an Amended and Restated Trust Agreement (the "*Amended and Restated Trust Agreement*") are special, limited obligations of the Authority payable from and secured solely by the tolls and other revenues of the NTTA System (described below) and certain specified funds and accounts created pursuant to the Amended and Restated Trust Agreement, on the basis and in the priority described in the Amended and Restated Trust Agreement and herein. See "**PLAN OF FINANCE – Priority of Payment.**"

The NTTA System described herein currently consists of the Dallas North Tollway (the "*DNT*"), the Addison Airport Toll Tunnel (the "*AATT*"), The President George Bush Turnpike (the "*PGBT*"), The President George Bush Turnpike Eastern Extension (the "*PGBT EE*"), the Mountain Creek Lake Bridge (the "*MCLB*"), the Lewisville Lake Toll Bridge (the "*LLTB*"), and the Sam Rayburn Tollway (subject to a reversionary interest of the Texas Department of Transportation ("*TxDOT*") on September 1, 2058) (the "*SRT*") (collectively, the DNT, the AATT, the PGBT, the PGBT EE, the MCLB, the LLTB, and the SRT are referred to herein as the "*NTTA System*"). See "**THE NTTA SYSTEM.**" The SRT was formerly known as the State Highway 121 Project.

The Series 2009 Bonds are being issued for the purpose of (i) refunding a portion of the Authority's Dallas North Tollway System Revenue Refunding Bonds, Series 1997, Dallas North Tollway System Revenue Refunding Bonds, Series 1997A, Dallas North Tollway System Revenue Bonds, Series 1998, and Dallas North Tollway System Variable Rate Revenue Bonds, Series 2005C (collectively, the "*Refunded Bonds*"), (ii) refunding all of the Authority's outstanding commercial paper notes (the "*CP Notes*" and, together with the Refunded Bonds, the "*Refunded Obligations*") issued pursuant to the Authority's commercial paper program, (iii) financing certain swap termination payments, (iv) funding the development and construction of portions of the SRT, PGBT EE and other components of the NTTA System, (v) making a deposit to a debt service reserve fund, (vi) paying capitalized interest on a portion of the Series 2009B Bonds, and (vii) paying costs of issuance of the Series 2009 Bonds, all as more fully described herein. See "**PLAN OF FINANCE.**"

Investment in the Series 2009 Bonds involves certain risks, some of which are discussed in this Official Statement. The statements contained in this Official Statement, including the Appendices herein, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available

to the Authority as of the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. See "**RISK FACTORS**" for a discussion of several risks that should also be considered in evaluating an investment in the Series 2009 Bonds.

This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and matters of opinion. This Official Statement speaks only as of its date, and the information contained herein is subject to change. Capitalized terms used in this Official Statement that are not otherwise defined herein have the meanings assigned to them in the Amended and Restated Trust Agreement. See "**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE AMENDED AND RESTATED TRUST AGREEMENT.**"

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2009 BONDS ONLY FROM THE TOLLS AND OTHER REVENUES OF THE NTTA SYSTEM AND CERTAIN SPECIFIED FUNDS AND ACCOUNTS CREATED PURSUANT TO THE AMENDED AND RESTATED TRUST AGREEMENT ON THE BASIS AND IN THE PRIORITY DESCRIBED THEREIN AND HEREIN. EXCEPT AS SPECIFIED IN THE PRECEDING SENTENCE, NONE OF THE STATE OF TEXAS, THE AUTHORITY, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2009 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2009 BONDS. THE AUTHORITY HAS NO TAXING POWER.

## PLAN OF FINANCE

### General

The Series 2009 Bonds are being issued in accordance with the Authority Act, Chapters 1207 and 1371, Texas Government Code, as amended, and the Resolution. See "**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE AMENDED AND RESTATED TRUST AGREEMENT.**"

Proceeds of the Series 2009 Bonds will be used for the following purposes: (i) refunding the Refunded Obligations, (ii) funding the development and construction of portions of the SRT, the PGBT EE and other components of the NTTA System, (iii) financing certain swap termination payments, (iv) making a deposit to a debt service reserve fund, (v) paying capitalized interest on a portion of the Series 2009B Bonds, and (vi) paying costs of issuance of the Series 2009 Bonds, all as more fully described herein.

### Subsequent Financing Plans

In the five year period following the issuance of the Series 2009 Bonds, the Authority expects to issue approximately \$419.3 million of First Tier Bonds under the Amended and Restated Trust Agreement (excluding refunding bonds). The proceeds of such First Tier Bonds are expected to be used primarily to finance the completion of construction for the SRT and the PGBT EE. See "**THE NTTA SYSTEM – The President George Bush Turnpike Eastern Extension**" and "**– The Sam Rayburn Tollway.**"

In addition to the foregoing, in the five year period following the issuance of the Series 2009 Bonds, the Authority expects to issue approximately \$400 million of bonds secured by revenues deposited into the Capital Improvement Fund, which bonds will be subordinate to the Authority's Third Tier Bonds. The proceeds of such bonds are expected to finance a portion of the cost of the development of SH 161 (described herein) and the SWP/SWP (TxDOT)/Chisholm Trail Parkway (described herein), and such debt is expected to be secured by funds held in the Capital Improvement Fund of the Authority. See "**OTHER PROJECTS AND RELATED INFORMATION – Committed Projects.**" Neither SH 161 nor SWP/SWP (TxDOT)/Chisholm Trail Parkway are expected to be added to the NTTA System in the foreseeable future. In addition, the Authority may issue additional debt to finance an upfront payment to TxDOT for SH 161 and the development and construction of SH 161 and SWP/SWP (TxDOT)/Chisholm Trail Parkway, which debt would not be issued under the Amended and

Restated Trust Agreement and would not be secured by the NTTA System revenues nor would revenues from such projects be pledged to the payment of the Series 2009 Bonds, but would instead be issued under separate trust agreements. The Authority has not yet agreed to undertake the SH 161 and the SWP/SWP (TxDOT)/Chisholm Trail Parkway projects. Any final agreement to undertake such projects will be subject to establishing the financial feasibility of such projects.

The Authority also intends to issue approximately \$360 million of additional refunding bonds as either fixed rate long-term bonds or variable rate demand bonds, subject to the availability of letters of credit, later this year to refund its Series 2008E-1 Bonds and Series 2008G Bonds, which bonds are subject to mandatory tender on January 1, 2010. The Authority's remaining Series 2008E Bonds, the Series 2008H Bonds, Series 2008J Bonds and Series 2008L Bonds are expected to be refunded on or prior to the mandatory tender date for such bonds with long-term fixed rate bonds. Set forth below is a schedule of the bonds expected to be refunded, their principal amounts, and their mandatory tender dates:

<u>Series</u>	<u>Principal Amount</u>	<u>Mandatory Tender Date</u>
Series 2008E-2	\$175,000,000	January 1, 2012
Series 2008E-3	215,000,000	January 1, 2016
Series 2008H-1	200,000,000	January 1 2011
Series 2008H-2	209,040,000	January 1, 2013
Series 2008J	100,000,000	November 1, 2011
Series 2008L-1	120,000,000	January 1, 2011
Series 2008L-2	100,000,000	January 1, 2013

Finally, the Authority expects to remarket its remaining outstanding Dallas North Tollway System Variable Rate Revenue Bonds, Series 2005C as fixed rate bonds. It is anticipated that such Series 2005C Bonds will be remarketed in an aggregate principal amount of \$178,310,000 in September of this year.

**Priority of Payment**

The Amended and Restated Trust Agreement authorizes the Authority to issue additional "First Tier Bonds," "Second Tier Bonds" and "Third Tier Bonds" upon the satisfaction of certain requirements. In addition, the Authority may establish additional levels of priority of payment and security within the Third Tier Bond category.

The Authority has pledged and assigned the tolls and other revenues of the NTTA System and the various funds and accounts (to the extent described in the Amended and Restated Trust Agreement) to the Trustee thereunder as security:

FIRST: for the payment of the First Tier Bonds and the interest thereon and any future obligations issued on a parity therewith;

SECOND: subject to the payment of the obligations described in Clause FIRST above, for the payment of the Second Tier Bonds and the interest thereon and any future obligations issued on a parity therewith; and

THIRD: subject to the payment of the obligations described in Clause FIRST and Clause SECOND above, for the payment of the Third Tier Bonds and the interest thereon and any future obligations issued on a parity therewith.

First Tier Bonds have a security interest in the tolls and other revenues of the NTTA System senior to that securing the Second Tier Bonds and Third Tier Bonds. Second Tier Bonds have a security interest in the tolls and other revenues of the NTTA System senior to that securing the Third Tier Bonds. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Outstanding Obligations**" herein for a description of the First Tier, Second Tier and Third Tier Bonds outstanding under the Amended and Restated Trust Agreement.

The Amended and Restated Trust Agreement also allows for securing "First Tier Payment Obligations," "Second Tier Payment Obligations," and "Third Tier Payment Obligations" in order to secure payments due

pursuant to credit agreements, including loan agreements, revolving credit agreements, lines of credit, letters of credit, reimbursement agreements, insurance contracts, commitments to purchase bonds, purchase or sale agreements, interest rate swaps, caps and floor agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Authority. First Tier Payment Obligations are secured on a parity with First Tier Bonds, Second Tier Payment Obligations are secured on a parity with Second Tier Bonds, and Third Tier Payment Obligations are secured on a parity with Third Tier Bonds. In addition, the Authority may establish additional levels of priority of payment and security within the Third Tier Payment Obligation category.

Notwithstanding the foregoing, amounts on deposit in the Revenue Fund will first be applied to make a deposit to the Operation and Maintenance Fund for the payment of operating and maintenance expenses. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Funds and Account – Revenue Fund**" for a description of the application and priority of payment for funds contained therein.

### **Estimated Sources and Uses of Funds**

The proceeds from the sale of the Series 2009 Bonds and the use of such funds are anticipated to be as follows:

<u>Sources of Funds</u>	<u>Series 2009A</u>	<u>Series 2009B</u>	<u>TOTAL</u>
Principal Amount	\$418,165,000	\$825,000,000	\$1,243,165,000
Original Issue Premium	1,737,894	-	1,737,894
Original Issue Discount	(3,336,287)	-	(3,336,287)
Transferred Funds from Debt Service Fund (2005C)	<u>315,599</u>	<u>-</u>	<u>315,599</u>
 Total	 <u>\$416,882,206</u>	 <u>\$825,000,000</u>	 <u>\$1,241,882,206</u>
 <u>Uses of Funds</u>			
Capitalized Interest	-	\$82,050,671	82,050,671
Deposit to Construction Fund	18,500,000	693,820,623	712,320,623
Deposit to Debt Service Reserve Fund	6,013,421	40,531,361	46,544,782
Deposit to Escrow Account for Refunded Obligations other than CP Notes	292,507,177	-	292,507,177
Transfer to Paying Agent for CP Notes	90,950,000	-	90,950,000
Payment to Swap counterparties	6,081,700	-	6,081,700
Cost of Issuance (including Underwriter's Discount)	<u>2,829,908</u>	<u>8,597,345</u>	<u>11,427,253</u>
 Total	 <u>\$416,882,206</u>	 <u>\$825,000,000</u>	 <u>\$1,241,882,206</u>

### **Debt Service and Coverage Ratios**

See "**PRO FORMA DEBT SERVICE REQUIREMENTS**" and "**ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME, AND ESTIMATED DEBT SERVICE COVERAGE**" herein for projections of revenues, debt service, and debt service coverage ratios assuming the issuance of the Series 2009 Bonds, the redemption and/or defeasance of the Refunded Obligations, the issuance of the additional bonds as described under the caption "**PLAN OF FINANCE – Subsequent Financing Plans,**" and such other assumptions regarding future interest rates, maturity schedules, timing and other financing plans that are described under the caption "**PRO FORMA DEBT SERVICE REQUIREMENTS.**"

### **Traffic and Revenue Study**

The Authority's Traffic Engineers have conducted a traffic and revenue study with respect to the NTTA System. See the "**NTTA System Investment Grade Traffic and Toll Revenue Study**" which is incorporated by reference herein and is described in "**THE TRAFFIC AND REVENUE STUDY**" herein.

## **Additional Information – Amended and Restated Trust Agreement**

For additional information regarding the Amended and Restated Trust Agreement pursuant to which the Series 2009 Bonds will be secured, see "**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE AMENDED AND RESTATED TRUST AGREEMENT**" and "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS**" herein.

### **THE SERIES 2009 BONDS**

#### **The First Tier Tax-Exempt Current Interest Bonds, Series 2009A**

##### *Description*

The First Tier Tax-Exempt Current Interest Bonds, Series 2009A (the "*Series 2009A Bonds*") will be issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof and will be dated their date of delivery. Interest on the Series 2009A Bonds will accrue at the interest rates specified on page (ii), calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2010. Principal will come due on January 1 of the years and in the amounts set forth on page (ii) hereof or upon earlier redemption of the Series 2009A Bonds as described herein.

##### *Redemption*

Optional Redemption. The Series 2009A Bonds scheduled to mature on or after January 1, 2020 may be redeemed prior to their scheduled maturities at the option of the Authority on January 1, 2019, or on any date thereafter, in whole or in part, and if in part, the particular Series 2009A Bonds or portions of Series 2009A Bonds to be redeemed are to be selected and designated by the Authority in its sole discretion, in authorized denominations, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption.

On or before the date fixed for redemption, subject to the provision of conditional notice of redemption described below, money is required to be deposited with the Trustee to pay the principal of and interest accrued to the redemption date on the Series 2009A Bonds called for redemption. Upon the deposit of such money, unless the Authority has given notice of rescission, the Series 2009A Bonds will cease to bear interest on the redemption date and will no longer be considered outstanding.

Mandatory Sinking Fund Redemption. The Series 2009A Bonds maturing on January 1, 2024, 2028 and 2039 are subject to mandatory sinking fund redemption prior to maturity with funds on deposit in the First Tier Interest and Sinking Fund created and maintained pursuant to the Amended and Restated Trust Agreement, in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date, with the particular Series 2009A Bonds, or portions thereof to be redeemed to be selected and designated by the Authority in its sole discretion, in authorized denominations:

*[Remainder of page intentionally left blank]*

\$55,000,000 6.25% Term Bond Maturing January 1, 2024

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2022	\$17,235,000
January 1, 2023	18,310,000
January 1, 2024 <sup>(1)</sup>	19,455,000

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<sup>(1)</sup> Stated Maturity

\$30,905,000 6.10% Term Bond Maturing January 1, 2028

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2022	\$2,315,000
January 1, 2023	2,455,000
January 1, 2024	2,600,000
January 1, 2025	6,375,000
January 1, 2026	2,885,000
January 1, 2027	6,930,000
January 1, 2028 <sup>(1)</sup>	7,345,000

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<sup>(1)</sup> Stated Maturity

\$123,405,000 6.00% Term Bond Maturing January 1, 2028

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2022	\$7,945,000
January 1, 2023	8,430,000
January 1, 2024	8,935,000
January 1, 2025	26,530,000
January 1, 2026	12,115,000
January 1, 2027	28,855,000
January 1, 2028 <sup>(1)</sup>	30,595,000

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<sup>(1)</sup> Stated Maturity



\$164,115,000 6.25% Term Bond Maturing January 1, 2039

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2029	\$40,225,000
January 1, 2030	25,000,000
January 1, 2031	8,515,000
January 1, 2032	9,050,000
January 1, 2033	9,615,000
January 1, 2034	10,215,000
January 1, 2035	10,855,000
January 1, 2036	11,530,000
January 1, 2037	12,255,000
January 1, 2038	13,020,000
January 1, 2039 <sup>(1)</sup>	13,835,000

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<sup>(1)</sup> Stated Maturity

The principal amount of the Series 2009A Bonds required to be redeemed on any date pursuant to mandatory sinking fund redemption may be reduced, at the option of the Authority, by the principal amount of any Series 2009A Bonds of the maturity scheduled for redemption on such redemption date or dates, which, at least 45 days prior to the respective mandatory sinking fund redemption date, have been (1) acquired by the Authority and delivered to the Trustee for cancellation, (2) acquired and canceled by the Trustee at the direction of the Authority, with funds from the First Tier Tollway Interest and Sinking Fund at a price not exceeding the principal amount of such Series 2009A Bonds plus accrued interest to the date of acquisition thereof, or (3) redeemed pursuant to the optional redemption provisions and not previously credited to a scheduled mandatory sinking fund redemption.

Notice of Redemption. At least 30 days prior to the date fixed for optional redemption of any Series 2009A Bonds, a written notice of all redemptions prior to maturity is required to be sent by the Trustee by United States mail, first-class postage prepaid, to the registered owner of each Series 2009A Bond to be redeemed at its address as it appeared in the registration books maintained by the Trustee on the 45<sup>th</sup> day prior to such redemption date; *provided, however*, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, will not affect the validity or effectiveness of the proceedings for the optional redemption of any Series 2009A Bond. The mailing of such notice as required above in connection with the redemption of Series 2009A Bonds prior to maturity at the option of the Authority will be the only notice actually required in connection with or as a prerequisite to such optional redemption of any Series 2009A Bonds or portions thereof. All redemption notices for the Series 2009A Bonds are required to contain a description of the Series 2009A Bonds to be redeemed including such items specified in the Amended and Restated Trust Agreement.

In addition to the foregoing, the Trustee is required to give notice of defeasance of any Series 2009A Bonds by mail, first-class, postage prepaid at least 30 days after the defeasance date to each registered securities depository and to any national information service that disseminates such notices. In addition, in the event of a redemption caused by an advance refunding, the Trustee is required to send a second notice of redemption to the persons specified in the preceding sentence at least 30 days but not more than 90 days prior to the actual redemption date. Any notice sent to the registered securities depositories or national information services is required to be sent so that it is received at least two days prior to the general mailing of such notice. The Trustee is also required to send a notice of prepayment or redemption to the registered owner who has not sent its Series 2009A Bonds in for redemption 60 days after the redemption date.

If due provision has been made with the Trustee for the payment of the required redemption price for the Series 2009A Bonds or portions thereof which are to be redeemed, plus accrued interest thereon to the date fixed for redemption, and notice is duly given as provided above, the Series 2009A Bonds or portions thereof which are to be redeemed will automatically be treated as redeemed prior to their scheduled maturities, and they will not bear interest after the date fixed for redemption, and they will not be regarded as being outstanding except for the right of the registered owners to receive the redemption price plus accrued interest from the Trustee out of the funds provided for such payment.

So long as a book-entry-only system is used for the Series 2009A Bonds, the Trustee will send any notices with respect to the Series 2009A Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, will not affect the validity of the redemption of the Series 2009A Bonds called for redemption or any other action premised on any such notice.

During any period in which ownership of the Series 2009A Bonds is determined by a book-entry at a securities depository for the Series 2009A Bonds, if fewer than all of the Series 2009A Bonds of the same maturity bearing the same interest rate are to be redeemed, the particular Series 2009A Bonds of such maturity bearing such interest rate will be selected in accordance with the arrangements between the Authority and the securities depository.

Conditional Notice of Redemption. In the case of an optional redemption of the Series 2009A Bonds, the notice may state (1) that it is conditioned upon the deposit of money, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate of a Board Representative to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "*Conditional Redemption*"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in the paragraph below.

Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Authority delivers a certificate of a Board Representative to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee is required to give prompt notice of such rescission or failure to deposit funds to the affected Registered Owners. Any Series 2009A Bonds subject to Conditional Redemption where redemption has been rescinded or funds to effect the redemption have not been deposited will remain outstanding, and the rescission or failure to deposit funds will not constitute an event of default.

#### *Lien Priority*

The Series 2009A Bonds constitute First Tier Bonds under the Amended and Restated Trust Agreement. See "**PLAN OF FINANCE – Priority of Payment**" and "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS**" herein.

#### *Tax Status*

In the opinion of Co-Bond Counsel to the Authority, interest on the Series 2009A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date hereof, except as explained under "**TAX MATTERS – Federal Income Tax Treatment for the Series 2009A Bonds**" herein, including the alternative minimum tax on corporations.

### **The First Tier Taxable Current Interest Bonds, Series 2009B (Build America Bonds - Direct Payment)**

#### *Description*

The First Tier Taxable Current Interest Bonds, Series 2009B (Build America Bonds - Direct Payment) (the "*Series 2009B Bonds*") will be issued as fully registered bonds, without coupons, in denominations of \$1,000 or any integral multiple thereof and will be dated their date of delivery. Interest on the Series 2009B Bonds will initially accrue at the interest rates specified on page (iii), calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2010. Principal will come due on January 1 of the years and in the amounts set forth on page (iii) hereof or upon earlier redemption of the Series 2009B Bonds as described herein.

*Designation of Series 2009B Bonds as "Build America Bonds"*

The Series 2009B Bonds are expected to be issued as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009 (the "*Recovery Act*"), and in accordance with the guidance included in the Internal Revenue Service's Notice 2009-26, effective as of April 3, 2009 ("*Notice 2009-26*"). In connection with the issuance of the Series 2009B Bonds, and as permitted in the Recovery Act, the Authority anticipates electing an irrevocable option permitting it to receive directly from the United States Department of the Treasury (the "*Treasury*") a subsidy payment from the Treasury equal to 35% of the taxable interest it pays on the Series 2009B Bonds to the holders thereof (the "*Direct Subsidy*"). See "**TAX MATTERS – Federal Income Tax Treatment for the Series 2009B Bonds**" herein for a description of the effects of the Authority's designation of the Series 2009B Bonds as Build America Bonds and its election to directly receive the Direct Subsidy. The Direct Subsidy does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the Recovery Act.

In Form 8038-CP to be filed by the Authority with the Internal Revenue Service notifying the Treasury of its election with respect to the Series 2009B Bonds described above (and in reliance upon the guidance provided in Notice 2009-26 that the same is permissible), the Authority has provided for the Direct Subsidy to be delivered from the Treasury directly to the Trustee, for further deposit and allocation to a separate subaccount of the First Tier Bond Interest Account relating solely to the Series 2009B Bonds. Amounts held in such subaccount are required to be used to reduce the amount of the regularly scheduled debt service payments on the Series 2009B Bonds that the Authority is required to make under the Series 2009B Bonds. Though Notice 2009-26 states that Direct Subsidy payments will be made "contemporaneously with each interest payment date" on the Series 2009B Bonds, the Authority anticipates that there may be a lag period (at a minimum, in the short term until the Department of the Treasury implements its electronic payment platform for the Direct Subsidy) between the due date of its debt service payment requirements on the Series 2009B Bonds and the Trustee's receipt of the Direct Subsidy. Accordingly, the Authority expects to initially pay the entire amount of its debt service payment requirements on the Series 2009B Bonds from revenues, with the Direct Subsidy serving as an off-set with respect to future debt service payment requirements on the Series 2009B Bonds.

The Direct Subsidy will not be included in the calculation of gross revenues of the Authority. Because the Direct Subsidy is required to be deposited to a separate subaccount of the First Tier Bond Interest Account, the entirety of the Direct Subsidy will be available to off-set the scheduled debt service payment requirements attributable to the Series 2009B Bonds and will be so treated for purposes of the rate covenant and additional bonds tests under the Amended and Restated Trust Agreement. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS – Funds and Accounts.**"

*Redemption*

Optional Redemption. The Series 2009B Bonds are subject to redemption prior to their maturity at the option of the Authority, in whole or in part, on any date, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Series 2009B Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, discounted to the date on which the Series 2009B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 35 basis points;

plus, in each case, accrued interest on the Series 2009B Bonds to be redeemed to the redemption date.

"*Treasury Rate*" means, with respect to any redemption date for a particular Series 2009B Bond, the yield to maturity as of such redemption date of the United States Treasury securities with a constant maturity excluding inflation indexed securities (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2009B Bond to be redeemed; *provided, however*, that if the period from the redemption date to such maturity date is less than one

year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

At the request of the paying agent for the Series 2009B Bonds, the redemption price of the Series 2009B Bonds to be redeemed at the option of the Authority will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority at the Authority's expense to calculate such redemption price. The paying agent and the Authority may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Extraordinary Optional Redemption. The Series 2009B Bonds are subject to redemption at the option of the Authority, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Series 2009B Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, discounted to the date on which the Series 2009B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points;

plus, in each case, accrued interest on the Series 2009B Bonds to be redeemed to the redemption date.

An "*Extraordinary Event*" will have occurred if a material adverse change has occurred to Section 54AA of 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act, pertaining to "Build America Bonds") pursuant to which the Direct Subsidy is reduced or eliminated.

At the request of the paying agent for the Series 2009B Bonds, the redemption price of the Series 2009B Bonds to be redeemed at the option of the Authority will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority at the Authority's expense to calculate such redemption price. The paying agent and the Authority may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

*[Remainder of page intentionally left blank]*

Mandatory Sinking Fund Redemption. The Series 2009B Bonds maturing on January 1, 2049 are subject to mandatory sinking fund redemption prior to maturity with funds on deposit in the First Tier Tollway Interest and Sinking Fund created and maintained pursuant to the Amended and Restated Trust Agreement, in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date, with the particular Series 2009B Bonds, or portions thereof to be redeemed to be selected and designated by the Authority in its sole discretion, in authorized denominations:

\$825,000,000 6.718% Term Bond Maturing January 1, 2049

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2040	\$67,575,000
January 1, 2041	70,525,000
January 1, 2042	73,595,000
January 1, 2043	76,805,000
January 1, 2044	80,155,000
January 1, 2045	83,650,000
January 1, 2046	87,295,000
January 1, 2047	91,105,000
January 1, 2048	95,075,000
January 1, 2049 <sup>(1)</sup>	99,220,000

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<sup>(1)</sup> Stated Maturity

The principal amount of the Series 2009B Bonds required to be redeemed on any date pursuant to mandatory sinking fund redemption may be reduced, at the option of the Authority, by the principal amount of any Series 2009B Bonds of the maturity scheduled for redemption on such redemption date or dates, which, at least 45 days prior to the respective mandatory sinking fund redemption date, have been (1) acquired by the Authority and delivered to the Trustee for cancellation, (2) acquired and canceled by the Trustee at the direction of the Authority, with funds from the First Tier Interest and Sinking Fund at a price not exceeding the principal amount of such Series 2009B Bonds plus accrued interest to the date of acquisition thereof, or (3) redeemed pursuant to the optional redemption or extraordinary optional redemption provisions and not previously credited to a scheduled mandatory sinking fund redemption.

Notice of Redemption. At least 30 days prior to the date fixed for optional redemption of any Series 2009B Bonds, a written notice of all redemptions prior to maturity is required to be sent by the Trustee by United States mail, first-class postage prepaid, to the registered owner of each Series 2009B Bond to be redeemed at its address as it appeared in the registration books maintained by the Trustee on the 45<sup>th</sup> day prior to such redemption date; *provided, however*, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, will not affect the validity or effectiveness of the proceedings for the optional redemption of any Series 2009B Bond. The mailing of such notice as required above in connection with the redemption of Series 2009B Bonds prior to maturity at the option of the Authority will be the only notice actually required in connection with or as a prerequisite to such optional redemption of any Series 2009B Bonds or portions thereof. All redemption notices for the Series 2009B Bonds are required to contain a description of the Series 2009B Bonds to be redeemed including such items specified in the Amended and Restated Trust Agreement.

In addition to the foregoing, the Trustee is required to give notice of defeasance of any Series 2009B Bonds by mail, first-class, postage prepaid at least 30 days after the defeasance date to each registered securities depository and to any national information service that disseminates such notices. In addition, in the event of a redemption caused by an advance refunding, the Trustee is required to send a second notice of redemption to the persons specified in the preceding sentence at least 30 days but not more than 90 days prior to the actual redemption date. Any notice sent to the registered securities depositories or national information



services is required to be sent so that it is received at least two days prior to the general mailing of such notice. The Trustee is also required to send a notice of prepayment or redemption to the registered owner who has not sent its Series 2009B Bonds in for redemption 60 days after the redemption date.

If due provision has been made with the Trustee for the payment of the required redemption price for the Series 2009B Bonds or portions thereof which are to be redeemed, plus accrued interest thereon to the date fixed for redemption, and notice is duly given as provided above, the Series 2009B Bonds or portions thereof which are to be redeemed will automatically be treated as redeemed prior to their scheduled maturities, and they will not bear interest after the date fixed for redemption, and they will not be regarded as being outstanding except for the right of the registered owners to receive the redemption price plus accrued interest from the Trustee out of the funds provided for such payment.

So long as a book-entry-only system is used for the Series 2009B Bonds, the Trustee will send any notices with respect to the Series 2009B Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, will not affect the validity of the redemption of the Series 2009B Bonds called for redemption or any other action premised on any such notice.

During any period in which ownership of the Series 2009B Bonds is determined by a book-entry at a securities depository, if fewer than all of the Series 2009B Bonds are to be redeemed, the particular Series 2009B Bonds will be selected in accordance with the arrangements between the Authority and the securities depository. The Resolution requires that any mandatory sinking fund redemption is required to be on a pro-rata basis among the holders in a principal amount equal to an authorized denomination. The Authority makes no representation relating to, and takes no responsibility or obligation with respect to, whether DTC or any successor securities depository will follow the requirement to redeem Series 2009B Bonds on a pro rata basis in the event of a mandatory sinking fund redemption.

Conditional Notice of Redemption. In the case of an optional redemption of the Series 2009B Bonds, the notice may state (1) that it is conditioned upon the deposit of money, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate of a Board Representative to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "*Conditional Redemption*"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in the paragraph below.

Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Authority delivers a certificate of a Board Representative to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee is required to give prompt notice of such rescission or failure to deposit funds to the affected Registered Owners. Any Series 2009B Bonds subject to Conditional Redemption where redemption has been rescinded or funds to effect the redemption have not been deposited will remain outstanding, and the rescission or failure to deposit funds will not constitute an event of default.

#### *Lien Priority*

The Series 2009B Bonds constitute First Tier Bonds under the Amended and Restated Trust Agreement. See "**PLAN OF FINANCE — Priority of Payment**" and "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS**" herein.

#### *Tax Status*

The Series 2009B Bonds are *not* obligations described in Section 103(a) of the Internal Revenue Code of 1986, as amended, and thus interest on the Series 2009B Bonds is not excludable from gross income for federal income tax purposes.



## GENERAL INFORMATION REGARDING THE SERIES 2009 BONDS

### Additional Obligations

The Authority reserves and has the right and power to issue or incur additional First Tier Bonds, First Tier Payment Obligations, Second Tier Bonds, Second Tier Payment Obligations, Third Tier Bonds and Third Tier Payment Obligations (and within the Third Tier, additional bonds or payment obligations secured on different levels of priority). Such obligations may be issued under the Amended and Restated Trust Agreement for any purpose then authorized by law, including the refunding of obligations at any time authorized and issued by the Authority and/or interest thereon; provided, however, no First Tier Bonds, Second Tier Bonds or Third Tier Bonds may be issued unless the Authority has met certain conditions concerning the additional bonds test established pursuant to the Amended and Restated Trust Agreement. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS.**"

### Trustee

The Authority has appointed Wells Fargo Bank, N.A. to serve as Trustee and Paying Agent under the Amended and Restated Trust Agreement. Any trustee must be a bank or trust company duly organized and doing business under the laws of the United States of America and located in the State of Texas, authorized under such laws to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having, at the time of its appointment, a combined capital and surplus aggregating not less than \$100,000,000. The Trustee may be removed or may resign as provided in the Amended and Restated Trust Agreement. If the Trustee resigns, is removed, is dissolved, otherwise becomes incapable of acting, or is taken over by a supervisory agency, the Authority is required to appoint a successor trustee to fill such vacancy.

Upon any appointment of any successor Trustee, the Authority will either promptly cause a written notice thereof to be sent to each registered owner by United States mail, first-class, postage prepaid, or publish notice of such appointment once in each week for four successive weeks in a financial journal of general circulation published in the City of New York, New York.

### Book-Entry-Only System

*The information in this section concerning The Depository Trust Company ("DTC") and the Book-Entry System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority, the Underwriters, or the Trustee.*

Beneficial ownership in the Series 2009 Bonds will be available to Beneficial Owners (as described below) only by or through DTC Participants via a book-entry system (the "*Book-Entry System*") maintained by DTC.

#### *DTC and Its Participants*

DTC will act as securities depository for the Series 2009 Bonds. The Series 2009 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 bond certificate will be issued for each series of the Series 2009 Bonds, in the aggregate principal amount of such subseries of Series 2009 Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York 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, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a

wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Series 2009 Bonds under the Book-Entry System must be made by or through Direct Participants, which will receive a credit for the Series 2009 Bonds on DTC's records. The ownership interest of each actual purchaser of a Series 2009 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 2009 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 2009 Bonds, except in the event that use of the Book-Entry System for the Series 2009 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009 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 2009 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 the Series 2009 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2009 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2009 Bonds, such as redemptions, tenders, defaults, and proposed amendments to security documents. For example, Beneficial Owners of the Series 2009 Bonds may wish to ascertain that the nominee holding the Series 2009 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 the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2009 Bonds of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series 2009 Bonds of such series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2009 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee 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 2009 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption proceeds and interest payments on the Series 2009 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the 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 Series 2009 Bonds 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 the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal

and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

#### *Discontinuance of DTC Services*

DTC may discontinue providing its services as depository with respect to Series 2009 Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2009 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2009 Bond certificates will be printed and delivered to DTC.

#### **Use of Certain Terms in Other Sections of this Official Statement**

While the Series 2009 Bonds are in the Book-Entry System, reference in other sections of this Official Statement to owners of such Series 2009 Bonds should be read to include any person for whom a Participant acquires an interest in the Series 2009 Bonds, but (i) all rights of ownership, as described herein, must be exercised through DTC and the Book-Entry System and (ii) notices that are to be given to registered owners by the Trustee will be given only to DTC. DTC is required to forward (or cause to be forwarded) the notices to the Participants by its usual procedures so that such Participants may forward (or cause to be forwarded) such notices to the Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

#### **Record Date**

The Record Date for the payment of interest is the 15th day of the calendar month immediately preceding an Interest Payment Date.

#### **Payments in the Event of Holidays**

If the date for payment of the principal of or interest on the Series 2009 Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions in the State of Texas or the City of New York or the city where the Trustee is located, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

#### **Transfers and Exchanges**

Beneficial ownership of the Series 2009 Bonds registered in the name of Cede & Co. will initially be transferred as described under "– Book-Entry-Only System" above.

As initial bond registrar, the Trustee will maintain registration books for the registration and transfer of the Series 2009 Bonds in accordance with the terms of the Resolution.

Upon surrender of any Series 2009 Bond at the corporate trust office of the Trustee, together with a written request therefor duly executed by the current registered owner of such Series 2009 Bond or such registered owner's duly authorized attorney or representative with guarantee of signatures satisfactory to the Trustee, such Series 2009 Bond may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Series 2009 Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate and in the same form as the Series 2009 Bond being surrendered for exchange, registered in the name or names of the registered owner, assignee or assignees; provided that the Trustee is not required to exchange or register the transfer of Series 2009 Bonds (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest

payment date, or (ii) with respect to any Series 2009 Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption.

The Authority has covenanted to pay the Trustee's standard or customary fees and charges for transferring or exchanging any Series 2009 Bond or any portion thereof, but the person requesting any such transfer or exchange is required to pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of transfer or exchange.

Wells Fargo Bank, N.A. has been appointed as Trustee under the Amended and Restated Trust Agreement. The designated office of the Trustee is 1445 Ross Avenue, 2<sup>nd</sup> Floor, Dallas, Texas 75202.

### **Defeasance**

Any Series 2009 Bond will be deemed to be paid and no longer Outstanding within the meaning of the Amended and Restated Trust Agreement (a "*Defeased Debt*"), when payment of the principal of, redemption premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, mandatory or optional tender, or otherwise), either (i) has been made in accordance with the terms thereof, or (ii) has been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (1) money sufficient to make such payment or (2) Government Obligations, as defined below, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee and the Paying Agent pertaining to the Defeased Debt with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Defeased Debt is deemed to be paid under the Amended and Restated Trust Agreement, it will no longer be secured by or entitled to the benefits of the Amended and Restated Trust Agreement except for the purposes of any such payment from such money or (x) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (y) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (z) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent ("*Governmental Obligations*").

Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified above in (i) or (ii) above is not irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Authority expressly reserves the right to call the Defeased Debt for redemption; (2) the Authority gives notice of the reservation of that right to the owners of the Defeased Debt immediately following the defeasance; (3) the Authority directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the Authority satisfies the conditions of the preceding paragraph with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

## **SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS**

### **Security for the Series 2009 Bonds**

The Series 2009 Bonds are special, limited obligations of the Authority payable solely from, and secured by a First Tier lien on and pledge of the tolls and other revenues of the NTTA System and all money held by the Trustee in the various funds and accounts created under the Amended and Restated Trust Agreement (the "*Pledged Revenues*") to the extent provided therein, and as further described under this caption.

The Pledged Revenues are pledged to the Trustee pursuant to the Amended and Restated Trust Agreement for the benefit and security of all owners of First Tier Bonds, First Tier Payment Obligations, Second Tier Bonds, Second Tier Payment Obligations, Third Tier Bonds and Third Tier Payment Obligations, on the

basis, and in the priority described herein and therein. Notwithstanding the foregoing, payments from the Revenue Fund may first be deposited to the Operation and Maintenance Fund and used for operating and maintenance expenses. See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – Revenue Fund**" for a description of the application and priority of payment for funds contained therein. See also "**PLAN OF FINANCE.**" The Series 2009 Bonds constitute Additional Bonds under the Amended and Restated Trust Agreement and will be secured on the priority described herein. See "**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE AMENDED AND RESTATED TRUST AGREEMENT.**"

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2009 BONDS ONLY FROM THE TOLLS AND OTHER REVENUES OF THE NTTA SYSTEM AND CERTAIN SPECIFIED FUNDS AND ACCOUNTS CREATED PURSUANT TO THE AMENDED AND RESTATED TRUST AGREEMENT ON THE BASIS AND IN THE PRIORITY DESCRIBED THEREIN AND HEREIN. EXCEPT AS SPECIFIED IN THE PRECEDING SENTENCE, NONE OF THE STATE OF TEXAS, THE AUTHORITY, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2009 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, INTEREST ON OR PURCHASE PRICE OF, THE SERIES 2009 BONDS. THE AUTHORITY HAS NO TAXING POWER.

The Authority has not mortgaged, assigned, or pledged any interest in any real or personal property or improvements, including any interest in the NTTA System or the expansions or extensions thereto, as security for payment of the Series 2009 Bonds other than the pledge of Pledged Revenues under the Amended and Restated Trust Agreement. The Authority has pledged certain revenues on deposit in the Capital Improvement Fund to the payment of the ISTEAL Loan (described under the caption "**-ISTEA Loan**" below).

*[Remainder of page intentionally left blank]*



## Outstanding Obligations

After the issuance of the Series 2009 Bonds, the long-term obligations listed below will be outstanding under the Amended and Restated Trust Agreement in the following principal amounts:

<u>First Tier Bonds</u>	<u>Principal Amount</u>
Dallas North Tollway System Revenue Refunding Bonds, Series 1997	\$ 10,495,000
Dallas North Tollway System Revenue Refunding Bonds, Series 1997A	44,685,000
Dallas North Tollway System Revenue Bonds, Series 1998	78,905,000
Dallas North Tollway System Revenue Bonds, Series 2003A	225,000,000
North Texas Tollway Authority Dallas North Tollway System Revenue Bonds, Series 2005C	178,310,000
North Texas Tollway Authority System First Tier Current Interest Bonds, Series 2008A (the " <i>Series 2008A Bonds</i> ")	1,765,335,000
North Texas Tollway Authority System First Tier Current Interest Bonds, Series 2008B (the " <i>Series 2008B Bonds</i> ")	234,085,000
North Texas Tollway Authority System First Tier Taxable Current Interest Bonds, Series 2008C (the " <i>Series 2008C Bonds</i> ")	9,820,000
North Texas Tollway Authority System First Tier Insured Capital Appreciation Bonds, Series 2008D (accreted amount as of July 1, 2009) (the " <i>Series 2008D Bonds</i> ")	430,247,676
North Texas Tollway Authority System First Tier Put Bonds, Series 2008E (the " <i>Series 2008E Bonds</i> ")	600,000,000
North Texas Tollway Authority System First Tier Revenue Refunding Bonds, Series 2008G (the " <i>Series 2008G Bonds</i> ")	124,750,000
North Texas Tollway Authority System First Tier Put Bonds, Series 2008H (the " <i>Series 2008H Bonds</i> ")	409,040,000
North Texas Tollway Authority System First Tier Convertible Capital Appreciation Bonds, Series 2008I (accreted amount as of July 1, 2009) (the " <i>Series 2008I Bonds</i> ")	209,785,061
North Texas Tollway Authority System First Tier Revenue Refunding Bonds, Series 2008J (the " <i>Series 2008J Bonds</i> ")	100,000,000
North Texas Tollway Authority System First Tier Current Interest Bonds, Series 2008K (the " <i>Series 2008K Bonds</i> ")	205,000,000
North Texas Tollway Authority System First Tier Put Bonds, Series 2008L (the " <i>Series 2008L Bonds</i> ")	220,000,000
North Texas Tollway Authority System First Tier Tax-Exempt Current Interest Bonds, Series 2009A	418,165,000
North Texas Tollway Authority System First Tier Taxable Build America Current Interest Bonds, Series 2009B	<u>825,000,000</u>
Total First Tier Bonds	<u>\$6,088,622,737</u>
 <u>Second Tier Bonds</u>  	
North Texas Tollway Authority System Second Tier Revenue Refunding Bonds, Series 2008F (the " <i>Series 2008F Bonds</i> ")	<u>\$1,000,000,000</u>
Total Second Tier Bonds	<u>\$1,000,000,000</u>
 <u>Third Tier Bonds</u>  	
North Texas Tollway Authority System Commercial Paper Notes, Series A (the " <i>CP Notes</i> ")	<u>\$0</u>
Total Third Tier Bonds	<u>\$0</u>



In addition to the foregoing, the Amended and Restated Trust Agreement allows for securing "First Tier Payment Obligations," "Second Tier Payment Obligations," and "Third Tier Payment Obligations" in order to secure payments due pursuant to credit agreements, including reimbursement agreements and interest rate swap agreements. First Tier Payment Obligations, Second Tier Payment Obligations and Third Tier Payment Obligations are secured on a parity with, respectively, First Tier Bonds, Second Tier Bonds and Third Tier Bonds. Additionally, the Authority may establish additional levels of priority of payment and security within the Third Tier Payment Obligations category.

In addition to the obligations described above, the Amended and Restated Trust Agreement secures the payment obligations of the Authority under (i) a Standby Bond Purchase Agreement entered into between the Authority and Depfa Bank plc relating to the Authority's Series 2005C Bonds, (ii) certain interest rate exchange agreements, and (iii) certain insurance agreements. Additionally, the Authority has pledged certain revenues on deposit in the Capital Improvement Fund on a basis subordinate to the Third Tier Payment Obligations to the payment of the ISTEALoan. See "**—ISTEA Loan**" and "**—The Commercial Paper Program**" herein.

### **Rate Covenant and Short-Term Indebtedness**

The Authority Act authorizes the Authority to fix, revise, charge, and collect tolls for the use of the NTTA System, and provides that such tolls will be so fixed and adjusted as to provide funds sufficient with other revenues, if any, to pay the cost of maintaining, repairing and operating the NTTA System and the principal of and the interest on bonds issued in connection with the NTTA System as the same become due and payable, and to create reserves for such purposes. The Authority Act states that such tolls will not be subject to supervision or regulation by any agency of the State or any local governmental entity.

The Authority has adopted a toll rate schedule for the NTTA System in substantial conformity with the recommendations of the Traffic Engineers. The Authority covenants in the Amended and Restated Trust Agreement that it will keep in effect a toll rate schedule that will raise and produce Net Revenues (as defined in Appendix E) sufficient to satisfy its debt service requirements. In addition, the Authority may change the toll rate schedule, but only if the Traffic Engineers certify either:

- (1) that if such proposed toll rate schedule had been in effect during the preceding fiscal year, it would not have caused a decrease in the Net Revenues for said preceding Fiscal Year; or
- (2) that the adoption of such toll rate schedule will not adversely affect the ability of the Authority to comply with its rate covenants in the Amended and Restated Trust Agreement.

Any such certificate by the Traffic Engineers is required to be based on their own opinion as to gross revenues to be derived by the Authority from the ownership and operation of the NTTA System (which revenues will be deemed to include all investment income, as estimated by the Chief Financial Officer of the Authority), and upon a certificate of the Consulting Engineers, stating their opinion as to the amount of Current Expenses during any pertinent fiscal year or period, assuming that the proposed program or schedule had been in effect during such pertinent fiscal year or period.

Under the Amended and Restated Trust Agreement, the Authority covenants to keep in effect a toll rate schedule for the NTTA System during each fiscal year to produce net revenues during each fiscal year sufficient to satisfy the greatest of (i) 1.35 times the scheduled Debt Service Requirements on all outstanding First Tier Bonds for the fiscal year, (ii) 1.20 times the scheduled Debt Service Requirements on all outstanding First Tier Bonds and Second Tier Bonds for the fiscal year or (iii) 1.00 times the scheduled Debt Service Requirements on all outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds, and all other outstanding obligations of the Authority secured by net revenues for the fiscal year.

In the event that during any such fiscal year such Net Revenues are less than the amounts contemplated above, the Authority is required, before the 15th day of March of the following fiscal year, to request the Traffic Engineers to make and file their recommendations with the Authority and the Trustee as to a revision in the toll rate schedule then in effect, in order to cause the raising and production of Net Revenues in a manner which will enable the Authority to produce at the earliest feasible time Net Revenues in at least the amounts described in the rate covenant above for each such fiscal year. The Authority covenants that it will promptly and carefully consider such recommendations, and that it will, within sixty days after receipt of such recommendations, either (1) place into effect any toll rate schedule as so recommended by the Traffic Engineers, or (2) place into effect

any alternative toll rate schedule which, in the opinion of the Board, will enable it to comply with its covenants specified in the preceding paragraph.

If the Authority complies with all recommendations of the Traffic Engineers (or a successor independent engineer or engineering firm or corporation as provided for in the Amended and Restated Trust Agreement) with respect to the toll rate schedule, an event of default will not occur solely as the result of the occurrence of a deficiency in any fiscal year(s) between the Net Revenues for such fiscal year(s) and the amount required to be produced for such fiscal year(s). In the event of any such deficiency, however, and regardless of any recommendations of the Traffic Engineers or others, or compliance therewith by the Authority, the Trustee, or the holders of not less than 15% in aggregate principal amount of the bonds then outstanding under the Amended and Restated Trust Agreement, may, and the Trustee must upon the written request of the holders of not less than 10% in aggregate principal amount of the bonds issued under the Amended and Restated Trust Agreement then outstanding and upon being indemnified to its satisfaction, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the Authority to comply with its covenant to adopt and keep in effect a toll rate schedule which will raise and produce during each fiscal year an amount of Net Revenues as required above for such fiscal year, or to comply with any other rate covenant in the Amended and Restated Trust Agreement. The Authority covenants that it will comply with any final order, decree, or judgment entered in any such proceeding, or any modification thereof.

If the Traffic Engineers, after a request by the Authority for the above-described recommendations, fail to file with the Authority and with the Trustee such recommendations in writing within 120 days after the request, the Trustee must forthwith designate and appoint an independent engineer or engineering firm or corporation having a nationwide and favorable reputation for skill and experience in such work, in lieu of the Traffic Engineers, to make the necessary survey and study and to make the required recommendations as to the aforesaid revision, which recommendations will be reported in writing to the Authority and to the Trustee on or before the 1st day of October of said year. Such recommendations will for all purposes be considered to be the equivalent of and a substitute for the recommendations of the Traffic Engineers hereinabove mentioned.

The Authority is authorized to incur "Short-Term Indebtedness" consisting of bonds that mature in less than 365 days, and such indebtedness may be secured as Second Tier Bonds or Third Tier Bonds, *provided, however,* that immediately after the incurrence of such short-term indebtedness, the aggregate principal amount of Short-Term Indebtedness outstanding divided by the aggregate principal amount of all Outstanding Bonds may not exceed 35%. In the event a Credit Provider has extended a line of credit or the Authority has undertaken a commercial paper program or similar program, only amounts actually borrowed under such line of credit or program and repayable in less than 365 days will be considered Short-Term Indebtedness and the full amount of such commitment or program will not be treated as Short-Term Indebtedness to the extent that such facility remains available but undrawn. The Authority is not required to satisfy the additional bonds tests described below under "— Additional Bonds" when incurring Short-Term Indebtedness.

### **Funds and Accounts**

*General.* The Amended and Restated Trust Agreement establishes, reaffirms and/or renames certain special funds of the Authority. They are designated as the "Revenue Fund," the "First-Tier Sinking Fund," the "Second-Tier Sinking Fund," the "Third-Tier Sinking Fund" and the "Construction Fund," all of which are held by the Trustee, and the "Reserve Maintenance Fund," the "Operation and Maintenance Fund," and the "Capital Improvement Fund," all of which are held by the Authority.

Amounts on deposit in the Revenue Fund (subject to required transfers to the Operation and Maintenance Fund), and the Sinking Funds are pledged to secure the payment of the bonds issued under the Amended and Restated Trust Agreement. Proceeds from the Series 2009 Bonds deposited to the Construction Fund secure the payment of the Series 2009 Bonds. Amounts on deposit in the Operations and Maintenance Fund, Capital Improvement Fund, Reserve Maintenance Fund and all customer deposits held by the Authority are not pledged to secure the payment of the bonds secured by the Amended and Restated Trust Agreement.

*Revenue Fund.* The Authority covenants that all gross revenues (all tolls, other revenues, and income) arising or derived by the Authority from the operation and ownership of the Tollway (excepting investment income from all Funds and Accounts other than the Revenue Fund) will be collected by the Authority and deposited daily, as far as practicable, with the Trustee for the credit of the Revenue Fund. Notwithstanding the

foregoing, tolls collected on behalf of TxDOT pursuant to a project agreement that provides for revenue sharing with TxDOT are required to be collected by the Authority and to be held and transferred to or upon the order of TxDOT as set forth in such project agreement. The Trustee is required to disburse amounts which are required to be on deposit in the various funds and accounts described below from the Revenue Fund on the required dates. The balance on deposit in the Revenue Fund as of June 30, 2009 was \$64,792,454.30. In addition, for accounting purposes, TollTag customer deposits of \$25,832,290.93 are shown in this fund. These customer deposits do not constitute revenues of the NTTA System and are not subject to disbursement as Net Revenues.

Under the Amended and Restated Trust Agreement, the tolls and other revenues of the NTTA System on deposit in the Revenue Fund are applied in the following manner with each deposit being made as specified below in the sequence noted:

- *First*, on or before the first day of each month, funds are deposited to the Operation and Maintenance Fund in an amount sufficient to make the balance of the Operation and Maintenance Fund equal to one-sixth (1/6) of the amount of the total Current Expenses in the current Annual Budget, plus all prior accruals for insurance and other periodic or regularly scheduled recurring expenses.
- *Second*, on or before the last Business Day preceding each interest payment date or principal (or sinking fund redemption) payment date for the First Tier Bonds (including First Tier Payment Obligations) or such other day as set forth in a Supplemental Agreement, funds are deposited to the applicable account in the First Tier Sinking Fund (or to a fund or account created to pay or repay amounts owed under a Credit Agreement entered into in connection with a series of First Tier Bonds in lieu of either of the foregoing) in the amounts due on any First Tier Bond (including First Tier Payment Obligations).
- *Third*, on or before the first day of each month, funds are deposited to the credit of the First Tier Reserve Account (1) in the amount, if any, required to restore any deficiency in the First Tier Reserve Account due to a withdrawal or change in value of Authorized Investments in order to make the amount on deposit in the First Tier Debt Reserve Account equal to the First Tier Reserve Requirement, which restoration is intended to occur within 12 months of the occurrence of any such deficiency in 12 substantially equal monthly installments, and (2) in the amount set forth in a Supplemental Agreement if an amount different from the First Tier Reserve Requirement is required.
- *Fourth*, on or before the last Business Day preceding each interest payment date or principal (or sinking fund redemption) payment date for the Second Tier Bonds (including Second Tier Payment Obligations) or such other day as set forth in a Supplemental Agreement, funds are deposited to the applicable account in the Second Tier Sinking Fund (or to a fund or account created to pay or repay amounts owed under a Credit Agreement entered into in connection with a series of Second Tier Bonds in lieu of either of the foregoing) in the amounts due on any Second Tier Bond (including Second Tier Payment Obligations).
- *Fifth*, on or before the first day of each month, funds are deposited to the credit of the Second Tier Reserve Account or subaccount therein, if one is provided for in a Supplemental Agreement, in the amounts set forth in the Supplemental Agreement establishing the Second Tier Reserve Requirement or authorizing Additional Second Tier Bonds.
- *Sixth*, on or before the last Business Day preceding each interest payment date or principal (or sinking fund redemption) payment date for the Third Tier Bonds (including Third Tier Payment Obligations) or such other day as set forth in a Supplemental Agreement, funds are deposited to the applicable account in the Third Tier Sinking Fund (or to a fund or account created to pay or repay amounts owed under a Credit Agreement entered into in connection with a series of Third Tier Bonds in lieu of either of the foregoing) in the amounts due on any Third Tier Bond (including Third Tier Payment Obligations).
- *Seventh*, on or before the first day of each month, funds are deposited to the credit of the Third Tier Reserve Account or subaccount therein, if one is provided for in a Supplemental Agreement,

in the amounts set forth in the Supplemental Agreement establishing the Third Tier Reserve Requirement or authorizing Additional Third Tier Bonds.

- *Eighth*, on or before the first day of each month, funds are required to be deposited in the Reserve Maintenance Fund in an amount equal to one-twelfth of the amount necessary in such fiscal year to accumulate in the Reserve Maintenance Fund an amount equal to the greater of (1) \$5,000,000, and (2) the amount as may be required in the then current Annual Budget to be deposited to the credit of the Reserve Maintenance Fund during the then current fiscal year; provided, however, that if the amount so deposited to the credit of the Reserve Maintenance Fund in any fiscal year is less than the budgeted amount, the requirement therefore will nevertheless be cumulative and the amount of any deficiency in any fiscal year is required to be added to the amount otherwise required to be deposited in each fiscal year thereafter until such time as such deficiency has been made up, unless such budget requirement has been modified by the Authority.
- *Ninth*, at the end of each fiscal year any remaining funds on deposit in the Revenue Fund may be transferred to the Capital Improvement Fund.

*Operation and Maintenance Fund.* On or before the first day of each month the Trustee is required to withdraw from the Revenue Fund and deposit to the Operation and Maintenance Fund, on written request of the Authority, an amount which the Chairman or Vice Chairman and the Chief Financial Officer certify to be required to make the total amount in the Operations and Maintenance Fund equal to one-sixth (1/6) of the amount of the total Current Expenses scheduled for the current Fiscal Year in the current Annual Budget, plus all prior accruals for insurance and other periodic or regularly recurring expenses. All Current Expenses are required to be paid directly by the Authority by drawing checks or drafts on the Operation and Maintenance Fund in the manner determined by the Authority, and such Fund may not be used for any other purpose. The balance on deposit in the Operation and Maintenance Fund as of June 30, 2009 was \$8,308,836.26.

*Sinking Funds.* The three separate Sinking Funds (one for each of the First Tier Bonds, Second Tier Bonds, and the Third Tier Bonds) have each been divided into three separate accounts, designated as "Bond Interest Accounts," "Redemption Accounts," and "Reserve Accounts" (one for each of the First Tier Bonds, the Second Tier Bonds and the Third Tier Bonds) and the amounts deposited into the accounts are to be used for the following purposes:

Bond Interest Accounts. Funds available in the Bond Interest Accounts are available to pay interest on all bonds issued under the Amended and Restated Trust Agreement that bear the same designation (*i.e.*, First Tier, Second Tier or Third Tier, as the respective account bearing the same designation) on each interest payment date. The balances on deposit in the First Tier Bond Interest Account, the Second Tier Bond Interest Account and the Third Tier Bond Interest Account as of June 30, 2009 were \$46,255.09, \$0, and \$0, respectively (pursuant to the Amended and Restated Trust Agreement funds are not transferred to the Bond Interest Accounts until immediately prior to the bond interest due dates). In addition to the foregoing, a subaccount of the First Tier Bond Interest Account will be established by the Trustee for the deposit of the Direct Subsidy payments. Amounts held in such subaccount are required to be used to reduce the amount of the regularly scheduled debt service payments on the Series 2009B Bonds that the Authority is required to make for the Series 2009B Bonds.

Redemption Accounts. Funds available in the Redemption Accounts are available to pay the principal of bonds issued under the Amended and Restated Trust Agreement and the amounts of Payment Obligations that bear the same designation (*i.e.*, First Tier, Second Tier or Third Tier, as the respective account bearing the same designation) which are scheduled to mature or be mandatorily redeemed prior to maturity on each principal payment or redemption date or, in the case of Payment Obligations, which are due for payment. The balances on deposit in the First Tier Redemption Account, the Second Tier Redemption Account and the Third Tier Redemption Account as of June 30, 2009 were \$1,384.72, \$0 and \$0, respectively (pursuant to the Amended and Restated Trust Agreement funds are not transferred to the Redemption Accounts until immediately prior to the redemption dates).

Reserve Accounts. With respect to the First Tier Reserve Account, an amount equal to the average annual Debt Service Requirements of all First Tier Bonds Outstanding (unless provided by a Reserve Surety Agreement as defined in the Amended and Restated Trust Agreement) calculated as of the date of issuance



of any First Tier Bonds is to be maintained in such Reserve Account. With respect to the Second Tier Reserve Account and the Third Tier Reserve Account, the amount set forth in the Supplement to the Amended and Restated Trust Agreement authorizing the Second Tier or Third Tier Bonds is required to be maintained in such Reserve Accounts. The Third Supplement to the Amended and Restated Trust Agreement authorizing the Authority's Series 2008F Bonds provided for a separate sub-account within the Second Tier Reserve Account (the "*Series 2008F Second Tier Reserve Subaccount*") solely securing the Series 2008F Bonds with an amount equal to one-half of the average annual Debt Service Requirements of the Series 2008F Bonds (unless provided by a Reserve Surety Agreement, as such term is defined in the Amended and Restated Trust Agreement) calculated as of the date of issuance of the Series 2008F Bonds to be maintained in the Series 2008F Second Tier Reserve Subaccount.

The amounts on deposit in the Reserve Accounts are required to be used to retire the last of the outstanding bonds issued under the Amended and Restated Trust Agreement that bear the same designation (*i.e.*, First Tier, Second Tier or Third Tier, as the respective account bearing the same designation) and which are secured by that Reserve Account and/or for the purpose of paying interest on and principal of the bonds issued under the Amended and Restated Trust Agreement that bear the same designation (*i.e.*, First Tier, Second Tier or Third Tier, as the respective account bearing the same designation) and which are secured by that Reserve Account to the extent that the money on deposit in the related Bond Interest Account and the related Redemption Account is insufficient for such purpose. As of June 30, 2009, the First Tier Reserve Account under the Amended and Restated Trust Agreement was fully funded with a required balance of \$304,677,714.29. As of June 30, 2009, the Second Tier Reserve Subaccount was fully funded with a required balance of \$43,928,789.02. As of the date hereof, no Third Tier Bonds for which a reserve is required have been issued under the Amended and Restated Trust Agreement and the Third Tier Reserve Account has no funds credited thereto. At the closing for the Series 2009 Bonds, funds will be transferred to the First Tier Reserve Account so that such Account will be fully funded as of the date of issuance of the Series 2009 Bonds.

*Reserve Maintenance Fund.* Amounts on deposit in the Reserve Maintenance Fund are to be used for paying the costs of repairs, painting, renewals, replacements, improvements and other costs and expenses necessary for safe or efficient operations of the NTTA System or to prevent loss of revenues, for engineering expenses related to the Authority, for equipment, expenses of maintenance, and for operating expenses not occurring at annual or shorter periods. To the extent that the amounts on deposit in the Bond Interest Accounts, the Redemption Accounts, and the Reserve Accounts are insufficient to pay the principal of and interest on the bonds issued under the Amended and Restated Trust Agreement when due, the Authority is required to transfer money from the Reserve Maintenance Fund to the appropriate account in the Sinking Funds for such purposes; provided, however, that no such transfer may be made of money in the Reserve Maintenance Fund which is, in the opinion of the Authority, then needed for repairs or replacements necessary to maintain safe operation of the NTTA System or to prevent loss of revenue of the NTTA System. The balance on deposit in the Reserve Maintenance Fund as of June 30, 2009 was \$58,615,472.82.

*Additional Accounts.* The Authority can create additional accounts within the Sinking Funds, and has created a special subaccount to be held by the Trustee within the Third Tier Redemption Account designated as the "Swap Termination Payment Subaccount." Third Tier Payment Obligations constituting payments required to be made under a swap agreement or other qualified credit agreement or a transaction entered into pursuant thereto upon termination of such transaction or agreement will be secured by and payable from the Net Revenues required to be deposited into the Swap Termination Payment Subaccount. The Trustee is required to transfer funds from the Revenue Fund into the Swap Termination Payment Subaccount in such amounts as are necessary for the Authority to pay such Third Tier Payment Obligations. All Third Tier Payment Obligations payable out of the Swap Termination Payment Subaccount are secured on an equal and ratable basis by money on deposit on the Swap Termination Payment Subaccount.

*Capital Improvement Fund.* Amounts on deposit in the Capital Improvement Fund may be used to pay the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, acquisition of rights-of-way, reconstruction and replacements, capital expenditures, engineering studies, and other expenses relating to the powers and functions of the Authority in connection with the NTTA System, or for any other purpose authorized by law, including the payment of debt service and other payments secured by a lien on all or a portion of the amounts deposited in the Capital Improvement Fund. The balance on deposit in the Capital

Improvement Fund as of June 30, 2009 was \$5,032,614.14. See "**THE NTTA SYSTEM — Multi-Year NTTA System Capital Plan.**"

*Construction Fund.* The Construction Fund is used to pay the costs associated with constructing or acquiring improvements to the NTTA System. Portions of the proceeds of several of the outstanding bond issues under the Amended and Restated Trust Agreement are on deposit in the Construction Fund in separate subaccounts established for such proceeds and are also to be used to fund the improvements to the NTTA System. The balance on deposit in the Construction Fund as of June 30, 2009 was \$690,105,074.64. In addition to the foregoing, proceeds in the Construction Fund may be utilized to pay debt service.

The money, including all obligations purchased as an investment of the money, in each account and subaccount within the Construction Fund are deemed at all times to be a part of such account or subaccount, and the interest accruing thereon and any profit realized from any investment is credited to such account or subaccount, and any loss resulting from any investment is charged to such account or subaccount. See "**THE AUTHORITY — Investments.**"

### **Additional Bonds**

Among other requirements, the Amended and Restated Trust Agreement authorizes the issuance of additional First Tier Bonds if (a) actual Net Revenues for the preceding fiscal year or for any twelve-month period ending not more than ninety days prior to the date of calculation are at least 1.35 times the average annual Debt Service Requirements for all then outstanding First Tier Bonds (including those proposed to be delivered) and Second Tier Bonds (excluding any First Tier or Second Tier Bonds being refunded), or (b) estimated Net Revenues for the current and each future fiscal year are at least (i) 1.35 times the Debt Service Requirements for each such fiscal year for all First Tier Bonds (including those proposed to be delivered but excluding those being refunded), (ii) 1.20 times the Debt Service Requirements for each such fiscal year for all then outstanding First Tier Bonds (including those proposed to be delivered but excluding those being refunded) and Second Tier Bonds (excluding those being refunded), and (iii) 1.00 times the Debt Service Requirements for each such fiscal year for all then outstanding First Tier Bonds (including those proposed to be delivered), Second Tier Bonds, Third Tier Bonds and all other outstanding obligations of the Authority secured by Net Revenues (excluding, in each case, those being refunded). The Authority may also issue additional First Tier Bonds in a principal amount not to exceed 10% of the original First Tier Bonds issued to finance a project to complete such project without meeting the above-described requirements.

The Amended and Restated Trust Agreement authorizes the issuance of additional Second Tier Bonds not constituting Short-Term Indebtedness if (a) actual Net Revenues for the preceding fiscal year or for any twelve-month period ending not more than ninety days prior to the date of calculation are at least 1.20 times the average annual Debt Service Requirements for all then outstanding First Tier Bonds and Second Tier Bonds (including those proposed to be delivered), or (b) the estimated Net Revenues for the current and each future fiscal year are at least (i) 1.20 times the Debt Service Requirements for each such fiscal year for all First Tier Bonds and Second Tier Bonds (including those proposed to be delivered), and (ii) 1.00 times the Debt Service Requirements for each such fiscal year for all then outstanding First Tier Bonds, Second Tier Bonds (including those proposed to be delivered), Third Tier Bonds and all other outstanding obligations of the Authority secured by Net Revenues (excluding, in each case, those being refunded).

The Amended and Restated Trust Agreement authorizes the issuance of Third Tier Bonds not constituting Short-Term Indebtedness if (a) actual Net Revenues for the preceding fiscal year or for any twelve-month period ending not more than ninety days prior to the date of calculation are at least 1.00 times the average annual Debt Service Requirements for all then outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds (including those proposed to be delivered), or (b) the estimated Net Revenues for the current and each future fiscal year are at least 1.00 times the Debt Service Requirements for each such fiscal year for all then outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds (including those proposed to be delivered) and all other outstanding obligations of the Authority secured by Net Revenues (excluding, in each case, those being refunded).

The Amended and Restated Trust Agreement authorizes the issuance of Second Tier Bonds and Third Tier Bonds which constitute Short-Term Indebtedness so long as immediately after the issuance of such Short-Term Indebtedness, the outstanding principal amount of all bonds outstanding under the Amended and Restated



Indenture in the form of Short-Term Indebtedness does not exceed 35% of the principal amount of all bonds outstanding under the Amended and Restated Trust Agreement.

### **The Commercial Paper Program**

In order to finance construction of various components of the NTTA System, the Authority utilizes its existing commercial paper note program which allows for the issuance, at one time, or from time to time, of up to \$200,000,000 aggregate principal amount of CP Notes. The CP Notes are secured as Third Tier Bonds and are currently outstanding in the aggregate principal amount of \$90,950,000. After the issuance of the Series 2009 Bonds, it is anticipated that no CP Notes will remain outstanding. In addition to the foregoing, the Board has authorized the issuance of additional commercial paper notes in the aggregate principal amount of \$500,000,000 to fund construction costs for the projects of the Authority. Although the Board has authorized the issuance of the additional CP Notes, the program has not yet been put in place nor have commitments been obtained for the letters of credit required for credit enhancement. Due to possible limitations on the ability to obtain letters of credit on commercially reasonable terms, it is likely that the Authority will obtain the necessary letters of credit for the \$500,000,000 in additional CP Notes in phases, when and if available.

### **ISTEA Loan**

In connection with the issuance of the Dallas North Tollway System Revenue Bonds, Series 1995, the Authority and TxDOT entered into an agreement pursuant to the provisions of the Intermodal Surface Transportation Efficiency Act ("*ISTEA*") under which the Authority borrowed \$135,000,000 from TxDOT to pay a portion of the construction costs of Segments I through IV of the PGBT (the "*ISTEA Loan*"). The principal of and interest on the *ISTEA Loan* is payable only out of amounts on deposit in the *ISTEA Loan Debt Service Account* in the Capital Improvement Fund, no other funds or other assets of the Authority are pledged to the repayment of the *ISTEA Loan* and the Authority is under no obligation to make any payment on the *ISTEA Loan* from any other source. The obligation of the Authority to make payments from the balance in the Capital Improvement Fund to the *ISTEA Loan Debt Service Account* is subordinate to the lien securing the CP Notes. The amortization schedule for the *ISTEA Loan* is set forth in Appendix F.

## **THE AUTHORITY**

### **Introduction**

The Authority is a regional tollway authority governed by Chapter 366 of the Texas Transportation Code (the "*Authority Act*") and is a political subdivision of the State of Texas currently serving Collin, Dallas, Denton, and Tarrant Counties. It came into existence on September 1, 1997 as the successor to the Texas Turnpike Authority (the "*TTA*"), an agency of the State of Texas that was created in 1953 and abolished in 1997. The Authority assumed ownership of the NTTA System and all obligations of the TTA related to the NTTA System.

The Authority's Board has adopted a mission statement which provides that the mission of the Authority is to provide a fiscally sound system of innovative toll facilities, services and solutions that improves the mobility, quality of life and economy of the North Texas region.

The Authority Act authorizes the Authority to acquire, construct, maintain, repair, and operate turnpike projects such as those included in the NTTA System at such locations within its jurisdiction as may be determined by the Authority and to issue bonds and other obligations, for the purpose of paying all or any part of the cost of a turnpike project.

### **Counties' Oversight**

Under the Authority Act, the Authority must issue, in each even-numbered year, a strategic plan for its operations covering the Authority's next five fiscal years. The strategic plan must contain information of the type specified by the commissioners' courts of the Member Counties. The Authority is re-evaluating its current strategic plan to include key performance indicators to better monitor its performance.

Not later than March 31 of each year, the Authority must file with the commissioners court of each Member County a written report describing all turnpike revenue bond issuances anticipated by the Authority during the coming year, the financial condition of the Authority, project schedules for all Authority projects, and the status of the Authority's performance under its most recent strategic plan. At the invitation of the

commissioners' court of a Member County, representatives of the Board and the executive director of the Authority will present the report to the commissioners and receive questions and comments from the commissioners.

Not later than the 90th day before the date of issuance of revenue bonds by the Authority, the Authority must notify each Member County's commissioners' court of any planned bond issue. The Authority notified the Member Counties of the issuance of the Series 2009 Bonds on March 11, 2009. Such notification remains effective through December 31, 2009.

### **The Board of Directors**

The Authority is governed by a nine member appointed Board. One of the directors, who must be from a County outside the Authority but adjacent to one of the Member Counties, is appointed by the Governor of Texas. The commissioners' court of each Member County appoints two directors to the Board. See "**Authority Board, Administration, and Consultants and Advisors**" for current Board membership by Member County, the Board members' length of service, principal occupations, and the dates of expiration of their terms of office. Directors serve staggered two-year terms and may be reappointed to the Board. Upon the expiration of a director's stated term, the director remains in office until reappointed or his or her successor has been appointed and assumes the office.

If a County adjacent to a Member County petitions to join the Authority, and the Board approves that petition, the Board will be enlarged by one seat, to be filled by appointment of the county commissioners of the petitioning County.

The Board appoints an executive director who is responsible for day-to-day operations of the Authority, including general management and hiring and termination of employees, as well as other duties described in the Authority's bylaws.

### **Key Staff Members**

Set forth below are biographies of certain key staff members of the Authority:

*ALLEN CLEMSON, Executive Director since June 2009.* As Executive Director, Mr. Clemson is responsible for the oversight of the operations of the Authority. Mr. Clemson served as county administrator for Dallas County, Texas from 1985-2009. His responsibility for Dallas County, a political subdivision with almost 2.5 million residents, included managing an \$800 million budget and 7,000 employees. Mr. Clemson's key responsibilities ranged from governmental affairs, planning, economic development, and financial oversight. As the highest ranking, non-elected official, he was responsible for planning, organizing, developing and implementing actions and directives for the Dallas County Commissioners Court.

Mr. Clemson worked on many projects during his 24 years as County Administrator, including, the oversight and direction of major transportation and facility construction projects totaling more than \$1.6 billion, the creation of financial policies, including a capital improvement financing plan that enabled the county to annually fund tens of millions of dollars of major capital projects without long-term debt, the coordination of large scale IT application selection and installation, including enterprise resource planning, comprehensive justice system and traffic management, the co-development of an employee benefit cooperative which joined a variety of public entities, including the Authority, to provide employee health benefits at a reduced cost, and oversight of the outsourcing and privatization of several governmental programs.

Mr. Clemson most recently served as special assistant to the vice chancellor and president designate of the University of North Texas Dallas Campus ("*UNT-Dallas*") where he oversaw finance and administration and assisted with UNT-Dallas's transition to an independent university in the University of North Texas System.

Mr. Clemson is a native of North Texas and earned his bachelor's degree in business administration from the University of North Texas.

*RICK HERRINGTON, Deputy Executive Director since February 2007.* Mr. Herrington returned to the Authority in February 2007 as the Interim Deputy Executive Director and then assumed the position of Deputy Executive Director as a permanent role in August 2007. As Deputy Executive Director, Mr. Herrington is responsible for general oversight of the internal operations of the Authority and acting as a liaison to key stakeholders within the region. Prior to returning to the Authority, Mr. Herrington served as the National Director

of Technology Services and Central Division Toll Sector Leader for HNTB from 2005 to 2007. He originally came to the Authority in 1999 as the Director of Information Technology, where he later became the Assistant Executive Director. During his tenure at the Authority, he has been responsible for the development, implementation and ongoing maintenance of the Authority's toll collection system, as well as the implementation of information technology systems along the Authority roadway systems and the implementation of several enterprise-wide systems. As the Assistant Executive Director, he was responsible for the oversight of four departments, including Information Technology, Toll Programs and Service, Roadway Maintenance, and Community Affairs. Mr. Herrington was a member of the ITS Regional Steering Committee for the DFW area and served as a co-chair on the International Bridge, Tunnel and Turnpike Association ("*IBTTA*") Technology Committee. He also was a member of the standards committee and a Board Member for OmniAir, an organization that plans for the implementation of next generation technology for information technology systems. He represents the Authority as a board member of TeamTx and was one of the original founders and serves on the Board of the Alliance for Toll Interoperability, a national organization that is working on interoperability between toll agencies.

Prior to initially joining the Authority, Mr. Herrington was employed by TxDOT in the Information Systems Division and also served as the Information Systems Manager for the Dallas District of TxDOT.

Mr. Herrington attended Schreiner College and Austin Community College and has received certification as a Network Engineer.

*JANICE D. DAVIS, Chief Financial Officer since July 2008.* As Chief Financial Officer, Ms. Davis is responsible for debt issuance, banking, financial management and trustee, bondholder and broker relations, as well as oversight of the Finance Department.

Prior to joining the Authority, Ms. Davis served for four years with the City of Atlanta as Chief Financial Officer and for four years as Secretary of Financial Oversight/Director of Finance for the City of Philadelphia. She has over 30 years of experience in a wide range of accounting, procurement, pension, financial service and budget areas.

Ms. Davis earned her B.S. in Accounting at the University of New Orleans. She has served as a member of the Municipal Securities Rulemaking Board and was a fellow of the Robert Wood Johnson, Urban Health Initiative.

Ms. Davis is a licensed Certified Public Accountant in Louisiana and Texas. She is a member of the AICPA, the Texas Society of CPAs, Government Finance Officers Association and the Association of Government Accountants. Ms. Davis is also a Certified Government Financial Manager.

*MAGDALENA M. KOVATS, CPA, CIA, Internal Audit Director since March 2008.* Ms. Kovats has served as the Internal Audit Director for the Authority since March 2008. Ms. Kovats has over eighteen years of prior audit experience. As Internal Audit Director, Ms. Kovats is responsible for planning and performing audits and business process reviews to improve the relevance, reliability, control and timeliness of information being reported to executive management of the Authority. Ms. Kovats is expected to manage the external auditor's audit process and to interact with all levels of management. In addition, Ms. Kovats is responsible for operational, compliance, special projects, and internal control reviews and recommendations for best practices. Ms. Kovats reports to the Finance and Audit Committee of the Board.

Prior to NTTA, Ms. Kovats worked for public companies and professional services firms in similar internal audit capacities. Most recently, she was the director of internal audit for Friedman's Inc. where she established the company's internal audit department from the ground up. Ms. Kovats also has been a subject matter expert on internal audit issues such as Sarbanes-Oxley and has provided extensive training both internally and externally.

Ms. Kovats graduated from University of North Texas ("*UNT*") with a Bachelor of Science and Master of Science in Accounting and is a committee member of the Dallas Chapter of the Institute of Internal Auditors and chair of the UNT Internal Audit Advisory Board.

*GERALD E. CARRIGAN, P.E., Assistant Executive Director of Project Delivery since December 2008.* In the role of Assistant Executive Director of Project Delivery, Mr. Carrigan is responsible for administering the effective and efficient operation of the project delivery process for the Authority through the oversight of assigned

traffic corridors. Additionally, he is responsible for defining strategies and accomplishing goals and objectives relating to the development and delivery of projects.

Mr. Carrigan offers more than 25 years of professional experience in the field of infrastructure program management, engineering, and construction management. Throughout his career, Mr. Carrigan has been involved in the development and implementation of major capital improvement programs for state, county, and municipal agencies. His expertise spans the full spectrum of projects ranging from major interstate and expressway corridor improvements to local maintenance projects. Mr. Carrigan is experienced in all phases of program delivery including the development of short and long range capital infrastructure programs, long and short range planning, project development and the NEPA federal-aid approval process, project management, design, right-of-way acquisition, environmental permitting, utility coordination, construction contract administration, and construction inspection.

Mr. Carrigan earned his bachelor's degree in civil engineering from Southern Illinois University, and he received his master's degree in public administration from the University of South Florida. A Registered Professional Engineer, Mr. Carrigan holds memberships and affiliations with several professional associations.

*CLAYTON HOWE, Assistant Executive Director of Operations since September 2007.* As Assistant Executive Director of Operations, Mr. Howe is responsible for the oversight and maintenance of the NTTA System, including planning, organizing, budgeting, and administering programs, projects and departments for the Authority in order to ensure quality of and adherence to work. He is also responsible for directing the operating departments of the Authority and overseeing assigned departments to define strategies and tactics to accomplish goals and objectives.

Specifically, Mr. Howe's role consists of operational responsibility for the activities and the strategic planning in the areas of the customer service center, maintenance, system and incident management and the information technology departments. Mr. Howe joined the Authority in 2002 as the Assistant Director of the Maintenance Department focusing on the initial implementation of the Asset Management program. In 2003, Mr. Howe became the Assistant Director of the Toll Programs and Services Department to oversee the implementation of the Customer Service Center initiative. In 2004 he became the Director of Toll Programs and Services, responsible for the operational activities and the strategic planning in the areas of the Command Center, Vault Collection and Processing, DPS support, Loss Prevention and the Customer Service Center. In 2006, Mr. Howe became the Director of Customer Programs and Services and was tasked with the development of service offerings to include customer experience management and fiscal accountability. Mr. Howe currently serves as the Vice Chair of the Team Texas Interoperability Technical Task Force supporting the development of the initial business requirements and technical standards.

Mr. Howe graduated with a degree in Plant Engineering from Texas State Technical College in Waco, Texas.

*KIMBERLY B. TOLBERT, Assistant Executive Director of Administrative Services since March 2008.* As the Assistant Executive Director of Administrative Services, Ms. Tolbert is responsible for overseeing activities of the Communications, Human Resources and Business Diversity departments. Prior to joining the Authority, Ms. Tolbert served as assistant director, finance and administration for the city of Dallas from 2004 through 2008. Her duties included managing the fiscal affairs of the aviation department, including budget development (\$35M) and implementation, revenue generation, collection, reconciliation and reporting, concession management and contract compliance.

Ms. Tolbert also held the position of assistant to the city manager for the city of Dallas from 1998 through 2004, where she managed the daily operations of the City's Managers Office and the Mayor/City Council Office. From 1996 to 1998 she was the Economic Development Coordinator for the City of Denton. Ms. Tolbert has extensive experience in project management and overseeing financial and administrative activities of multiple public agencies.

Ms. Tolbert attended the University of North Texas in Denton, Texas. She holds a Bachelor of Arts degree in Political Science and a Master of Public Administration degree from UNT. She is the immediate past chair of the Master of Public Administration Alumni Advisory Board at the University of North Texas and a member of the National Forum for Black Public Administrators.



*EVERETT RAY ZIES, Controller since September 1, 2008.* As Controller, Mr. Zies is second-in-command for the Finance Department. The Finance Department is responsible for the accounting for the Authority's financial resources, the preparation and monitoring of the annual budget, preparation of the comprehensive annual financial report and cash and debt management.

Mr. Zies has spent the majority of his 30+ year career in government, most recently serving as Controller for the City of Atlanta, Georgia. In addition, he has served as the Assistant Director of Finance for the City of Philadelphia, Chief Financial Officer for the Dallas Independent School District, Deputy Director of Finance and Budget for the Dallas Fort Worth International Airport and Deputy Director of General Accounting for the City of Houston Controller, Director of Finance for the City of Seguin, Texas and the County Auditor for Guadalupe County, Texas. Mr. Zies started out his career as an auditor for the Texas Alcoholic Beverage Commission.

Mr. Zies, a native Texan, received his Bachelor of Business Administration degree in Accounting from Southwestern University in Georgetown, Texas. He is a Certified Public Accountant and a Certified Government Financial Manager. He is a member of the American Institute of Public Accountants, the Texas Society of CPAs, the Government Finance Officers Association and the Association of Governmental Accountants.

*RUBY FRANKLIN, Secretary to the Board since February 2008.* Ms. Franklin previously served as Secretary to the Board from June 1999 to September 2006. Ms. Franklin has twelve years of prior experience in municipal government; ten as an assistant to the City Manager, Mayor and City Council for the City of Longview, and two years as an assistant to the Director of Development Services and the Plan Commission for the City of Richardson. Ms. Franklin attended Kilgore Junior College.

## **Investments**

Investment of the Authority's money is governed by State law (including the Texas Public Funds Investment Act), and the comprehensive investment policy and strategy statement adopted by the Board (the "*Investment Policy*").

The Authority is required by the Public Funds Investment Act to invest its money under written investment policies that (i) primarily emphasize safety of principal and liquidity; (ii) address investment diversification, yield, maturity, and the quality and capability of investment management; and (iii) include a list of authorized investments, maximum allowable stated maturity of any individual investment for pooled funds, the maximum dollar-weighted average maturity, methods to monitor the market price of investments, and a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis. For a discussion of the investments of the Authority, see "**APPENDIX A – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008.**"

The Chief Financial Officer has been appointed by the Board as the "Investment Officer" as required by the Public Funds Investment Act. No person may invest Authority funds without express written authority from the Board. The Authority's investments must be made "with judgment and care under circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." At least quarterly the Investment Officer of the Authority must submit an investment report detailing: (i) the book value and market value of each investment at the beginning and end of the reporting period, (ii) if funds are pooled for investment purposes, the beginning market value of the pool portfolio, changes in the market value during the reporting period, the ending market value of the portfolio, and fully accrued interest for the reporting period, and (iii) compliance with the investment portfolio as it relates to the adopted investment strategy.

Additionally, (1) the Board must review annually its adopted policies and strategies; (2) any officers or employees involved in the investment process must refrain from personal business activity that could conflict with the proper execution of the investment program, or that could impair their ability to make impartial investment decisions; (3) a representative of a financial institution seeking to sell securities to the Authority must: (a) receive and review the Investment Policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment activities that are not authorized by the Investment Policy, and (c) deliver a written statement attesting to these requirements; (4) the Authority must perform an annual audit of the

management controls on investments and adherence to the Investment Policy; and (5) the Investment Officer must attend investment training sessions at least every two years.

The Authority generally invests in direct obligations of the United States or its agencies and instrumentalities or repurchase agreements fully collateralized by obligations of the United States or its agencies or instrumentalities.

## **Pension Plans and Other Post-Employment Benefits**

### *Pension Plans*

Upon its creation, the Authority became a participant in the Texas County and District Retirement System (the "TCDRS"), a non-profit public trust fund that provides pension, disability and death benefits to eligible employees of its participants. The Authority's employees are required to become members at the time of their employment, unless the individual is ineligible for one of the reasons specified by the TCDRS such as part-time or temporary employees. TCDRS covers eligible employees of Texas counties, districts, and political subdivisions who elect to participate and are approved by the TCDRS Board.

The Authority has also adopted the North Texas Tollway Authority 401(k) Plan (the "Authority Plan") as a successor qualified cash or deferred arrangement to the TexaSaver 401(k) Plan in which the TTA was a participant. A favorable determination letter has been issued by the Internal Revenue Service with respect to the Authority Plan. Each Authority employee is eligible to participate in the Authority Plan.

The Authority requires mandatory participation in both the TCDRS and the Authority Plan by all eligible employees. For more detailed information concerning the TCDRS and the Authority Plan, see Notes (6) and (8) of "**APPENDIX A – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008.**"

### *Other Post-Employment Benefits*

The Authority's other post employment benefits ("OPEB") liability is required by Statement No. 45 of the Governmental Accounting Standard Board ("GASB") to be recorded in fiscal year 2008. In fiscal year 2005, a consulting actuary provided a baseline valuation report giving the Authority's potential reportable OPEB liability, measured as of January 1, 2005. The baseline estimated results as of January 1, 2005 showed an Actuarial Accrued Liability ("AAL") of \$4,284,942 and an Annual Required Contribution ("ARC") of \$860,864. The ARC is \$677,788 of normal cost and \$183,076 of amortization of the AAL over 30 years. The Authority has started addressing this liability by recording OPEB accrued liabilities of \$4,063,843 through fiscal year 2008. See Note (8) of "**APPENDIX A – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**" for additional information on OPEB.

## **THE NTTA SYSTEM**

### **General**

The Authority operates and maintains the NTTA System. The NTTA System currently consists of the DNT, the AATT, the PGBT, the PGBT EE, the MCLB, the LLTB, and the SRT (previously known as the State Highway 121 Project).

The SRT is subject to the reversionary interest of TxDOT on September 1, 2058. The Service Commencement Date (as defined herein) for Segments 1 and 2 occurred on September 1, 2008. The Authority is not entitled to collect revenues from Segments 3, 4 and 5 of the SRT until the Service Commencement Dates for such Segments. See "**– The Sam Rayburn Tollway.**"

The NTTA System also includes such additional extensions, expansions, improvements, and enlargements to the NTTA System as may be designated by the Board. The average daily transactions on the NTTA System increased from 526,000 in fiscal year 2000 to approximately 1,131,000 in fiscal year 2008. From 2000 to the present, as additional segments of the PGBT and DNT were opened to traffic and with the addition of the SRT (Segments 1 and 2 plus frontage roads), the lane miles of the NTTA System increased from approximately 212 to approximately 608. Presented below are descriptions of the seven existing components of



the NTTA System, other committed NTTA System extensions, other potential Authority projects, and a discussion of the Authority's operations, its capital improvement program, and its design guidelines.

### **The Dallas North Tollway**

The DNT is a limited access tollway providing a connection for motorists between downtown Dallas and cities in northern Dallas and southern Collin and Denton Counties. It is currently a six-lane, limited access expressway passing through or along the cities of Dallas, Highland Park, University Park, Addison, Farmers Branch, Plano and Frisco and is approximately 31 miles in length. The first section of the DNT from downtown Dallas to IH-635 (LBJ Freeway) opened to traffic in June 1968. It was extended to Briargrove Lane in 1987, to Legacy Drive in 1994, over the SRT in Collin County in 2004 and to US 380 in September 2007. The DNT connects with major traffic arteries in the areas it serves: IH-35E (Stemmons Freeway), Loop 12, IH-635, Belt Line Road, Frankford Road, PGBT, Park Boulevard, Legacy Drive, the SRT, and FM 2934 (Eldorado Parkway). A significant north-south commuter route, the DNT averaged approximately 566,000 toll transactions each day in fiscal year 2008.

### **The President George Bush Turnpike**

The PGBT is the northern portion of a potential outer loop around the Dallas Metropolitan Area. The PGBT runs from West Belt Line Road in Irving to SH 78 in Garland, a distance of approximately 30 miles. It passes through seven cities and three counties, links commuters to high-tech corridors and corporate headquarters and gives motorists additional access to US 75 (Central Expressway), the DNT, IH-35E and IH-635. It also provides an alternative route to the Dallas-Fort Worth International Airport.

Construction of the PGBT was a collaborative effort among TxDOT, the Federal Highway Administration (the "*FHWA*"), adjacent cities and counties, and the Authority. The PGBT was originally planned by TxDOT as State Highway 190. In 1995, the Authority's predecessor agreed to participate in the project and expedite construction of the main lanes and portions of the service roads through the use of toll financing. TxDOT and the FHWA authorized a \$135 million loan under the ISTEA program to fund part of the PGBT construction. The PGBT averaged approximately 494,000 transactions per day in fiscal year 2008.

### **The President George Bush Turnpike Eastern Extension**

#### *General Information Regarding the PGBT EE*

The PGBT EE is an extension of the PGBT from SH 78 east and south to IH 30 and is approximately 9.9 miles in length. The PGBT EE will pass through the cities of Dallas, Garland, Sachse, and Rowlett in eastern Dallas County and will include a one-mile bridge over Dallas' Lake Ray Hubbard. The Authority prepared a Final Environmental Impact Statement ("*FEIS*") which was approved by the FHWA and a Record of Decision was issued by the FHWA in January 2005. Contracts with design firms were executed by the Authority in August 2005 and final roadway design is complete. An environmental re-evaluation was required due to project changes that resulted primarily from interlocal agreements. The approval of the environmental re-evaluation occurred in July 2008 which allowed construction to begin. The construction contracts for all sections of the PGBT EE were awarded in 2008 and construction is underway. PGBT EE is scheduled to be opened to traffic in December 2011.

The total project cost, including any amounts to be paid by others under the local funding agreements, is currently estimated to be approximately \$1.04 billion. The Authority and TxDOT executed a Two-Party Agreement with respect to the PGBT EE (the "*PGBT EE Project Agreement*") in December 2007, the terms of which are incorporated by reference herein. See "**INCORPORATION BY REFERENCE.**" Per the PGBT EE Project Agreement TxDOT is providing for the design, construction, and construction support of Section 32 (approximately \$254 million) as well as a toll equity grant in the amount of approximately \$160 million to be used for right-of-way acquisition, utility relocations, or any other items for the Project agreed to mutually between NTTA and TxDOT. The Authority's share is therefore estimated to be approximately \$623 million. As of June 1, 2009, the Authority had spent approximately \$75 million on the PGBT EE and had approximately \$63 million of cash on hand for the construction of the PGBT EE. The Authority expects to utilize approximately \$235 million of the Series 2009 Bond proceeds for construction of the PGBT EE. Therefore, the Authority will need to raise approximately \$250 million in additional construction funds.

## *The PGBT EE Project Agreement*

### General.

The PGBT EE Project Agreement contains the representations, commitments, and obligations of the Authority and TxDOT related to the development, financing, design, construction, operation, and maintenance of the PGBT EE. TxDOT acknowledges its approval of and support for the financing, design, construction, operation, and maintenance by the Authority of the PGBT EE as a turnpike project pursuant to the Authority Act. TxDOT agrees to take all actions reasonably requested by the Authority in furtherance of the purposes of the PGBT EE Project Agreement. After completion of the required public hearing and approval by the Texas Transportation Commission and the Governor, TxDOT and the Authority intend that the PGBT EE's main lanes and associated right-of-way, but not the service roads, will be removed from the state highway system and transferred to the Authority pursuant to a transfer agreement for the lease, sale or conveyance of a toll project; provided, that various interchanges and underpass and overpass structures will remain with TxDOT. It is anticipated that such transfer would occur after the completion of construction of the PGBT EE. The failure to remove any segment from the state highway system and to transfer such segment to the Authority will not affect the right of the Authority to continue to develop, operate and collect revenue from the PGBT EE. TxDOT agrees not to use the various retained structures in a manner that would interfere with access to and egress from the PGBT EE or the safe and efficient operation of the PGBT EE. TxDOT agrees to provide the Authority with all materials, items or information compiled by TxDOT related to the PGBT EE that is useful to or necessary for the Authority's completion of the PGBT EE.

TxDOT Obligations. TxDOT is responsible for developing and constructing the IH-30 Interchange and the Lake Ray Hubbard Bridge. TxDOT has covenanted to use its best efforts to complete its construction obligations by certain dates consistent with the Authority's completion dates.

Authority Design and Construction Obligations. Except as described above, the Authority is responsible for the design and construction of all aspects of the PGBT EE, including utility relocation and adjustment, subject to review rights of TxDOT. In monitoring construction contractors performing labor and services with respect to the PGBT EE, the Authority is required at all times to remain in compliance with applicable state laws.

Toll Equity Grant. TxDOT provided financial assistance to the Authority in the form of a toll equity grant in the amount of \$160,270,000 to be used by the Authority for any costs it incurs in the acquisition of right-of-way, resulting relocation obligations, and all utility relocations incurred by the Authority related to the PGBT EE. The entire amount of the grant has been disbursed by TxDOT to the Authority. However, approximately \$30 million of the grant is currently restricted in use. The Authority intends to work with TxDOT in order to release the restrictions.

Operations and Maintenance. TxDOT has retained and is responsible for operating the service roads on the PGBT EE. Except as described above, the Authority is required to operate and maintain the PGBT EE in accordance with prescribed standards.

Revenue Sharing. The Authority is required to provide revenue sharing as described in the PGBT EE Project Agreement through a supplemental toll to be collected by the Authority and held in trust for TxDOT for the benefit of the North Central Texas region. The supplemental toll to which TxDOT is entitled is equal to approximately 20% of the total unified toll. See "**APPENDIX B – NTTA SYSTEM TOLL RATE SCHEDULES.**"

Toll Rates. The Authority has set forth in the PGBT EE Project Agreement the projected tolls for the PGBT EE for the years 2010 through 2045. It is expected that an amendment to the PGBT EE Project Agreement will be approved prior to the opening of the PGBT EE, which amendment will provide for a unified toll of approximately 14.5 cents per mile and for toll rate to be escalated at the rate of 3% per annum, adjusted every two years with the first such adjustment occurring on July 1, 2011.

### **The Mountain Creek Lake Bridge**

The MCLB, in southwestern Dallas County, opened in April 1979. The MCLB has helped support economic development in the area by providing a direct and convenient east-west crossing of Mountain Creek Lake between the Oak Cliff section of Dallas and the City of Grand Prairie. Linking communities in the southern

part of Dallas County with those in Tarrant County, MCLB affords convenient access to attractions like Six Flags Over Texas and the Ballpark in Arlington, as well as many other area businesses and recreational facilities in Grand Prairie and Arlington. The MCLB extends eastward from the intersection of Spur 303 and Southeast 14th Street in Grand Prairie, across the lake, to the intersection of Spur 303 and Mountain Creek Parkway in Dallas. The total length of the MCLB project is approximately 2.0 miles. The two-lane bridge structure is 7,425 feet long and averaged approximately 8,000 transactions per day in fiscal year 2008.

### **The Addison Airport Toll Tunnel**

The AATT, a two-lane tunnel crossing under the Addison Airport, opened to traffic in February 1999 and was the first toll tunnel in Texas. The tunnel is approximately 1,600 feet in length, with total roadway length of 3,700 feet.

The AATT expands traffic capacity and eases congestion in the northern sector of Dallas and Addison by providing an alternate east-west route between the DNT and IH-35E. The tunnel allows motorists to continue on Keller Springs Road, which once ended on either side of Addison Airport, paralleling Belt Line Road and Trinity Mills Road, both congested city streets. The AATT averaged approximately 6,000 transactions per day in fiscal year 2008. The Authority is designing improvements to the east approach of the AATT. In addition, the town of Addison is considering the widening of Keller Springs Road east of the Addison Road intersection.

### **Lewisville Lake Toll Bridge**

Currently, Lewisville Lake is an obstruction to east-west travel in southern Denton County. Southern Denton County's east-west roadway movements are necessarily circuitous, as no lake crossings exist except as provided by US 380 in the north or by the SRT in the south. To correct this transportation network gap in a rapidly developing county, the cities of Lake Dallas, Little Elm and Frisco, Denton County, TxDOT, and the Authority are working together to provide this important link. The Lewisville Lake Corridor is 13.8 miles long and includes the 1.7-mile LLTB and the 0.3-mile flowage easement bridge built by the Authority. A two-lane roadway currently exists in those areas that provide access to the LLTB. The Authority is providing project oversight for the entire corridor and the cities and counties are designing and building the approach roadways. The west approach roadway to the LLTB and portions of the east approach roadway to the LLTB are complete. However, the east approach to the LLTB is not expected to be finalized until 2011. The LLTB opened to traffic on August 1, 2009. The cost estimate for the entire project, including the LLTB and approach roadways, is \$220 million. The Authority's portion of that cost, which is limited to the bridges and toll facilities, is approximately \$122 million. Authority costs were financed with proceeds of CP Notes (which are being refunded with Series 2009 Bonds) and construction funds remaining after the completion of the PGBT.

### **The Sam Rayburn Tollway**

#### *General Information Regarding the Sam Rayburn Tollway*

The SRT is a toll road in Collin, Dallas and Denton Counties extending approximately 26 miles, from State Highway 121 Business in Denton County to U.S. 75 in Collin County. The SRT is being developed, financed, constructed and operated by the Authority under a Project Agreement (the "*SRT Project Agreement*") dated October 18, 2007 between the Authority and TxDOT. See "**THE SRT PROJECT AGREEMENT RELATING TO THE SAM RAYBURN TOLLWAY**" incorporated by reference herein. See "**INCORPORATION BY REFERENCE.**"

The SRT Project Agreement contains the obligations of the Authority and TxDOT relating to the financing, development and operation of the SRT. On September 1, 2008, the Authority's interests in the SRT will revert back to TxDOT. The initial acquisition of the rights in the SRT required a payment by the Authority to TxDOT (or its designee) in the amount of approximately \$3.2 billion, which was made on November 29, 2007. Because of a dispute between the Authority and TxDOT relating to the aggregate amount of the market interest rate adjustment to the acquisition payment made to TxDOT by the Authority, the Authority agreed to deposit \$25,598,767 into a trust account as performance security for its obligations under Tolling Service Agreements to be entered into with private developers who operate toll projects in the Authority's service area. The deposit is required to be made six months before the scheduled opening date of any such toll project and will not be an asset of the Authority. The Authority intends to utilize borrowed funds to make such deposit.

The SRT extends northeasterly from State Highway 121 Business near the Dallas/Denton County line to US 75 in Collin County, a total length of approximately 26 miles, and serves as a northeast-southwest traffic artery between IH 35E and US 75. The SRT corridor continues to experience growth in commercial, retail and residential development. The SRT is also an artery serving the Dallas-Fort Worth International Airport. TxDOT has completed and opened to traffic the frontage roads for the entire length of the SRT with exception of the frontage road reconstruction work required to reconfigure the SRT/US 75 interchange in accordance with project requirements. The SRT includes 3 main lane toll gantries and 40 ramp toll gantries and is expected to operate as an all electronic tolling collection system ("*All-ETC*") to maximize flow. It is broken into five Segments for purposes of managing and expediting the design and construction.

Segment 1, the most southwesterly portion of the SRT, opened to traffic in July 2006 as a six lane video-tolled facility.

Segment 2, the mid-western portion of the SRT, opened to traffic on August 31, 2008 as a six lane video-tolled facility.

The Authority began collecting revenues on Segments 1 and 2 on its own behalf on September 1, 2008.

Segment 3, the mid-eastern portion of the SRT, was designed by the Authority. The existing frontage roads and diamond interchange at Custer Road were constructed by TxDOT. The Authority is responsible for constructing six mainlanes, bridge structures, signing, pavement markings, landscaping and the installation of All-ETC and an intelligent transportation system ("*ITS System*"). Segment 3 is currently under construction by the Authority and is anticipated to open to traffic in October 2009.

Segment 4, the easternmost portion of the SRT, was designed by the Authority. The Authority is responsible for constructing a six-lane tollway, reconstructing US 75 to an eight-lane facility, and realigning and reconstructing the SRT frontage road network. Work consists of grading, drainage, structures, concrete pavement, retaining walls, illumination, sign structures, pavement markings, utility relocation, landscape, and the installation of the All-ETC and ITS System. Service roads will provide access to US 75 and the SRT until this interchange is completed. Segment 4 is currently under construction by the Authority and is anticipated to be substantially complete by January 2011.

Segment 5 is currently a three-level interchange with the DNT. The Authority is responsible for construction of the fourth and fifth level ramp connections, as well as new ramp access to the Legacy Park Business Area. The design of Segment 5 is scheduled for completion in the third quarter of 2009; with construction letting anticipated in November 2009. Segment 5 is anticipated to be substantially complete by January 2012.

#### *Project Costs*

Construction contracts for all of Segments 1, 2, 3 and 4 have been bid. As of June 2009, the Authority entered into contracts for approximately 76% of its expected costs for the SRT (based on estimated projections for its cost to complete the SRT, including contingency amounts), and the bids accepted are equal to approximately 98% of the estimated projections that had previously been developed.

The total estimated cost to complete the SRT by the Authority is \$638,810,700 (excluding \$59,309,300 of project costs for the expansion from six to eight lanes on Segments 1 and 2 and Segments 3 through 5, scheduled for 2019, in 2007 dollars). The Authority is monitoring expenditures on the SRT to keep it on budget. The estimated cost does not include funds for right-of-way acquisition of four parcels required at the SRT/US 75 interchange and one parcel required at the SRT/DNT interchange. In accordance with the SRT Project Agreement, the outstanding parcels will be acquired by the Authority at TxDOT's expense. As of June 1, 2009, of the total approximate cost of \$700 million, the Authority had spent approximately \$226 million on the SRT and had approximately \$63 million of cash on hand for the construction of the SRT. The Authority expects to utilize approximately \$343 million of the Series 2009 proceeds for construction of the SRT. Therefore, the Authority will need to raise approximately \$68 million in additional construction funds.

#### *Environmental Considerations*

An environmental re-evaluation and conceptual toll plan was prepared for TxDOT for Segments 3 and 4, and the re-evaluation was approved by the FHWA on October 12, 2007. A Categorical Exclusion for Segment 5



was approved on March 20, 2009. An alternate design concept for Segment 4 has been developed which enhances safety and mobility as compared to the base design concept. The alternate design requires an EA/FONSI Re-Evaluation to address the proposed final design enhancements. TxDOT approved the Re-Evaluation in July 2009.

Under Section 404 of the Clean Waters Act, the USACE regulates the discharge of dredged or fill material into waters of the United States, including wetlands. Segments 3, 4 and 5 are not expected to cause impacts to waters of the United States and, as a consequence, no authorization from the USACE is required.

#### *The SRT Project Agreement*

General. The SRT Project Agreement contains the representations, commitments, and obligations of the Authority and TxDOT related to the development, financing, design, construction, operation, maintenance, and handback of the SRT. TxDOT acknowledges its approval of and support for the financing, design, construction, operation, and maintenance by the Authority of the SRT as a turnpike project pursuant to the Authority Act. TxDOT agrees to take all actions reasonably requested by the Authority in furtherance of the purposes of the SRT Project Agreement. Upon the Service Commencement Date (as defined herein) for each Segment of the Project, and after completion of the required public hearing and approval by the Texas Transportation Commission and the Governor, TxDOT and the Authority intend that such Segment's main lanes and associated right-of-way, but not the frontage roads, will be removed from the state highway system and transferred to the Authority; provided, that various interchanges and underpass and overpass structures will remain with TxDOT. The public hearings for the transfer of the Segment 1 and Segment 2 main lanes and associated right-of-way were held in August 2007 and July 2008, respectively, and the Texas Transportation Commission approved the transfer of Segments 1 and 2 main lanes and associated right-of-way. The failure to remove any Segment from the state highway system and to transfer such Segment to the Authority will not affect the right of the Authority to continue to develop and operate the SRT. TxDOT agrees not to use the various retained structures in a manner that would interfere with access to and egress from the SRT or the safe and efficient operation of the SRT. TxDOT agrees, to the extent legally able, to provide the Authority with all materials, items, or information compiled by TxDOT related to the SRT that is useful to or necessary for the Authority's completion of the SRT.

TxDOT Obligations. TxDOT has acquired the right-of-way for Segments 1, 2, and 3 and most of the right-of-way for Segments 4 and 5, and is responsible for the acquisition cost of the remaining right-of-way on Segments 4 and 5. TxDOT has completed the frontage roads and main lanes on Segments 1 and 2 and the frontage roads on Segment 3. TxDOT has received environmental clearance for Segments 1-3 and has covenanted to use best efforts to obtain the environmental clearance for Segments 4 and 5 (environmental clearance for Segment 5 was subsequently received on March 20, 2009).

Authority Design and Construction Obligations. Except as described above, the Authority is responsible for the design and construction of all aspects of the SRT, including utility relocation and adjustment, subject to review rights of TxDOT. The Authority will be required to make capacity improvements to the SRT if certain minimum required levels of service are not maintained.

Service Commencement Dates. The "Service Commencement Date" with respect to a Segment is the date on which the Authority has commenced tolling operations for such Segment after substantial completion of the work required for such Segment under the SRT Project Agreement. The Authority has covenanted to develop and commence operations of the various Segments by the service commencement deadlines in the following table. The Authority will not be in default under the SRT Project Agreement unless the Service Commencement Date for a Segment has not occurred by the "long stop date" for such Segment as set forth in the following table:

<u>Segment</u>	<u>Service Commencement Deadline</u>	<u>Long Stop Dates</u>	<u>Service Commencement Date</u>
Segment 1	October 29, 2008	October 29, 2009	September 2008
Segment 2	October 29, 2008	October 29, 2009	September 2008
Segment 3	May 1, 2010	November 1, 2011	October 2009***
Segment 4	May 1, 2011	November 1, 2012	January 2011***
Segment 5	1,187 Days*	18 Months**	January 2012***

\* From date of Segment 5 environmental clearance.

\*\* From the Service Commencement Deadline for Segment 5.

\*\*\* Expected Service Commencement Date.

Operations and Maintenance. The Authority has assumed full responsibility for operation and maintenance for Segments 1 and 2 and the frontage roads in Segment 3 and all other existing and operating portions of the SRT and associated right-of-way. The Authority is required to operate and maintain the SRT in accordance with prescribed standards. Commencing on the Service Commencement Date for each Segment, the Authority will be responsible for toll collection, violation processing, revenue handling, and customer service for the applicable Segment. Notwithstanding the foregoing, TxDOT will at all times remain responsible for handling requests and permitting for adjacent property access to the frontage roads and utility placement within the frontage roads, and for the repair, maintenance, and operation of the traffic signal systems on the frontage roads.

Term and Handback. The SRT Project Agreement has a term ending on September 1, 2058. On the scheduled termination date, all of the Authority's rights under the SRT Project Agreement will automatically terminate and title to the SRT, including all improvements, will be deemed to have reverted and been transferred to TxDOT, at no charge to TxDOT. Upon such handback, the SRT is required to be in the condition and meet the requirements specified in the SRT Project Agreement for the handback. To ensure compliance with the handback requirements, the Authority will be required, commencing five (5) full calendar years before the scheduled termination date, to establish and fund a reserve account or to deliver to TxDOT a letter of credit in an amount sufficient to restore the SRT to its required condition.

Banded Revenue Sharing. The Authority is required to pay to TxDOT a specified portion of toll revenues on the SRT that exceed a minimum threshold (the "*Revenue Share Amount*"). The minimum threshold royalties and the specified portion of revenues to be paid to TxDOT are set forth in the SRT Project Agreement. The Revenue Share Amount is determined on a calendar-year basis and is required to be paid within fifteen (15) days after the end of each calendar year.

Toll Rates. The Authority has covenanted to charge toll rates on the SRT that do not exceed the maximum rates for each user classification as set forth in the SRT Project Agreement, unless the Authority determines that it is necessary to (a) preserve the financial condition of the NTTA System, (b) comply with the provisions of any bonds, notes, trust agreements or other financial instruments or agreements secured by the revenues of the NTTA System, or (c) comply with law. Prior to establishing rates in excess of those set forth in the SRT Project Agreement, the Authority must increase the toll rate schedule for the remainder of the NTTA System (other than those portions for which a lower toll rate is projected to produce higher revenues) to a level substantially equivalent to the toll rate schedule for the SRT. The toll rate schedules set forth in Appendix B hereto comply with these requirements. The SRT Project Agreement currently contemplates that maximum toll rates will escalate in step with one of two cost of living indices. It is expected that an amendment to the SRT Project Agreement will be approved prior to September 1, 2009, which amendment will provide that maximum rates on the SRT will escalate at a rate of 2.75% per annum, adjusted every two years with the first such adjustment occurring on July 1, 2011.

Authority Defaults. The following constitute "Authority Defaults" under the SRT Project Agreement:

- (i) the Authority's failure to achieve Service Commencement for a Segment by the applicable "Long Stop Date" as set forth under "Service Commencement Dates" above;



- (ii) the Authority's failure to make any payment due TxDOT under the SRT Project Agreement or to deposit funds to any reserve or account as required under the SRT Project Agreement, and such failure is not cured within thirty (30) days after written notice from TxDOT; and
- (iii) the Authority's failure to observe or perform any other covenant, agreement, term or condition required to be observed or performed by the Authority under the SRT Project Agreement, and such failure is not cured within thirty (30) days after written notice from TxDOT, or if the failure is of such a nature that it cannot with diligence be completed within such time period and the Authority has commenced meaningful steps to cure promptly after receiving the default notice, such failure is not cured within an additional period of time, up to a maximum cure period of one hundred twenty (120) days, as is reasonably necessary to diligently effect cure.

Remedies. TxDOT is entitled to seek an action in mandamus against the Authority on account of the occurrence of an Authority Default. Upon the occurrence of an Authority Default involving any payment due TxDOT, TxDOT is entitled to recover from the Authority said unpaid amounts, plus interest thereon at the floating rate equal to the LIBOR in effect from time to time plus 200 basis points from and after the date such payment becomes due to TxDOT until paid, to the extent such interest rate does not exceed the maximum rate permitted by law.

Dispute Resolution Procedures. The Authority and TxDOT have agreed to set up a formalized process to resolve any issues that arise in connection with the SRT Project Agreement. The process will include an issues resolution ladder to resolve questions at the appropriate organizational levels. Any questions that cannot be resolved by use of the issues resolution ladder will be referred to the Authority's Executive Director or his/her designee and TxDOT's Executive Director or his/her designee to resolve. If a dispute is processed under the issues resolution ladder and not resolved, the Authority and TxDOT agree to use the procedures in the next following sentences. The party making a claim may advance it in accordance with the statutes and administrative rules applicable on the date of the SRT Project Agreement. The Authority and TxDOT agree to use any alternative dispute resolution procedure that is a part of the applicable claim procedure. The Authority and TxDOT shall satisfy the requirement for alternative dispute resolution by participating in non-binding arbitration, unless otherwise agreed to by the Authority and TxDOT. During the resolution of an issue the Authority and TxDOT agree not to hinder work under the SRT Project Agreement and such work will proceed.

Right of Action Regarding Frontage Roads. If in the good faith judgment of TxDOT an unforeseen event affects the frontage roads of the SRT that causes or could reasonably be expected to cause a material threat to public safety, and if, after reasonable notice, the Authority is not then diligently taking steps to rectify or deal with such threat, then TxDOT has the right to take such action as may be reasonably necessary to rectify such threat and the Authority will bear the reasonable costs thereof.

### **NTTA System Toll Rates**

In July 2009, the Board adopted a toll rate schedule for the NTTA System. Appendix B sets forth the current and future toll rates for the NTTA System assuming that the proposed amendment to the SRT Project Agreement described under the caption "**The Sam Rayburn Tollway – The SRT Project Agreement – Toll Rates**" is adopted and that the proposed amendment to the PGBT EE Project Agreement described under the caption "**The President George Bush Turnpike Eastern Extension – The PGBT EE Agreement – Toll Rates**" is adopted. The Authority anticipates that the amendment to the SRT Project Agreement will become effective prior to September 1, 2009 and that the amendment to the PGBT EE Project Agreement will become effective prior to the opening of the PGBT EE. Appendix B assumes that toll increases will be made on the NTTA System every two years, all as further described in Appendix B.

### **Electronic Tolling**

In August 2007, the Authority decided to convert the NTTA System exclusively to an electronic toll collection system ("*All-ETC*"). However, the Authority has decided to delay the conversion of the DNT, AATT and the MCLB to All-ETC to evaluate the results of the roadways currently operating as All-ETC. After the conversion to All-ETC, the Authority will no longer accept cash at a toll booth or automatic coin machine as a method to pay tolls. Instead, tolls will be collected by Automatic Vehicle Identification ("*AVT*") or by means of Video Tolling. The primary method of toll collection will be AVI, where a vehicle is recognized and tolls are

collected through communications with a TollTag transponder or other transponder that is interoperable with the TollTag system. With Video Tolling, an image of the vehicle's license plate is captured in the lane and used to identify the vehicle's owner for invoicing. Certain portions of the NTTA System are currently All-ETC and the remainder of the NTTA System will be converted to All-ETC in phases. The SRT, PGBT EE and the LLTB are being opened as All-ETC. The PGBT was converted to All-ETC in July 2009.

## **Operations**

The Authority and its predecessor have operated toll roads in the North Texas region for more than 50 years. The NTTA System currently has 78 miles which are equipped for electronic collection of tolls through the TollTag system. The number of active TollTags has increased to over 1,682,000 as of June 30, 2009. The NTTA System utilizes a Main Lane Plaza ("*MLP*") configuration for toll collection. Each facility has MLPs at which tolls are collected in both directions, with ramp toll plazas to prohibit toll-free entrance or exit from the NTTA System. All of the MLPs on DNT have express lanes in each direction (TollTag only) and different combinations of automatic and manned toll lanes. All lanes through the main lane gantries on the SRT and the PGBT are express lanes in each direction (All-ETC). Under the current toll schedule, the weighted average two-axle TollTag toll rate for the NTTA System is approximately \$0.117 per mile (prior to the September 1, 2009 toll rate increases). After the scheduled toll rate increases go into effect, the weighted average two-axle TollTag toll rate for the NTTA System will be approximately \$0.146 per mile.

On the DNT, there is one main lane gantry with three lanes in each direction and three MLPs ranging in size from 12 to 15 lanes and 15 pairs of ramp toll plazas. On the PGBT, there are five MLPs ranging in size from 18 to 20 lanes and 15 pairs of ramp toll plazas. On the SRT, there are two main lane gantries with three lanes in each direction and 12 pairs of ramp toll gantries (within Segments 1 and 2). There is one toll plaza each at the AATT and MCLB.

To administer the NTTA System the Authority has approximately 720 employees involved in toll collection, maintenance, customer service, administration, project delivery, accounting and finance, human resources, information technology, legal, toll programs and services, communications, vault operations, loss prevention, internal audit and business diversity.

The Authority uses a Regional Integrated Toll Enhancements ("*RITE*") System, an integrated software, hardware, and management system for toll collection that enables the Authority to manage its roadways and operations through automated revenue audit and reconciliation, consolidated reporting, violation-loss recovery, customer account management, and system and operation management and maintenance.

The variance between traffic using the facility and tolls actually collected is an issue for all modern toll systems that seek to maximize "throughput" on existing facilities by increasing reliance on electronic toll collection and express lanes. Using a calculation that takes into account violation invoices, images in process for collection and violation administration fees collected, the violation percentages for 2007 and 2008 were 4.3% and 8.4%, respectively. The increased violation percentage resulted from higher than expected leakage rates under the ZipCash program. In order to reduce leakage rates, management intends to work to increase TollTag penetration, create new types of TollTag classifications that do not require advance deposits, and to install additional cameras on the roadways to improve collection efforts. Management continues to pursue improvements to enforcement processes in order to reduce this rate.

## **Multi-Year NTTA System Capital Plan**

The estimated costs for the maintenance, rehabilitation, and capital improvement program for the NTTA System over the next 10 years (the "*Capital Improvement Program*" or "*CIP*"), in addition to the construction costs of corridor expansion projects, are expected to be approximately \$830 million. The Authority anticipates expending such funds on the replacement of equipment, roadway resurfacing, roadway bottleneck improvements, roadway capacity improvements, roadway safety improvements, and roadway widenings. The expenditures may be funded from certain funds established pursuant to the Authority's Amended and Restated Trust Agreement as such expenditures may be approved from time to time. As of June 30, 2009, the Authority had on deposit \$5.03 million in the Capital Improvement Fund for those projects which are to be substantially completed in 2009. The Authority intends on financing the capital improvements through cash flow and with additional bond financings in the future.

## **NTTA Design Guidelines**

In June, 2003, the Board adopted the NTTA System-Wide Design Guidelines (the "*Guidelines*"), establishing a vision of designing a toll road system that underscores continuity, system-wide sustainability and presents a consistent theme to motorists. In March 2009, the Board adopted version 2.0 of these guidelines, now known as the NTTA Design Guidelines. The NTTA Design Guidelines provide direction to final design teams for all physical elements of the NTTA System. The NTTA Design Guidelines encompass such elements as architecture, landscape, signage, lighting, toll plazas and special enhancements, including such items as bridge details and community. The NTTA Design Guidelines are subject to modification by the Board. To achieve the overall NTTA System continuity envisioned in the NTTA Design Guidelines, a comprehensive work plan and timeline has been developed in conjunction with the rest of the Authority's Capital Improvement Program. The work plan addresses implementation of the NTTA Design Guidelines for all of the Authority's toll facilities, and strives to minimize the disruption of traffic and to perform the work in the most efficient and cost effective manner.

## **OTHER PROJECTS AND RELATED INFORMATION**

### **Committed Projects**

The Authority has committed to undertake the following projects, neither of which are expected to be a part of the NTTA System, subject to establishing feasibility and certain other conditions:

*Southwest Parkway, SWP (TxDOT) and Chisholm Trail Parkway.*

The Southwest Parkway ("*SWP*") is a proposed tollway approximately 8.7 miles long between IH 30 near the Central Business District in the City of Fort Worth and Altamesa Boulevard/Dirks Road in the southwest region of Fort Worth. Regional plans extend the facility from Altamesa Boulevard/Dirks Road to US 67 in Cleburne, a distance of approximately 18.9 miles. Of the 18.9 mile extension, the northernmost 5.9 miles known as "*SWP (TxDOT)*" and the southernmost 13 miles known as the "*Chisholm Trail Parkway*" are subject to market valuation (collectively, *SWP, SWP (TxDOT)* and the *Chisholm Trail Parkway* are referred to herein as "*SWP/SWP (TxDOT)/Chisholm Trail Parkway*"). The Authority has retained Jacobs Engineering Group Inc., as the Corridor Manager on the *SWP*. The *SWP* has been environmentally cleared. Design contracts for the *SWP* are at the 90% to 100% level. General agreements relating to the *SWP* on cost participation, right of way acquisition, and construction obligations of *TxDOT*, the City of Fort Worth, and the Authority were executed in 2000. A supplement to such agreements defining responsibilities for the development of a Nature and Character Plan for the *SWP* was executed December 31, 2004. The total project cost of *SWP*, including amounts to be paid by others, is currently estimated to be between \$1.0 and \$1.3 billion. The Authority's share of such amount was estimated to be approximately \$861 million. The cost of *SWP (TxDOT)* and the *Chisholm Trail Parkway* are currently unknown. The Southwest Parkway Master Plan setting forth design guidelines was approved by the Authority and the City of Fort Worth in October 2005. The development of a final funding agreement and a financing plan is ongoing. An investment grade traffic and revenue study and engineering report for the *SWP* is expected to be finalized after an agreement with the Union Pacific Railroad (the "*UPRR*") regarding the construction of *SWP* over its switching yard is reached.

The Authority and *TxDOT* agreed to a term sheet for the Authority to undertake the development of *SWP/SWP (TxDOT)/Chisholm Trail Parkway*. To support the delivery of the *SWP/SWP (TxDOT)/Chisholm Trail Parkway*, the term sheet provides that (i) *TxDOT* and the Authority will waive the development of a market valuation for *SWP (TxDOT)* and the *Chisholm Trail Parkway*, (ii) *TxDOT* and the Authority will combine those three projects into a single project to be undertaken by the Authority, subject to the Authority establishing feasibility and potential phasing of development, (iii) the Authority commits to provide as the first contribution of equity to develop the combined Southwest Parkway/*SWP (TxDOT)/Chisholm Trail Parkway* project an amount up to \$400 million less the amount the Authority commits as an equity contribution to the SH 161 project (described below), (iv) *TxDOT* is relieved of its contingent obligation to build two interchanges under the interlocal agreement between *TxDOT*, the Authority, and the City of Fort Worth concerning the development of the *SWP*, and (v) the approximately \$250 million in planning funds previously identified for the *SWP/SWP (TxDOT)/Chisholm Trail Parkway* by the RTC are not effected, but such funding is subject to the continued

allocation of such funds by the RTC. Currently, the amount of the total cost of the combined SWP/SWP (TxDOT)/Chisholm Trail Parkway project and the Authority's potential contribution is unknown. In addition to the above terms, the RTC has committed \$143 million in American Recovery and Reinvestment Act of 2009 funds to the SWP/SWP (TxDOT)/Chisholm Trail Parkway. Of this \$133,900,000 was specifically allocated to the IH 20/SH 183/SWP interchange in order to accelerate construction.

Pursuant to the termsheet, TxDOT and the Authority have agreed to cooperatively develop and evaluate strategies to support and accelerate the financial feasibility of the combined project. The Authority intends to decide whether to undertake the combined SWP/SWP (TxDOT)/Chisholm Trail Parkway project only after it obtains and reviews an acceptable investment-grade traffic and revenue study, other final engineering and financing reports, an analysis of impact on the NTTA System, and a determination by rating agencies on the potential effect on the ratings on the outstanding bonds or bonds to be issued for the SRT. The Authority will analyze various financing structures and development options (CDA, private-public-partnership, etc.). A key factor in determining whether to undertake the project will be the impact on the Authority's credit profile (including expected revenue contribution and ability to service its debt).

### *SH 161*

General. The State Highway 161 project ("*SH 161*") extends the existing TxDOT section of SH 161 south of the current terminus of the PGBT by approximately 11.5 miles from SH 183 south to IH 20. SH 161 has been under study for several years and has received the environmental clearances necessary to construct the project as a toll road. TxDOT has acquired all right-of-way and has constructed, or is constructing, various sections of the project. SH 161 is being built in four phases. Phase 1, which generally consists of the SH 183/SH 161 interchange and the frontage roads from Carrier Parkway (north of IH 30) south to IH 20 is substantially complete. Phases 2 and 3 are being jointly constructed by TxDOT and the Authority and generally consist of the frontage roads and main lanes (including two major bridges over floodplains) from SH 183 south to just north of IH 30. Phase 2 is substantially complete and is open to traffic. The Authority portion of Phase 3, which involves the installation of toll gantries, and the TxDOT portion of Phase 3 are expected to be substantially complete by December 2010 and January 2011, respectively. Phase 4 generally consists of the main lanes from just north of IH 30 south to IH 20 (including a multi-track Union Pacific railroad bridge over SH 161), and the IH 30/SH 161 and IH 20/SH 161 interchanges, with the main lanes and high volume interchange direct connect ramps scheduled to be substantially complete by September 2012.

On April 20, 2008, and pursuant to an "Agreement Regarding a Negotiated Value for State Highway 161" (the "*SH 161 NV Agreement*"), the Authority and TxDOT agreed to waive the requirement to develop a market valuation under SB 792 for SH 161 and established a negotiated value for the project as well as the terms and conditions for the development, construction and operation of the project by the Authority in the event the Authority determines to exercise its option under SB 792 to undertake delivery of SH 161.

Under the SH 161 NV Agreement, the negotiated value of SH 161 is \$1.1 billion consisting of (i) payment by the Authority of a payment of \$458 million to TxDOT (the "*Acquisition Payment*") and (ii) the obligation of the Authority to build Phase 4 of SH 161, and the toll gantries of Phases 2 and 3, at the Authority's cost, currently estimated at \$672 million. The Authority would assume all risk for construction cost increases for the portions of SH 161 it is required to build. The Acquisition Payment will be required to be paid to TxDOT at the time specified in the project agreement, which must be executed within two years after the date on which all environmental requirements necessary for the development of SH 161 are secured and any legal challenges to development are concluded. The FHWA approved the environmental re-evaluation for tolling SH 161 on February 29, 2008, and so, unless legal challenges to development arise, the two-year period would end February 28, 2010.

Under the SH 161 NV Agreement, upon exercise of its option to develop SH 161, the Authority is required to pay all construction draw requests for Phases 2 and 3 with the amount of the Acquisition Payment reduced accordingly. Once the Authority pays the Acquisition Payment (as so reduced), TxDOT would be solely responsible for all further payment of the Phases 2 and 3 construction costs, including any cost overruns for Phases 2 and 3. The Authority has the option for the Union Pacific railroad bridge over SH 161 to be taken out of Phase 4 and built by TxDOT along with Phases 2 and 3, with up to \$22.6 million of the construction and engineering costs of the railroad bridge to be paid by the Authority. The Authority has the option to either pay the



above-described construction draws for Phases 2 and 3 and the Union Pacific railroad bridge when submitted, or to reimburse TxDOT for its payment of such costs, with interest.

Based on a proposal subsequently provided by TxDOT, on or about October 15, 2008, the Authority exercised its option under SB 792 to undertake delivery of SH 161. On July 30, 2009, the Authority entered into a project agreement with TxDOT for SH 161 (the "*SH 161 Project Agreement*"). However, the Authority retains the discretion to not proceed for any reason, including negative rating impacts to the NTTA System. Either party may terminate the SH 161 Project Agreement if the Authority has not committed to make the Acquisition Payment by February 28, 2010 or paid the Acquisition Payment to TxDOT by February 28, 2010, or such later date if extended in accordance with the SH 161 Project Agreement. The Authority intends to finance and develop SH 161 independently of the NTTA System.

Under the SH 161 Project Agreement, the Authority will own SH 161 and hold it in perpetuity. The Authority will have the sole right to receive all revenues from SH 161 for the first 52 years. Beginning in the 53rd year, the Authority and TxDOT will share equally (50%/50%) all SH 161 revenues, net of operating and maintenance expenses. The Authority and TxDOT will also share equally (50%/50%) in the payment of all capital improvement costs, except for the planned widening, beginning in the 53rd year.

Financing SH 161. In support of the Authority's efforts to develop SH 161, TxDOT has offered to make a toll equity loan (the "*Toll Equity Loan*") available to the Authority in an amount equal to the costs of SH 161 relating to the (i) design and construction (including a reasonable contingency amount), (ii) operation and maintenance costs, major maintenance cost, and capital expenditures for a period of 52 years, and (iii) the Acquisition Payment of \$458 million. The total amount of the Toll Equity Loan (the "*Maximum Aggregate Amount*") will be determined in advance and, once established, may not be increased. It is anticipated that the Maximum Aggregate Amount will be approximately \$4.1 billion, which represents the aggregate amount TxDOT may be required to advance to pay debt service on SH 161 and to pay scheduled operating and maintenance expenses, major maintenance expense and capital expenditures. The Toll Equity Loan will not be payable from NTTA System Revenues.

The Authority will pledge its rights under the Toll Equity Loan to the trustee (the "*SH 161 Trustee*") under the trust agreement (the "*SH 161 Trust Agreement*") pursuant to which bonds to finance SH 161 would be issued (the "*SH 161 Project Debt*").

The SH 161 Trustee is expected to be authorized, in each year, to draw under the Toll Equity Loan an amount equal to the lesser of:

- (i) debt service payments relating to SH 161 Project Debt for the applicable period, plus projected operations and maintenance expenses for SH 161 for the applicable period, including budgeted amounts for the applicable period for major maintenance expenses and for capital expenditures, but excluding any required reserves therefor, minus balances in the capitalized interest fund under the SH 161 Trust Agreement for debt service for such period, minus revenues deposited into the revenue fund under the SH 161 Trust Agreement, including toll revenues, fees, interest earnings, insurance payments, liquidated damages, and other revenues received by the Authority as a result of its ownership and operation of SH 161, and minus any available amounts in the TxDOT toll equity loan payments reserve under the SH 161 Trust Agreement, and minus any available amounts in any operations and maintenance reserves under the SH 161 Trust Agreement, and
- (ii) 100% of the projected toll revenue stream for the applicable period (the "*Maximum Annual Amount*"), minus balances in the capitalized interest fund for debt service under the SH 161 Trust Agreement for the applicable period, minus any revenues deposited into the revenue fund under the SH 161 Trust Agreement during that period, including toll revenues, fees, interest earnings, insurance payments, liquidated damages, and other revenues received by the Authority as a result of its ownership and operation of SH 161, minus any available amounts in the TxDOT toll equity loan payments reserve under the SH 161 Trust Agreement, and minus any available amounts in any operations and maintenance reserves under the SH 161 Trust Agreement,

in each case subject to the Maximum Aggregate Amount.

If the total amount of periodic draws in any year is less than the Maximum Annual Amount, the difference will not be carried forward, and will not be available for future periodic draws. The Toll Equity Loan amounts drawn will bear interest at a rate in effect on the date of draw at a rate equal to the 10 year Municipal Market Data's "AAA" rate plus 1% until repaid, subject to maximum interest rate limitations.

Under the proposal, debt service for SH 161 will be structured so that total debt service in each year plus budgeted operations and maintenance expenses (including budgeted major maintenance and capital expenditures) for that year does not exceed 100% of the projected toll revenues for that year. The Authority will be obligated to bridge any initial funding shortfalls and to fund any cost overruns. As of the date hereof, it is estimated that the initial funding shortfall will be approximately \$300 million, depending on financing options then available. The Authority expects to finance such amount through the issuance of additional bonds secured by and payable from the Authority's Capital Improvement Fund, which bonds would be subordinate to existing debt obligations secured under the Amended and Restated Trust Agreement, but senior to the ISTEAL Loan. In addition, to the extent annual operating and maintenance expenses relating to SH 161 exceed the budgeted amounts, the Authority will be responsible for paying such amounts from its Capital Improvement Fund.

The Authority intends to develop SH 161 only after it obtains and reviews an acceptable investment-grade traffic and revenue study, other final engineering and financing reports, an analysis of the impact on the NTTA System, and a determination by rating agencies that a commitment to undertake SH 161 will not adversely affect ratings on outstanding bonds or bonds to be issued under the Amended and Restated Trust Agreement. A key factor in determining whether to undertake the project will be the impact on the Authority's credit profile (including expected revenue contribution and ability to service its debt). The Authority's objective in evaluating SH 161 is to maintain and enhance the Authority's overall credit profile and preserve or enhance debt capacity for future projects. Notwithstanding the foregoing, the Authority is expending funds on the development of SH 161. The SH 161 Project Agreement provides that TxDOT will reimburse the Authority for its expenditures if the Project Agreement is terminated due to the Authority's failure to commit to make the Acquisition Payment by February 28, 2010 or to pay the Acquisition Payment to TxDOT by February 28, 2010, or such later date if extended in accordance with the SH 161 Project Agreement.

### **Feasibility Studies and Future Projects**

Future turnpike projects of the Authority may be financed as part of the NTTA System or independently of the NTTA System (a "*Non-NTTA System Project*"). The Authority is in the preliminary review stage for a number of projects. The Authority has not committed to any of these projects, but has begun the multi-staged review process for some of these projects. The review process entails performing various environmental studies, which may need to be approved by several State and federal agencies, feasibility studies and approval of the Board. If the Authority determines to pursue any of these projects, the Authority anticipates this process to be gradual. See "**Committed Projects**" above and "**Potential Projects**" below for a discussion of other possible NTTA System projects. Funding agreements and cost estimates are preliminary.

### **SB 792 and Projects Under Consideration**

#### *SB 792*

In June 2007, Senate Bill 792 ("*SB 792*"), passed by the Texas legislature, became effective. SB 792 established new procedures for the development of toll projects in Texas. SB 792 provides that either the Authority or TxDOT may propose development of a toll project in the Authority's service area. Before development of a proposed toll project may go forward, the Authority and TxDOT must agree on business terms for the project's development, construction, and operation. The business terms must include (but are not necessarily limited to) an initial toll rate and a toll-rate-escalation methodology. If TxDOT and the Authority do not agree on the basic business terms, the project cannot proceed. If the parties agree on the basic business terms, they then prepare or commission a "market valuation" of the proposed project that (i) is based on the project's agreed business terms, and (ii) takes into account (a) a traffic and revenue study of the project using assumptions agreed upon by TxDOT and the Authority, (b) an agreed project scope, (c) market research, (d) the estimated cost to finance, construct, maintain, and operate the project, and (e) other information determined appropriate by the Authority and TxDOT. After the market valuation is complete, the Authority has six months to exercise an option to develop the proposed project. However, as a condition to developing the proposed project, the Authority must commence the environmental clearance process for the project and enter into a contract for the project's



construction within certain specified time periods and either (i) commit to make a payment to TxDOT in an amount equal to the market value of the proposed project (subject to certain reductions), which amount TxDOT must use for additional projects in the Authority's region, or (ii) commit to construct additional projects in the Authority's region with estimated construction costs equal to the market value of the proposed project (subject to certain reductions). Certain projects are exempt from the market valuation provisions of SB 792, including the SRT, the PGBT EE, the SWP, DNT Extension Phase 4, and the LLTB. Also SB 792 provides that TxDOT and the Authority may agree to waive the market valuation. The market valuation provisions of SB 792 expire in August 2011.

#### *Projects Under Consideration*

The Authority is currently considering a number of additional projects, including (i) State Highway 190/East Branch, an extension of the PGBT EE between Interstate Highway 30 and Interstate Highway 20 of approximately 11 miles in length, (ii) State Highway 170, a road between State Highway 114 and U.S. 287 of approximately 11.8 miles in length, and (iii) State Highway 360, a road connecting Green Oaks Boulevard to U.S. 67 of approximately 15.2 miles in length. All of the foregoing projects are subject to the market valuation provisions of SB 792. See "**SB 792.**"

#### *Managed Lanes – IH 35E*

The proposed reconstruction and redevelopment of IH 35E from IH 635 in Dallas County to U.S. 380 in Denton County currently is planned to include two concurrent-flow managed lanes in each direction in the median of the highway (the "*IH 35E Managed Lanes Project*"). On June 18, 2008, at the request of the Commissioners Court of Denton County and the City of Lewisville, the Board adopted a resolution waiving both the market valuation process and the Authority's first option to develop, finance, construct and operate the IH 35E Managed Lanes Project. The Authority did not waive its right under SB 792 to provide toll collection and enforcement services with respect to the IH 35E Managed Lanes Project. This waiver will not apply if all or any portion of the IH 35E Managed Lanes Project is modified to (1) fail to comply with the RTC policy regarding managed lanes, or (2) the majority of the IH 35E lanes (exclusive of service roads) is converted to managed or tolled lanes. The Authority and TxDOT entered into an agreement (the "*Option Agreement*") granting the Authority a one-time right to undertake the IH 35E Managed Lanes Project on substantially the same terms as TxDOT is prepared to propose to the private-sector contracting community. The option was exercisable after TxDOT completed a Preliminary Financial Feasibility Study for the IH 35E Managed Lanes Project. The Preliminary Financial Feasibility Study was delivered to the Authority on September 2, 2008 and the Authority elected to waive its rights under the Option Agreement on September 17, 2008, as the project is currently planned.

#### *Managed Lanes – IH 30*

TxDOT has proposed development of managed lanes on Interstate Highway 30 which is subject to the market valuation process under SB 792. The Authority and TxDOT have agreed on the design concept/scope of the project, the toll rate(s) for the managed lanes, and the toll rate escalation, at its October 2008 meeting, the Authority Board waived the market valuation process for this project, while maintaining primacy. In April 2009 the Authority Board waived its first-option right to deliver the IH 30 managed lanes project.

#### *Managed Lane – SH 183*

TxDOT has proposed development of managed lanes on State Highway 183. The development is subject to the market valuation process under SB 792. The Authority and TxDOT must agree on the design concept/scope of the project, the toll rate(s) for the managed lanes, and the toll rate escalation. In October 2008, the Authority Board waived the market valuation process for this project, while maintaining primacy. After reviewing the sketch level feasibility in May 2009, the Authority's Board waived its first-option right to construct, operate and maintain the SH 183 managed lanes project.

#### *Management of Managed Lanes*

It is anticipated that the Authority will enter into agreements to provide toll collection services with respect to the above-described managed lanes. It is further anticipated that such agreements will place the collection risk on the Authority. For example, the Authority will be required to pay over a portion of the toll for each vehicle that travels on the managed lanes, regardless of whether or not the Authority collects the toll.

### *Considerations Prior to Undertaking New Projects*

At this time, the Authority has not made any determination as to whether it will undertake any of the aforementioned projects. The Authority anticipates the production of an investment grade traffic and revenue report and analysis of any financing structures (such as stand-alone or system) and development options (CDA, design-build, and construction manager at risk) for each project. Key factors in determining whether to undertake a project will include the impact on the Authority's credit profile (including expected revenue contribution and ability to service debt). The Authority's objective in determining whether to undertake projects is to maintain and enhance the overall Authority credit profile and preserve or enhance debt capacity for future projects.

### **Potential Projects**

#### *Trinity Parkway*

In 2000, the Board authorized a preliminary traffic and revenue study by Wilbur Smith Associates ("*WSA*"), the Traffic Engineers, for the proposed Trinity Parkway in the City of Dallas from the SH 183/IH 35E junction north of downtown Dallas to US 175 southeast of downtown Dallas, a distance of approximately nine miles. In addition to the no-build option, eight build-alternative routes were evaluated in the Draft Environmental Impact Statement ("*DEIS*"); five build-alternatives are along the Trinity River levees, two are along Industrial Boulevard, and there is one additional build alternative outside the Trinity River levees. The proposed Trinity Parkway will function as a reliever route around the congested roadways near downtown Dallas. Cost estimates range from \$1.1 billion to \$2.1 billion. In 1998, the City of Dallas received voter approval of a \$246,000,000 bond election for the Trinity River Corridor project; of this amount, \$84,000,000 was allocated to assist in accelerating this project as a tollway, including payment for the preliminary traffic and revenue study and environmental and permitting costs, with the remaining balance being used for right-of-way acquisition, utility adjustments, and costs relating to the design and construction of the project. After receipt of an initial sketch level traffic and revenue study, a preliminary agreement was executed between the Authority, TxDOT and the City of Dallas on participation levels and agency obligations in May 1999, and the Board authorized the preliminary traffic and revenue study described above. Additional funding sources for construction, operations and maintenance will be identified later in the project. As various project components are finalized, it is anticipated that future funding agreements will identify the cost shares of other funding partners.

Several issues involving multiple proposed projects within the same reach of the Trinity River were addressed in the DEIS. The DEIS was released in February 2005 and a public hearing was held in March 2005. The Supplemental Draft Environmental Impact Statement (the "*SDEIS*") was released in February 2009 and a public hearing was held in May 2009. The comments received on the SDEIS are currently being addressed through interagency cooperation with the Authority, TxDOT, FHWA, the USACE, and others.

The 2007 USACE Periodic Inspection Report was released on April 1, 2009. Due to USACE concerns with the existing Dallas Floodway levees, FHWA requests additional environmental studies (Limited Supplement Draft Environmental Impact Statement) for the public that will include the City's assessment and future plans for levee remedies and how the Trinity Parkway will play into these levee remedies. Environmental studies are expected to be complete in 2011. It is not possible at this time to forecast whether this project will show sufficient financial feasibility to go forward.

#### *DNT Extension Phase 4A*

DNT Extension Phase 4A, a proposed 6-mile extension of the DNT, will begin at US 380 in Collin County and extend north to FM 428. No financial commitments have been made by the Authority on DNT Extension Phase 4A. In September 2008, the Authority Board approved the DNT Extension Phase 4A schematic and environmental assessment. Collin County has constructed an initial two-lane county road on the proposed alignment from US 380 to FM 428 using proceeds of a bond sale approved by voters in 2003. Collin County's two lane road opened to traffic in October 2008 and is anticipated to serve as the northbound frontage road for the potential DNT Extension Phase 4A. Collin County is acquiring all of the right-of-way for the section between US 380 and FM 428 to accommodate this possible DNT extension. WSA has completed sketch level traffic forecasts for the DNT Extension Phase 4A, but financial feasibility has not been conducted.

### *DNT Extension Phase 4B and 5A*

The Authority is conducting a planning study on a possible extension north of FM 428 north into Cooke or Grayson County (Phase 4B to the Cooke or Grayson County lines and Phase 5A from the Cooke or Grayson County lines to north of the Cooke or Grayson County lines, with the terminus to be determined upon the final route selection). No financial commitments have been made by the Authority on DNT Extension Phase 4B and 5A. The study involves seeking input from affected counties, municipalities and property owners, performing route studies for possible alignments, and the selection of a Locally Preferred Alternative ("*LPA*"). After the selection of the LPA, the Authority will determine whether to advance to the environmental documentation and schematic development stage for Phase 4B and 5A.

## **EXCERPTS FROM THE MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS**

Excerpts from a narrative discussion and analysis by management of the results of operations of the Authority for fiscal year ended December 31, 2008 (the "*MD&A*") are set forth below. The entire audited financial statements of the Authority for the fiscal year ended December 31, 2008 are attached hereto as **Appendix A**.

### **2008 Highlights**

- Recognizing the growing complexity and changing needs of the Authority on May 21, 2008, the Board authorized the adoption of an Internal Audit Policy statement and charter and created an Internal Audit Department.
- The Authority's total net assets decreased by \$60.2 million over fiscal year 2007. This decrease is due mainly to the change in accounting treatment of bond related costs previously capitalized, as expenses during 2008.
- The Authority received a toll equity grant from TxDOT for right-of-way acquisition and other costs related to PGBT EE. The grant totaled \$160.3 million. The Authority received payments totaling \$142.5 million. Approximately \$30 million of the grant is currently restricted in use. The Authority intends to work with TxDOT in order to release the restrictions.
- Toll revenues increased \$38.1 million or 18.8% over fiscal year 2007. Traffic volumes on the NTTA System continued to increase, primarily as a result of the opening of SRT in September 2008.
- The Administration and Operations expenses of \$80.7 million were under budget by 11.2% in fiscal year 2008.
- The Authority issued \$5.3 billion in revenue refunding bonds to refund the \$3.4 billion in bond anticipation notes issued in 2007, refund certain other bonds and for partially funding the costs of the development of the Authority's projects, including SRT, PGBT EE, and the LLTB.
- The Authority also issued \$110.0 million of Commercial Paper in fiscal year 2008. \$30.0 million was transferred to the Authority's Feasibility Study Fund in fiscal year 2008, to finance the study and design of various projects, in addition to the \$50.0 million in fiscal year 2007.

### **Summary of Operations**

Total operating revenues were \$250.0 million for fiscal year 2008 and \$210.7 million for fiscal year 2007 (see Table A-1). Authority toll revenues were approximately \$240.8 million, an 18.8% increase over fiscal year 2007 toll revenues of approximately \$202.7 million. An estimated 84.5% was collected through All-ETC during fiscal year 2008 in comparison to 80.5% in fiscal year 2007. Traffic on the NTTA System continues to grow, with average daily transactions of approximately 1,131,230 and 1,055,100 in fiscal year 2008 and fiscal year 2007, respectively.

Total operating expenses before depreciation for fiscal year 2008 were \$137.5 million; representing a 2.8% increase over fiscal year 2007 of \$133.8 million. Interest expense, net of capitalized interest, for 2008 was \$262.1 million, a 375.7% increase from fiscal year 2007 of \$55.1 million. Debt service coverage for fiscal year 2008 and fiscal year 2007 were 1.60 and 1.96 times, respectively. The Amended and Restated Trust Agreement and the Authority's Debt Policy both require bond principal and interest coverage of 1.35 times.

**Table A-1**  
Change in Net Assets  
(in millions of dollars)

	<u>2008</u>	<u>2007</u>
REVENUES		
Operating Revenues	\$ 250.0	\$ 210.7
Operating Expenses before depreciation	<u>137.5</u>	<u>133.8</u>
Income from operations before depreciation	112.5	76.9
Depreciation	<u>(3.5)</u>	<u>(1.8)</u>
Operating Income	109.0	75.1
Net Nonoperating Revenue (Expenses):		
Interest Income	75.0	17.9
Interest Expenses	(262.1)	(55.1)
Grant Revenue	74.9	-
SWAP Termination	(4.5)	-
Additional payment to escrow	(3.2)	-
Other	(49.3)	(3.4)
Net Operating Revenue (Expenses):	(169.2)	(40.6)
Capital Contributions	<u>-</u>	<u>25.0</u>
Change in Net Assets	<u>(60.2)</u>	<u>59.5</u>
Net Assets – Beginning of Year	<u>618.1</u>	<u>558.6</u>
Net Assets - Ending	<u>\$ 557.9</u>	<u>\$ 618.1</u>

**Operations:** The total operating expenses before depreciation for fiscal year 2008 were \$137.5 million, compared to \$133.8 million in fiscal year 2007 (see Table A-1). Several factors due mainly to the addition of SRT, such as increased number of personnel and related cost and the increased maintenance cost attributed to the rise in operating expenses.

Net assets at December 31, 2008 were \$557.9 million (See Table A-2.)

**Table A-2**  
Net Assets (in millions of dollars)

	<u>2008</u>	<u>2007</u>
Current Assets	\$ 108.3	\$ 150.2
Current Restricted Assets	544.7	390.6
Noncurrent Assets		
Unrestricted Investment	10.0	5.0
Restricted Investments	930.3	81.3
Other Assets	167.4	
Capital Assets	<u>5,501.5</u>	<u>5,171.7</u>
Total Assets	<u>7,262.2</u>	<u>5,798.8</u>
Current Liabilities	60.6	59.4
Liabilities Payable from Restricted Assets	444.1	3,660.2
Long-Term debt	<u>6,199.6</u>	<u>1,461.2</u>
Total Liabilities	<u>6,704.3</u>	<u>5,180.7</u>
Net Assets:		
Invested in Capital Assets, net of related debt	187.9	473.4
Restricted for Construction	289.1	4.9
Restricted for Debt Service	396.7	112.2
Restricted for Operations and Maintenance	0.0	3.4
Restricted for Retiree Health Benefits	0.4	0.4
Unrestricted	<u>(316.2)</u>	<u>23.8</u>
Net Assets	<u>\$ 557.9</u>	<u>\$ 618.1</u>

The Authority's overall financial position decreased in fiscal year 2008, as indicated by the \$60.2 million decrease in net assets. During 2008, approximately \$162.1 million of interest expense that would have previously been recorded as a capital cost was recorded as non-operating expenses. The largest portion of the Authority's net assets is restricted for debt service. The next largest component represents the investment in capital assets (e.g., right-of-way, roads, bridges, buildings, toll equipment) less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide service and, consequently, the assets are not available to liquidate liabilities or for other spending needs. The unrestricted net assets represent those assets available for use by the organization for its operations. In 2008 unrestricted net assets decreased by \$340.0 million to a deficit of \$316.2 million. This decrease largely reflects the significant amount of debt issued in 2008 and the restriction of assets to pay debt service. It also is indicative of the restriction placed on proceeds for construction purposes.

The Authority's net assets indicate an unrestricted current ratio of 1.8 and 2.5 for fiscal year 2008 and fiscal year 2007, respectively. Working capital was \$47.7 million and \$90.8 million in fiscal year 2008 and fiscal year 2007, respectively. Total unrestricted current assets were \$108.3 million in fiscal year 2008, compared to \$150.2 million in fiscal year 2007. Total unrestricted and restricted current assets were \$653.0 million at the end of fiscal year 2008. Cash and investments of \$639.5 million represent the largest component of current assets. The remaining \$13.5 million is comprised of accrued interest receivable, accounts receivable, inventory, and prepaid expenses.

Total unrestricted current liabilities were \$60.6 million at the end of fiscal year 2008. \$26.0 million of this total was accounts payable and retainage payable, and \$25.9 million of deferred revenue. \$4.6 million of the amount is accrued liabilities, which is mainly accrued salaries and vacation liability. Other post employment benefits totaled \$4.1 million. Approximately 1,566,800 and 1,376,000 TollTags were in use at the end of fiscal year 2008 and fiscal year 2007, respectively.

**Investments:** The Authority's investments at December 31, 2008 and 2007 were approximately \$1.57 billion and \$584.0 million, respectively. At December 31, 2008, approximately 65% of the Authority's investments were in U.S. agency securities and approximately 33.5 % were held in money market funds.

**Operating Revenues:** Total operating revenues for fiscal year 2008 were \$250.0 million, an 18.7 % increase over fiscal year 2007 total revenues of \$210.7 million. Toll revenues of \$240.8 million account for 96.3% of total revenue. TollTag store revenue, primarily from processing fees, was \$4.0 million or 1.6%. Other revenue, mostly administrative fees for collection of tolls from violators, was \$5.2 million, representing 2.1% of the total.

The increases in the toll revenue were largely attributed to the:

- The first full year of collections for the toll rate increase implemented in September 2007;
- The increased growth of population in the Member Counties (Dallas, Tarrant, Denton and Collin); and
- The opening of the SRT (State Highway 121 Project) in September 2008.

Ridership on the NTTA System continues to grow with approximately 1,131,230 average daily transactions in 2008, up 7.2% from the 1,055,100 daily averages in 2007. The increase in transactions was largely due to the opening of the SRT.

For fiscal year 2008, the Authority's actual toll revenue was 8.2% less than estimated toll revenue (estimated in advance of the approval of the 2008 budget process by the Authority's traffic and toll revenue engineer, Wilbur Smith Associates). This can be attributed to the recession in the economy, increases in gas prices, and greater revenue leakage than originally anticipated.

### **Engineering Estimates**

The annual toll revenue estimates prepared in advance of the approval of the respective year's budget by the Authority's traffic engineer, Wilbur Smith Associates, are displayed in comparison to the actual revenue for the years of 2001 through 2008 in Table A-3 below:



**Table A-3**  
Actual vs. Estimated Revenue

Year	Actual	Estimate	Variance
2008	\$ 240,776,791	\$ 262,346,900	\$ (21,570,109)
2007	202,675,564	204,491,800	(1,816,236)
2006	191,434,120	197,052,500	(5,618,380)
2005	172,537,345	167,457,300	5,080,045
2004	160,695,030	151,482,500	9,212,530
2003	149,323,784	144,975,000	4,348,784
2002	137,945,439	126,955,000	10,990,439
2001	107,210,124	104,212,000	2,998,124

The fiscal year 2008 toll revenue of \$240.8 million increased by 18.8%; in comparison to the fiscal year 2007 actual amount of \$202.7 million. During the 2008 year, the economy, gas prices, higher revenue leakage than anticipated and increased unemployment rates affected the actual revenue. The Authority's total revenues produced 1.60x debt coverage for 2008.

**Capital Assets** – The Authority's investment in capital assets includes land, buildings, right-of-way, roadway, bridges, equipment, and computer systems. Capital assets at December 31, 2008 were \$5.5 billion, increasing from fiscal year 2007 by approximately \$0.33 billion. This is due primarily to the construction of SRT, the DNT Extension Phase 3, PGBT EE, and LLTB.

The Authority utilizes GASB No. 34, Modified Approach of reporting infrastructure assets. Each year a comprehensive assessment is conducted on all the Authority's infrastructure assets which affect the following fiscal year's maintenance budget.

The SRT will revert to TxDOT after the expiration of the 50 year period commencing when the Authority began collecting tolls on the Project on its own behalf (September 2008). The Authority will depreciate the cost of the acquisition and the construction costs of the SRT over the term of the project agreement pursuant to which the Authority acquired the Project utilizing the straight-line basis. The effect of depreciating the cost of the acquisition and the construction costs of the SRT will reduce the Authority's net revenues as reported on the general accepted accounting principles basis. Since the depreciation will be a non-cash item, it will not impact the Authority's calculation of net revenues available per the Amended and Restated Trust Agreement.

**Budgetary Highlights** – The Authority adopts (on a non-GAAP basis) an annual budget in December. The budget is established in accordance with the provisions of the Amended and Restated Trust Agreement. The budget covers the operating expenses for each fiscal year (calendar year). For fiscal year 2008 operating expenses were \$80.7 million against an operating budget of \$90.9 million. The Authority expended 88.8% of the operating budget in 2008. The primary factors in the increase to this budget were the continued restructuring of the Authority's departments; the maintenance and operations of segments 1 and 2 of the SRT; and the increased growth in the Customer Service, Maintenance, Information Technology, and Safety and Incidents Management areas. The Authority is also focusing on improvements in service delivery. The Authority recently adopted a revised budget for 2009. Between the presentation of the preliminary budget in October 2008 and final adoption in December the budget was reduce by \$6.0 million from \$98,095,499 to \$92,080,950. The Board amended the budget in June 2009 to \$93,092,654 to cover previously unbudgeted expenses. Reductions of approximately \$4.7 million have been identified since the budget was amended.

**Long-Term Debt** – At the end of fiscal year 2008, the Authority's total bonded debt outstanding was \$6.15 billion compared to approximately \$1.37 billion in 2007. This debt represents bonds secured solely by toll revenue.

Additionally, part of the construction of the PGBT was funded with the proceeds from a loan in the amount of \$135 million, made by TxDOT in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991.

**Short-Term Debt** – The Authority maintains a \$200 million commercial paper program. The Authority had \$110.0 million of Commercial Paper outstanding in 2008. \$80 million of the proceeds were transferred to the Authority's Feasibility Study Fund to finance the feasibility study and design of Southwest Parkway (\$54.6 million), State Highway 190/East Branch projects (\$7.1 million) and various other projects (\$15.5 million for a total of \$77 million). Approximately \$23 million was issued for the initial construction of the LLTB. As of December 31, 2008 there was \$89.7 million of Commercial Paper outstanding under the commercial paper program.

**Accounting Matters** – On February 19, 2009, the Authority filed a Notification and Release with the Nationally Recognized Municipal Securities Information Depositories and the State Information Depository, which Notification and Release identified an error in the Authority's accounting for a toll equity grant. The Authority's financial statements for August 2008 and September 2008 improperly recognized the receipt of the toll equity grant. While the Authority did receive proceeds of the toll equity grant in August and September, all of the conditions to the toll equity grant were not satisfied until November 2008. As a result, the Authority restated its financial statements for the months of August and September 2008 to reflect the proper accounting treatment for such months.

In addition, in a letter from the Authority's accountants to the Authority Board dated June 26, 2009 the Authority's accountants identified two material weaknesses and four significant deficiencies in the Authority's internal control over financial reporting. Such weaknesses and deficiencies could result in errors in the Authority's unaudited financial accounting records.

The Authority believes that the accounting error and the weakness and deficiencies are a result of an inappropriately staffed Finance Department and poor financial systems. In order to mitigate accounting concerns, the Authority has reorganized its Finance Department to focus resources where they are most needed. An additional certified public accountant, a director of cash and debt management, a financial services analyst and a financial systems analyst have been hired. A needs assessment is being conducted to support the re-implementation of the financial system. Additionally, policies and procedures have been adopted or are under development to address the concerns raised by the Authority's auditors.

## CURRENT AND HISTORICAL INFORMATION

### Toll Schedule

Under the Authority's toll rate structure, there is a differential in tolls, with those not using TollTags being charged a higher toll than those using TollTags. Set forth in Appendix B are the toll rate schedules now in effect for the NTTA System and the rates effective thereafter, assuming that the proposed amendment to the SRT Project Agreement described under the caption "**THE NTTA SYSTEM – The Sam Rayburn Tollway – The SRT Project Agreement – Toll Rates**" is adopted and that the proposed amendment to the PGBT EE Project Agreement described under the caption "**THE NTTA SYSTEM – The President George Bush Turnpike Eastern Extension – The PGBT EE Project Agreement – Toll Rates**" is adopted. The Authority anticipates that the amendment to the SRT Project Agreement will become effective prior to September 1, 2009 and that the amendment to the PGBT EE Project Agreement will become effective prior to the opening of the PGBT EE. Rates on the NTTA System (excluding the PGBT EE) will increase approximately 2.75% per annum, and will be adjusted every second year, commencing July 1, 2011. Rates on the PGBT EE will increase approximately 3.00% per annum, and will be adjusted every second year, commencing July 1, 2011. While the Board will have the option in the future to alter any of the authorized increases, if the Board takes no action the rate increases will automatically go into effect. See "**THE TRAFFIC AND REVENUE STUDY**" herein, "North Texas Tollway Authority System Investment Grade Traffic and Toll Revenue Study" incorporated by reference herein for assumptions relating to toll rates for the NTTA System. See "**INCORPORATION BY REFERENCE.**"

*[Remainder of page intentionally left blank]*

## Historical Traffic and Net Revenues

The table set forth below shows the net revenues available for debt service of the NTTA System for the calendar years 1999 through 2008 and for the first five months of fiscal year 2009.

<u>Year</u>	<u>Annual Revenue Vehicle Transactions</u> <sup>(1)</sup>	<u>Toll Revenue</u> <sup>(1)</sup>	<u>Current Expenses</u> <sup>(1)</sup>	<u>Investment and Other Earnings</u> <sup>(1)</sup>	<u>Net Revenues</u>	<u>Change in Net Revenues</u>
1999 <sup>(a)</sup> .....	149,888,064	69,653,635	16,842,717	12,869,336	65,680,254	11%
2000 <sup>(b)</sup> .....	192,168,272	93,901,576	22,754,720	13,204,505	84,351,361	28%
2001 <sup>(c)</sup> .....	230,044,912	107,210,124	30,429,021	11,806,432	88,587,535	5%
2002 .....	285,494,321	137,945,439	37,964,567	8,732,847	108,713,719	23%
2003 .....	296,140,087	149,323,784	42,650,553	8,371,709	115,044,960	6%
2004 <sup>(d)</sup> .....	315,031,754	160,695,030	47,680,750	10,046,907	123,061,187	7%
2005 <sup>(e)</sup> .....	338,390,215	172,537,345	56,576,883	14,085,285	130,045,747	6%
2006 .....	370,696,171	191,434,120	61,421,158	18,259,576	148,272,538	14%
2007 <sup>(f)</sup> .....	383,481,098	202,675,564	76,593,495	21,307,811 <sup>(g)</sup>	147,389,880	(0.6%)
2008 <sup>(h)</sup> .....	412,272,003	240,776,791	80,668,732	20,958,496 <sup>(g)</sup>	181,066,555	23%
2009 <sup>(i)</sup> .....	185,659,404	109,354,335	30,263,720	19,740,050	98,830,665	N/A

<sup>(a)</sup> PGBT Preston Road to Coit Road, Coit Road to US 75, and US 75 to Campbell Road opened in 1999. Addison Airport Toll Tunnel opened in 1999.

<sup>(b)</sup> PGBT Campbell Road to SH 78 opened in 2000.

<sup>(c)</sup> PGBT Midway Road to IH 35E, and IH 635 to Belt Line Road opened in 2001. Mountain Creek Lake Bridge was combined with the System in 2001.

<sup>(d)</sup> State Highway 121 Interchange Extension opened in 2004.

<sup>(e)</sup> PGBT IH 35E to IH 635 opened in 2005.

<sup>(f)</sup> DNT Phase 3 opened in September 2007. Additionally, a toll rate increase occurred in September 2007.

<sup>(g)</sup> Includes balances from Feasibility Study Fund.

<sup>(h)</sup> NTTA commenced collecting tolls on its own behalf for Segments 1 and 2 of SRT on September 1, 2008.

<sup>(i)</sup> Five month period ended May 31, 2009 (unaudited).

<sup>(1)</sup> Source – Appendix A – Comprehensive Annual Financial Report of the North Texas Tollway Authority for the fiscal year ended December 31, 2008 – Schedule 8 – Historical Traffic and Toll Revenue and Historical Net Revenues (Unaudited). Source for information in footnote (i) is the unaudited records of the Authority.

*[Remainder of page intentionally left blank]*

## Historical Debt Service Coverage

The table below sets forth the debt service coverage for outstanding First Tier Bonds of the Authority for fiscal years 1999 through 2008 as calculated pursuant to the Amended and Restated Trust Agreement.

<u>Fiscal Year</u>	<u>Actual Coverage</u>
1999	2.42
2000	2.22
2001	1.88
2002	2.08
2003	2.09
2004	2.00
2005	1.80
2006	1.98
2007	1.96
2008	1.60

## THE TRAFFIC AND REVENUE STUDY

### The NTTA System

#### *Background*

In October 2007, WSA, the traffic engineers, completed the *Dallas North Tollway System and SH 121 Tollway Investment Grade Traffic and Toll Revenue Study* (the "DNTS Report"). In August 2008, WSA completed the *President George Bush Turnpike Eastern Extension Investment Grade Traffic and Toll Revenue Study* (the "PGBT EE Report"). Both studies were based on the demographic forecasts and transportation modeling networks developed by the North Central Texas Council of Governments ("NCTCOG") for the Mobility 2030 Plan, approved by the Regional Transportation Council ("RTC") in January 2007. Due to sudden surge in gasoline prices in mid-2008, WSA produced a report titled *The Impacts of Gasoline Price on Traffic and Toll Revenue* dated August 2008 (the "White Paper").

Since the completion of the DNTS Report, the PGBT EE Report and the White Paper, several key events have occurred and circumstances have arisen that necessitated a re-evaluation of the traffic and toll revenue estimates. These key events included:

- Economic downturn
  - Impact on the NTTA System traffic
  - Population, housing and employment growth noticeably affected
  - Revised economic outlook
- Toll rate policy changes
  - Adoption of a new toll rate policy by the Authority Board
  - Alignment of scheduled toll increases across all facilities
- Changes to project schedules
  - All-ETC implementation schedule changes
  - Capital Improvements
  - Roadway expansion
- Adoption of new Mobility Plan
  - Development of 2009 Update to Mobility 2030 Plan (the "MTP 2030 – 2009 Update").

Because of the necessary re-evaluation, WSA prepared the *North Texas Tollway Authority System Investment Grade Traffic and Toll Revenue Study* dated July 2009 relating to the NTTA System (the "Report"). The Report includes the development of a system wide review and update of all traffic and toll revenue estimates for the NTTA System. See "**RISK FACTORS – Forward-Looking Statements.**"

## *The Report*

The Report utilized the NCTCOG MTP 2030 – 2009 Update, which includes the most recently approved future transportation improvement assumptions. The demographics dataset from the NCTCOG Mobility 2030 Plan were updated based on review by Weinstein, Clower and Associates ("*WCA*") of the revised demographic forecasts that were developed along the DNT, PGBT, AATT, MCLB, PGBT EE, LLTB, SRT, SH 161, Southwest Parkway/Chisholm Trail Parkway and Trinity Parkway corridors. The traffic and revenue estimates along the NTTA System were calculated by using the trip tables that were generated by using these updated demographics datasets.

In preparing the Report, the following factors were incorporated:

- Travel demand model was updated to account for the impact produced by the economic recession. Understanding how travel is affected by the current economic stresses is a key component of forecasting travel behavior.
- NCTCOG's official demographics along with the "revised" demographics from the 2007 DNTS Report were examined in light of the economic downturn. Conclusions from that independent review altered the previously assumed revised demographics.
- All aspects of tolling were examined to ensure the latest Authority plans were taken into account. In August 2007, the Authority's Board approved the system-wide conversion to All-ETC on the NTTA System. Sections of the NTTA System are operating today as All-ETC. Traffic and revenue experience at those specific locations were examined in great detail to inform the traffic and revenue estimates on each of the other facilities. A toll adjustment was implemented in late 2007 on the NTTA System (a TollTag toll increase of about 16.7% at the then existing DNT and PGBT mainlane plazas). The impacts to traffic and revenue from that toll adjustment were used to refine the forecasts associated with future scheduled increases.
- As traffic growth has slowed, and even declined on some facilities, previously determined needs for additional roadway capacity were reexamined. Congestion thresholds that indicate the need for additional capacity are likely to be reached further into the future than previously predicted.
- In April 2009 the RTC approved the MTP 2030 – 2009 Update. The Report incorporates all the regional transportation infrastructure included in the MTP 2030 – 2009 Update. The official demographic forecasts datasets for the Dallas-Fort Worth region adopted by the NCTCOG Executive Board in 2003 were used as part of the MTP 2030 – 2009 Update.

The study effort involved the following key elements:

- **Traffic Trends and Characteristics** - WSA evaluated historical and recent traffic and toll revenue trends on the NTTA System. This included an analysis of annual and monthly transaction trends, TollTag utilization rates and the travel time characteristics on the NTTA System.
- **NTTA System Corridor Growth Considerations** – Using the most recently approved demographics included by NCTCOG in the MTP 2030 – 2009 Update, WSA evaluated the socioeconomic conditions along the NTTA System corridors. This included a review of the historical population and employment growth trends, as well as future growth projections. WSA found that many of the major corporations in the Dallas/Fort-Worth area are located within a five mile area of the NTTA System corridors.
- **NTTA System Traffic and Toll Revenue Forecasts** – WSA updated traffic and toll revenue forecasts for the NTTA System. The traffic and toll revenue forecasts were made using trip tables developed based on findings of the independent economic reviews that were conducted along the NTTA System and the other corridors, with additional adjustments to reflect the effects of the current economic downturn.

The toll sensitivity analyses for the NTTA System show that the current and planned toll charges on the NTTA System are below the theoretical revenue maximization points. This demonstrates that, if needed, there is



expected to be potential for revenue enhancement through toll increases above those assumed for traffic and revenue forecasting purposes.

The following table presents estimated annual revenue for the NTTA System. The total NTTA System revenue is estimated to be \$377 million in 2010, increasing to over \$841 million by 2020. Total NTTA System revenue is estimated to reach approximately \$1.3 billion per year by 2030 and is projected to exceed \$2.0 billion per year by 2040.

Annual revenue growth is expected to average 8.3% per year between 2010 and 2020, and about 4.8% per year between 2020 and 2030. Between 2010 and 2055, revenues on the total NTTA System are expected to increase at an average of about 5.1% per year.

Estimated NTTA System Annual Revenue

<u>Year</u>	<u>DNT</u>	<u>PGBT</u>	<u>AATT</u>	<u>MCLB</u>	<u>LLTB</u>	<u>PGBT EE</u>	<u>SRT</u>	<u>NTTA System Total</u>
2009	\$129,377,300	\$105,992,500	\$886,400	\$1,537,500	\$1,511,000	-	\$44,252,900	\$283,557,600
2010	168,535,000	135,324,000	876,000	1,876,400	5,169,300	-	65,352,100	377,132,800
2011	174,547,800	147,638,100	860,800	1,486,900	7,191,600	\$923,840	85,559,900	418,208,940
2012	189,226,700	160,023,000	914,700	1,666,400	9,046,000	13,709,680	102,403,100	476,989,580
2013	201,487,100	170,413,600	950,800	1,796,000	10,905,000	18,433,920	114,725,300	518,711,720
2014	213,569,400	179,893,800	991,400	1,900,600	11,793,100	22,846,960	125,776,400	556,771,660
2015	229,504,700	189,041,200	1,029,400	1,967,900	12,558,000	25,428,880	136,294,600	595,824,680
2016	244,193,900	198,308,800	1,066,000	2,066,600	13,334,800	28,341,520	148,453,700	635,765,320
2017	258,700,000	207,506,800	1,108,500	2,149,800	14,139,400	31,264,720	160,806,700	675,675,920
2018	274,737,500	217,633,900	1,155,300	2,267,200	15,044,200	34,617,840	174,725,900	720,181,840
2019	291,019,700	235,045,500	1,190,300	2,340,900	15,923,100	38,043,600	204,409,300	787,972,400
2020	304,705,500	245,890,500	1,226,300	2,428,500	16,728,800	40,264,560	229,684,200	840,928,560
2021	319,185,000	257,100,600	1,269,300	2,517,700	17,509,300	42,829,760	244,435,100	884,846,760
2022	334,984,800	269,355,900	1,316,300	2,630,500	18,376,400	45,661,040	260,775,700	933,100,640
2023	350,874,500	281,087,600	1,360,400	2,724,500	19,285,000	48,071,920	277,805,900	981,209,820
2024	368,202,100	293,880,800	1,408,300	2,838,700	20,289,500	50,734,720	296,648,200	1,034,002,320
2025	385,162,500	307,463,100	1,453,400	2,937,900	21,276,600	57,733,280	315,986,500	1,092,013,280
2026	399,869,800	320,614,600	1,500,700	3,046,900	22,271,500	61,223,200	331,832,700	1,140,359,400
2027	414,798,900	332,998,000	1,545,100	3,141,900	23,235,900	64,810,000	347,386,700	1,187,916,500
2028	430,957,800	346,456,700	1,593,300	3,250,300	24,285,900	68,726,720	364,334,700	1,239,605,420
2029	447,060,900	360,357,800	1,648,100	3,366,300	25,453,900	71,966,400	381,685,300	1,291,538,700
2030	464,452,100	375,467,900	1,707,900	3,498,100	26,729,300	75,493,280	400,575,800	1,347,924,380
2031	482,158,100	390,366,900	1,754,100	3,597,100	27,891,200	80,158,880	419,889,500	1,405,815,780
2032	501,235,900	406,538,200	1,804,100	3,706,900	29,149,500	85,275,360	440,919,900	1,468,629,860
2033	519,716,200	422,903,400	1,860,500	3,826,900	30,459,100	89,723,760	462,327,500	1,530,817,360
2034	539,612,200	440,651,000	1,921,500	3,958,800	31,881,000	94,597,040	485,638,700	1,598,260,240
2035	559,996,600	458,823,700	1,988,600	4,101,500	33,350,900	100,257,600	509,827,800	1,668,346,700
2036	581,694,700	477,069,400	2,059,900	4,254,900	34,950,100	105,100,880	534,137,100	1,739,266,980
2037	603,578,100	494,379,200	2,116,700	4,377,100	36,505,500	108,709,840	557,690,200	1,807,356,640
2038	627,099,500	513,124,200	2,178,900	4,511,400	38,190,000	112,606,720	583,236,200	1,880,946,920
2039	651,211,700	532,058,600	2,246,200	4,655,700	39,926,200	117,418,960	608,834,800	1,956,352,160
2040	677,061,600	552,609,400	2,319,400	4,813,400	41,810,400	122,639,760	636,603,300	2,037,857,260
2041	701,177,100	572,560,000	2,397,500	4,980,500	43,735,600	128,563,040	663,434,800	2,116,848,540
2042	726,286,500	594,160,200	2,482,200	5,162,400	45,828,300	135,054,240	692,498,600	2,201,472,440
2043	751,049,000	615,849,300	2,551,700	5,312,300	47,865,300	140,142,320	722,029,600	2,284,799,520
2044	777,513,600	639,355,400	2,627,200	5,475,500	50,070,800	145,637,200	754,078,800	2,374,758,500
2045	804,024,300	663,018,500	2,707,900	5,649,500	52,326,400	152,069,440	785,430,700	2,465,226,740
2046	831,467,500	688,668,400	2,795,900	5,839,500	54,615,000	158,600,160	819,417,600	2,561,404,060
2047	858,699,300	714,112,800	2,887,900	6,037,400	56,930,600	164,763,920	853,935,900	2,657,367,820
2048	887,848,000	741,693,300	2,987,900	6,253,000	59,445,100	171,494,880	891,389,500	2,761,111,680
2049	916,514,200	769,299,300	3,070,800	6,433,100	61,875,300	177,864,800	928,347,600	2,863,405,100
2050	947,257,000	799,219,300	3,160,700	6,628,100	64,504,600	184,768,480	968,259,500	2,973,797,680
2051	977,984,700	828,806,800	3,265,800	6,855,300	67,271,800	192,424,960	1,008,186,600	3,084,795,960
2052	1,010,966,700	860,877,800	3,380,400	7,103,200	70,277,600	200,733,200	1,051,469,000	3,204,807,900
2053	1,044,273,800	892,372,800	3,476,600	7,312,600	73,182,600	208,298,560	1,095,425,300	3,324,342,260
2054	1,080,007,500	926,494,700	3,581,200	7,540,000	76,327,100	216,526,400	1,143,098,800	3,453,575,700
2055	1,114,946,200	960,627,400	3,699,600	7,797,200	79,606,800	225,291,680	1,190,719,800	3,582,688,680
2056	1,152,399,400	997,615,000	3,828,600	8,077,100	83,168,600	234,838,080	1,242,117,800	3,722,044,580
2057	1,189,449,400	1,032,619,900	3,938,200	8,316,800	86,611,800	243,448,240	1,293,108,000	3,857,492,340
2058	1,228,996,300	1,069,478,300	4,057,100	8,576,300	90,339,600	252,793,040	905,868,400	3,560,109,040
2059	1,268,867,900	1,105,862,800	4,189,900	8,865,800	94,198,600	263,248,000	-	2,745,233,000
2060	1,311,653,300	1,145,352,000	4,334,700	9,181,500	98,388,600	274,635,200	-	2,843,545,300
2061	1,353,458,900	1,184,234,500	4,458,800	9,453,700	102,440,300	284,780,160	-	2,938,826,360
2062	<u>1,398,283,300</u>	<u>1,226,435,500</u>	<u>4,593,600</u>	<u>9,749,200</u>	<u>106,826,400</u>	<u>295,775,280</u>	<u>-</u>	<u>3,041,663,280</u>
<b>Total</b>	<b>\$34,671,641,500</b>	<b>\$29,054,732,700</b>	<b>\$121,782,800</b>	<b>\$251,841,400</b>	<b>\$2,262,008,300</b>	<b>\$6,309,365,920</b>	<b>\$27,061,832,000</b>	<b>\$99,733,204,620</b>

The Report is incorporated by reference herein. See "INCORPORATION BY REFERENCE."

## INCORPORATION BY REFERENCE

For additional information, the Report, the SRT Project Agreement and the PGBT EE Project Agreement have been filed with the Electronic Municipal Market Access System ("EMMA") maintained by the Municipal Securities Rulemaking Board (the "MSRB") and are incorporated by reference herein. In addition, the Authority's monthly financial statements filed with EMMA are incorporated by reference herein. The Report, the SRT Project Agreement and the PGBT EE Project Agreement are also available upon request made to the Authority or may be accessed on the Authority's website by accessing the following respective links:

[http://www.ntta.org/NR/rdonlyres/5AEA927D-B670-410A-B77B-1A87C4FA34C4/0/NTTASInvestmentGradeTandRReport\\_July1709.pdf](http://www.ntta.org/NR/rdonlyres/5AEA927D-B670-410A-B77B-1A87C4FA34C4/0/NTTASInvestmentGradeTandRReport_July1709.pdf),

[http://www.ntta.org/NR/rdonlyres/D437EE88-5647-4CE1-8C82-E565B8BB8B83/0/SH\\_121\\_Project\\_Agreementwithpostclosingadjustmentletter.pdf](http://www.ntta.org/NR/rdonlyres/D437EE88-5647-4CE1-8C82-E565B8BB8B83/0/SH_121_Project_Agreementwithpostclosingadjustmentletter.pdf); and

<http://www.ntta.org/NR/rdonlyres/69B64DBF-D6B5-43FD-BD20-FE8A2171F1D7/0/EEPProjectAgreementwithExhibitsplus1stamendment.pdf>.

THE FOREGOING LINKS ARE NOT INCLUDED TO INCORPORATE BY REFERENCE, EITHER EXPRESSLY OR BY IMPLICATION, INTO THIS OFFICIAL STATEMENT ANY OTHER INFORMATION OR MATERIALS ON THE AUTHORITY'S WEBSITE. THE INFORMATION CONTAINED AT THE LINK LOCATIONS IS DATED AS OF THE DATE OF THE RESPECTIVE DOCUMENTS, AND THERE CAN BE NO ASSURANCE THAT SUCH INFORMATION WILL BE UPDATED IN THE FUTURE, AND THE AUTHORITY, ITS FINANCIAL ADVISORS AND THE UNDERWRITERS DISCLAIM ANY RESPONSIBILITY TO UPDATE SUCH INFORMATION. THE AUTHORITY, ITS FINANCIAL ADVISORS AND THE UNDERWRITERS DISCLAIM ANY RESPONSIBILITY AS TO THE ACCURACY OR COMPLETENESS OF THE CONTENT OF ANY MATERIAL CONTAINED ON ANY LINK TO OR CONTENT OR MATERIAL ON OTHER INTERNET SITES OR HYPERLINKS/URL REFERENCES ACCESSED THROUGH THE AUTHORITY'S WEBSITE. SEE "**RISK FACTORS – FORWARD LOOKING STATEMENTS.**"

## ENGINEERING REPORTS AND PROGRESS REPORTS

The Authority has received multiple engineering reports with respect to various components of the NTTA System. The only components of the NTTA System not yet complete are the LLTB, the SRT (other than Segments 1 and 2) and the PGBT EE. As of the date hereof, the Consulting Engineer is only required, pursuant to the Amended and Restated Trust Agreement, to submit semi-annual progress reports relating to the DNT Extension Phase 3, SRT, the PGBT EE, and the LLTB. The most recent engineering reports with respect to the SRT, the PGBT EE and the LLTB are attached hereto as Appendix C (excluding exhibits). The most recent semi-annual progress reports relating to the DNT Extension Phase 3, SRT, the PGBT EE and the LLTB are attached hereto as Appendix D. Copies of all engineering and semi-annual progress reports are available upon request at the offices of the Authority. Such reports reflect the facts, conditions, and estimates existing or made at the time of the report. Each such report speaks only as of its date and no effort has been made to update such reports.

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## **PRO FORMA DEBT SERVICE REQUIREMENTS <sup>(1)</sup>**

Set forth in the table below are the total debt service requirements for the outstanding obligations of the Authority. The table reflects the Authority's assumptions described under "**PLAN OF FINANCE**" and in the footnotes below.

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Fiscal Year	A	B	C	D	E	F	G	H
Ending	Outstanding First Tier	Series 2009A First	Series 2009B First	Future First Tier	Second Tier Net	ISTEA Loan <sup>(11)</sup>	CIF Subordinated	Total Net Debt
12/31 <sup>(2)</sup>	Net Debt Service <sup>(3)(4)(5)(6)(7)</sup>	Tier Debt Service	Tier Debt Service <sup>(6)(8)</sup>	Debt Service <sup>(3)(9)</sup>	Debt Service <sup>(3)(10)</sup>		Debt <sup>(12)</sup>	Service <sup>(6)(13)</sup>
2009	\$ 113,607,138	\$ 9,441,599	\$ -	\$ -	\$ 5,803,828	\$ 7,750,000	\$ 12,859,175	\$ 149,461,741
2010	117,780,390	38,613,063	-	-	11,607,655	8,250,000	18,894,409	195,145,517
2011	148,541,415	38,928,263	-	-	20,313,396	8,250,000	23,012,544	239,045,617
2012	184,967,832	39,261,263	36,025,275	-	37,724,879	8,250,000	23,830,955	330,060,203
2013	242,063,597	22,984,193	36,025,275	-	58,038,275	8,000,000	19,376,965	386,488,305
2014	242,936,269	22,984,193	36,025,275	11,683,125	58,038,275	8,000,000	23,295,180	402,962,316
2015	264,239,996	22,984,193	36,025,275	11,683,125	58,038,275	8,000,000	28,711,648	429,682,512
2016	285,829,667	22,984,193	36,025,275	11,683,125	58,038,275	8,000,000	29,812,643	452,373,178
2017	287,739,658	22,984,193	36,025,275	11,683,125	58,038,275	9,000,000	31,425,933	456,896,458
2018	336,337,546	22,984,193	36,025,275	11,683,125	58,038,275	10,500,000	34,330,536	509,898,950
2019	334,814,521	22,984,193	36,025,275	11,683,125	58,038,275	12,250,000	36,856,154	512,651,543
2020	348,428,125	22,984,193	36,025,275	11,683,125	58,038,275	15,322,396	47,869,970	540,351,358
2021	345,305,687	50,479,193	36,025,275	11,683,125	58,038,275	15,322,396	48,356,709	565,210,660
2022	344,630,484	50,484,090	36,025,275	44,911,355	58,038,275	15,322,396	52,885,424	602,297,299
2023	352,893,034	50,479,160	36,025,275	44,911,355	58,038,275	15,322,396	46,373,267	604,042,762
2024	362,589,452	50,483,523	36,025,275	44,911,355	58,038,275	15,322,396	48,031,346	615,401,620
2025	407,128,473	30,597,848	36,025,275	44,911,355	58,038,275	15,322,396	49,660,873	641,684,495
2026	395,155,309	50,479,963	36,025,275	44,911,355	58,038,275	15,322,396	54,071,084	654,003,656
2027	422,512,609	50,480,933	36,025,275	44,911,355	58,038,275	15,322,396	53,208,671	680,499,512
2028	447,030,109	50,482,188	36,025,275	44,911,355	58,038,275	15,322,396	60,332,471	712,142,069
2029	440,306,716	32,743,125	36,025,275	44,911,355	83,113,275	-	60,018,899	697,118,644
2030	387,867,334	14,695,625	36,025,275	44,911,355	174,967,431	-	67,359,437	725,826,457
2031	392,285,227	14,698,438	36,025,275	58,926,355	184,636,450	-	66,586,669	753,158,413
2032	431,728,255	14,697,813	36,025,275	92,575,417	173,621,525	-	65,621,655	814,269,939
2033	444,875,483	14,696,875	36,025,275	92,577,277	176,682,325	-	66,353,425	831,210,660
2034	517,741,990	14,698,438	36,025,275	92,575,771	135,435,175	-	69,283,872	865,760,520
2035	565,290,852	14,695,000	36,025,275	92,580,330	130,842,538	-	84,217,241	923,651,236
2036	601,746,650	14,699,375	36,025,275	92,578,783	123,821,000	-	88,083,043	956,954,125
2037	655,470,638	14,698,438	36,025,275	92,578,514	78,157,961	-	86,542,861	963,473,686
2038	260,220,365	14,699,688	36,025,275	92,575,217	-	-	70,090,297	473,610,841
2039	262,998,565	-	103,600,275	92,578,564	-	-	-	459,177,404
2040	298,453,490	-	103,599,477	92,581,134	-	-	-	494,634,101
2041	303,075,100	-	103,589,862	66,879,484	-	-	-	473,544,446
2042	305,794,088	-	103,586,189	-	-	-	-	409,380,277
2043	43,605,400	-	103,582,346	-	-	-	-	147,187,746
2044	45,883,100	-	103,577,217	-	-	-	-	149,460,317
2045	47,930,513	-	103,569,473	-	-	-	-	151,499,985
2046	14,749,334	-	30,706,032	-	-	-	-	45,455,366
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-
2055	-	-	-	-	-	-	-	-
2056	-	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 12,004,554,410</b>	<b>\$ 859,107,434</b>	<b>\$ 1,728,493,296</b>	<b>\$ 1,456,674,034</b>	<b>\$ 2,265,339,838</b>	<b>\$ 234,151,564</b>	<b>\$ 1,467,353,357</b>	<b>\$ 20,015,673,933</b>

<sup>(1)</sup> Excludes any payments to be made into the Reserve Maintenance Fund ("RMF") under the Amended and Restated Trust Agreement. Payments into the RMF are made after debt service on First, Second and Third Tier Bonds but prior to debt service on the ISTEA Loan.

<sup>(2)</sup> Fiscal year debt service includes debt service on following January 1 (i.e., fiscal year 2009 includes debt service on January 1, 2010).

<sup>(3)</sup> Net of capitalized interest.

<sup>(4)</sup> Assumes a portion of the Series 2008E-1 Bonds and the Series 2008G Bonds (\$175.88 million) are refunded on October 1, 2009 with fixed rate bonds assumed to bear interest at 6.25%, and a portion of the bonds (\$178.31 million) are refunded on October 1, 2009 with variable rate bonds, which are assumed to bear interest at a rate of 4.50% inclusive of all remarketing and liquidity fees.

<sup>(5)</sup> Assumes the Series 2008E-2 Bonds, the Series 2008E-3 Bonds, the Series 2008H Bonds, and the Series 2008L Bonds are remarketed to a fixed rate of 6.25% after their respective mandatory tender dates. Assumes the Series 2008J Bonds bear interest at a rate of 5.00% per annum until November 1, 2011, the mandatory tender date for the Series 2008J Bonds, and at a rate of 6.25% thereafter.

<sup>(6)</sup> Debt Service in years 2046 - 2048 is net of cash balances in Debt Service Reserve Fund which is required by the terms of the Amended and Restated Trust Agreement to be used to retire the last maturities of the outstanding bonds.

<sup>(7)</sup> Assumes the remarketing of approximately \$178.31 million par amount of the Series 2005C Bonds. A notional amount of \$178.31 million of the existing swap on the 2005C Bonds will remain in place. An annual expense of 1.50% of the outstanding par amount is added to account for the effect of the swap. Such additional expense is the weighted average swap rate less approximately 67% of the 5-year average of 1-Month LIBOR.

<sup>(8)</sup> Net of capitalized interest and Direct Subsidy.

<sup>(9)</sup> Assumes the issuance of approximately \$186,930,000 additional First Tier current interest bonds in 2011 and \$232,387,000 convertible capital appreciation bonds in 2012, which are assumed to bear interest at 6.25% and 7.11% respectively.

<sup>(10)</sup> Debt service in year 2037 is net of cash balance in the Debt Service Reserve Fund which is required by the terms of the Amended and Restated Trust Agreement to be used to retire the last maturities of outstanding bonds.

<sup>(11)</sup> See Appendix F for additional information on the amortization of the ISTEA Loan.

<sup>(12)</sup> Assumes \$400,000,000 raised through the issuance of subordinated debt (subordinate to Third Tier Bonds and Third Tier Payment Obligations) secured by and paid from the Authority's Capital Improvement Fund and bearing interest at an assumed rate of 8.00%. Proceeds are assumed to be used as an equity contribution to SH 161, and/or SWP/SWP (TxDOT)/Chisholm Trail Parkway.

<sup>(13)</sup> After the issuance of the Series 2009 Bonds, NTTA will not have any Third Tier debt outstanding and does not anticipate issuing additional Third Tier debt.

## **ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME, AND ESTIMATED DEBT SERVICE COVERAGE**

The table on the following page shows estimated annual net revenues of the NTTA System for the period between January 1, 2009 through December 31, 2057. These net revenues were derived by deducting estimated expenses, as estimated by the Consulting Engineer, from the annual toll revenues of the NTTA System as estimated by the Traffic Engineer, and adding the investment and other earnings estimated by the Authority. See **"THE TRAFFIC AND REVENUE STUDY** and **"RISK FACTORS."** The Authority has estimated "Other Revenues" for the NTTA System. These revenues include interest earnings on projected cash balances of the Authority. The "Other Revenues" also include various fees and other charges connected with the video tolling process. The table reflects the Authority's assumptions described under **"PLAN OF FINANCE"** and **"PRO FORMA DEBT SERVICE REQUIREMENTS."**

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Fiscal Year Ending 12/31 <sup>(1)</sup>	Estimated Toll Revenues <sup>(2)</sup>	Estimated Other Revenues <sup>(3)</sup>	Estimated Expenses <sup>(4)</sup>	Estimated Net Revenues	Estimated Net Debt Service on all Debt <sup>(5)(6)</sup>	Estimated Coverage on all Debt	Estimated Coverage On 1st & 2nd Tier Debt <sup>(6)(7)</sup>	Estimated Coverage On 1st Tier Debt <sup>(6)(8)</sup>
2009	\$ 283,557,600	\$ 24,832,132	\$ 93,091,655	\$ 215,298,077	\$ 149,461,741	1.44	1.67	1.75
2010	377,132,800	30,009,294	99,302,282	307,839,812	195,145,517	1.58	1.83	1.97
2011	418,208,940	32,908,332	100,517,378	350,599,894	239,045,617	1.47	1.69	1.87
2012	476,989,580	38,499,792	110,021,916	405,467,456	330,060,203	1.23	1.36	1.56
2013	518,711,720	45,353,253	112,635,783	451,429,190	386,488,305	1.17	1.26	1.50
2014	556,771,660	44,858,941	115,861,497	485,769,104	402,962,316	1.21	1.31	1.55
2015	595,824,680	44,392,140	119,393,780	520,823,040	429,682,512	1.21	1.33	1.56
2016	635,765,320	43,961,859	123,265,136	556,462,043	452,373,178	1.23	1.34	1.56
2017	675,675,920	43,837,498	127,187,275	592,326,143	456,896,458	1.30	1.42	1.65
2018	720,181,840	44,235,468	131,275,612	633,141,696	509,898,950	1.24	1.36	1.56
2019	787,972,400	44,821,062	136,586,140	696,207,322	512,651,543	1.36	1.50	1.72
2020	840,928,560	45,539,722	140,152,959	746,315,323	540,351,358	1.38	1.56	1.78
2021	884,846,760	46,383,844	144,426,678	786,803,926	565,210,660	1.39	1.57	1.77
2022	933,100,640	47,082,686	148,863,011	831,320,315	602,297,299	1.38	1.56	1.75
2023	981,209,820	51,799,783	153,469,893	879,539,710	604,042,762	1.46	1.62	1.82
2024	1,034,002,320	52,011,239	158,255,478	927,758,081	615,401,620	1.51	1.68	1.88
2025	1,092,013,280	52,379,516	163,385,565	981,007,231	641,684,495	1.53	1.70	1.89
2026	1,140,359,400	52,470,611	167,880,532	1,024,949,479	654,003,656	1.57	1.75	1.95
2027	1,187,916,500	52,622,904	172,527,453	1,068,011,951	680,499,512	1.57	1.75	1.93
2028	1,239,605,420	52,828,589	177,304,442	1,115,129,567	712,142,069	1.57	1.75	1.93
2029	1,291,538,700	53,081,414	182,232,881	1,162,387,233	697,118,644	1.67	1.82	2.10
2030	1,347,924,380	53,375,905	187,329,441	1,213,970,844	725,826,457	1.67	1.84	2.51
2031	1,405,815,780	53,703,418	192,552,103	1,266,967,095	753,158,413	1.68	1.85	2.52
2032	1,468,629,860	54,063,026	197,934,300	1,324,758,586	814,269,939	1.63	1.77	2.30
2033	1,530,817,360	54,451,832	203,480,322	1,381,788,870	831,210,660	1.66	1.81	2.35
2034	1,598,260,240	54,866,460	209,193,650	1,443,933,050	865,760,520	1.67	1.81	2.18
2035	1,668,346,700	55,305,703	215,100,758	1,508,551,645	923,651,236	1.63	1.80	2.13
2036	1,739,266,980	55,663,256	221,052,607	1,573,877,629	956,954,125	1.64	1.81	2.11
2037	1,807,356,640	56,036,012	227,214,493	1,636,178,159	963,473,686	1.70	1.87	2.05
2038	1,880,946,920	56,422,678	233,599,660	1,703,769,938	473,610,841	3.60	4.22	4.22
2039	1,956,352,160	55,628,537	240,212,936	1,771,767,761	459,177,404	3.86	3.86	3.86
2040	2,037,857,260	56,038,933	247,036,003	1,846,860,190	494,634,101	3.73	3.73	3.73
2041	2,116,848,540	56,428,633	254,013,552	1,919,263,621	473,544,446	4.05	4.05	4.05
2042	2,201,472,440	56,813,814	261,140,746	1,997,145,508	409,380,277	4.88	4.88	4.88
2043	2,284,799,520	57,193,667	268,417,264	2,073,575,923	147,187,746	14.09	14.09	14.09
2044	2,374,758,500	57,579,919	275,889,076	2,156,449,343	149,460,317	14.43	14.43	14.43
2045	2,465,226,740	57,973,684	283,598,521	2,239,601,903	151,499,985	14.78	14.78	14.78
2046	2,561,404,060	58,357,972	291,408,157	2,328,353,875	45,455,366	51.22	51.22	51.22
2047	2,657,367,820	58,749,265	299,439,189	2,416,677,896	-	-	-	-
2048	2,761,111,680	59,146,117	307,681,320	2,512,576,477	-	-	-	-
2049	2,863,405,100	59,548,589	316,143,844	2,606,809,845	-	-	-	-
2050	2,973,797,680	59,957,905	324,875,959	2,708,879,626	-	-	-	-
2051	3,084,795,960	60,373,492	333,814,878	2,811,354,574	-	-	-	-
2052	3,204,807,900	60,795,649	343,001,667	2,922,601,882	-	-	-	-
2053	3,324,342,260	56,356,535	352,475,137	3,028,223,658	-	-	-	-
2054	3,453,575,700	54,169,156	362,218,668	3,145,526,188	-	-	-	-
2055	3,582,688,680	51,984,265	372,349,352	3,262,323,593	-	-	-	-
2056	3,722,044,580	52,051,556	382,819,552	3,391,276,584	-	-	-	-
2057	3,857,492,340	52,120,005	393,469,750	3,516,142,595	-	-	-	-
<b>Total</b>	<b>\$ 84,603,827,640</b>	<b>\$ 2,519,066,060</b>	<b>\$ 10,675,100,251</b>	<b>\$ 76,447,793,449</b>	<b>\$ 20,015,673,933</b>			

(1) Fiscal year debt service includes debt service on following January 1 (i.e., fiscal year 2009 includes debt service on January 1, 2010).

(2) Toll revenue is provided by WSA.

(3) Estimated revenues are provided by the Authority and include video tolling fees and other charges and estimated projected interest earnings at 3.00% on the First and Second Tier Debt Service Reserve Funds (net of outflows to capitalized interest funds) and an estimated balance of \$20 million in the Capital Improvement Fund.

(4) Estimated expenses are provided by HNTB.

(5) See column H of table under the heading "Pro Forma Debt Service Requirements."

(6) See "Pro Forma Debt Service Requirements" and related notes on the preceding page for information regarding assumptions included in the estimates.

(7) See columns A - E of the table under the heading "Pro Forma Debt Service Requirements" on the preceding page for totals of Debt Service for all

(8) See column A - D of the table under the heading "Pro Forma Debt Service Requirements" for total of debt service for all First Tier debt.

## **RISK FACTORS**

The Series 2009 Bonds are special and limited obligations of the Authority, payable solely from a First Tier lien on tolls and other revenues of the NTTA System. The following is a discussion of certain risk factors that should be considered in evaluating an investment in the Series 2009 Bonds. This discussion does not purport to be either comprehensive or definitive. The order in which risks are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may well be other risks associated with an investment in the Series 2009 Bonds in addition to those set forth herein.

### **General**

The financial forecasts in this Official Statement are based generally upon certain assumptions and projections as to estimated revenues and operating and maintenance expenses. See the Report incorporated by reference herein. Inevitably, some underlying assumptions and projections used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast periods will vary from the forecasts, and such differences may be material.

### **Forward-Looking Statements**

The statements contained in this Official Statement, and in other information provided by the Authority, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future and the projections in the traffic and revenue study. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no 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.

### **Rising Interest Rate Risk and other Market Disruptions**

Substantially increased interest rates could adversely impact the ability of the Authority to remarket or refund its Series 2008E Bonds, Series 2008G Bonds, Series 2008H Bonds, Series 2008J Bonds, and Series 2008L Bonds on their respective mandatory tender dates.

In addition, current conditions in the credit markets could cause disruptions in the Authority's ability to finance projects currently contemplated or under construction or that are contemplated.

### **Additional Refunding Risks – The Series 2005C Bonds and Certain Swap Agreements**

The Authority's Series 2005C Bonds, which will remain outstanding in the aggregate principal amount of \$178,310,000 after the issuance of the Series 2009 Bonds, are currently in a weekly rate mode, are insured by FGIC, and were previously entitled to the benefit of a standby bond purchase agreement ("*SBBPA*") provided by Depfa Bank plc ("*DEPFA*"). After FGIC was downgraded below investment grade by Fitch Ratings ("*Fitch*"), Moody's Investor Services, Inc. ("*Moody's*") and Standard & Poor's Corporation ("*S&P*"), DEPFA's obligation to purchase tendered Series 2005C Bonds terminated.

Since a "termination event" occurred under the SBBPA, the Series 2005C Bonds held by DEPFA now bear interest at 3.0% plus the higher of (i) DEPFA's prime rate or (ii) federal funds plus 0.50%. Also, because the SBBPA terminated, the Authority is obligated to use its best efforts to convert the Series 2005C Bonds to a fixed rate or to refund such bonds. Series 2005C Bonds outstanding and held by anyone other than DEPFA that cannot be remarketed automatically convert to a daily rate mode and the interest rate on such bonds will increase to 12% per annum.

The holders of all but approximately \$5,500,000 in principal amount of the Series 2005C Bonds put such bonds back to the Authority, and such bonds are currently held as bank bonds by DEPFA, which has resulted in increased interest costs. The Series 2005C Bonds held by DEPFA bear interest at a rate of 6.5% as of the date hereof. The Authority intends to remarket the remaining outstanding Series 2005C Bonds as fixed rate bonds in September of this year.

The Authority entered into interest rate exchange agreements relating to the Series 2005C Bonds, which interest rate exchange agreements were insured by FGIC. Pursuant to the interest rate exchange agreement with JPMorgan Chase Bank, N.A. ("*JPM*"), successor to Bear Stearns Financial Products Inc., if FGIC's rating is below "A-" by S&P or "A3" by Moody's and the Authority's First Tier Bonds are rated below "A-" by S&P or "A3" by Moody's, the Authority will be obligated to post collateral in an amount equal to the swap termination payment amount owed by the Authority to JPM. The collateral posting requirement could have a negative impact on the Authority's liquidity position.

### **Costs of Construction of the SRT, the PGBT EE and Other Projects**

In projects of the magnitude of the SRT, the PGBT EE, and other projects, there is a possibility of time delays and cost increases resulting from (i) design and construction problems and resulting change orders, (ii) environmental litigation or environmental administrative matters, (iii) the unavailability or cost of acquiring right-of-way, (iv) archeological, historic and unidentified subsurface conditions, (v) utility relocation problems, (vi) hazardous materials, (vii) force majeure events, (viii) litigation, or (ix) inflation. As a result, there can be no assurance that the costs of completion for the SRT, PGBT EE and other projects will not exceed current estimates, or that the completion of such projects will not be delayed beyond the scheduled completion date. Variations in cost estimates and delays in construction could be material. With respect to Segment 3 of the SRT, the consulting engineers estimated the quantities of the major construction items from construction plans prepared by the section design engineering firms of Huitt-Zollars, Inc., PB Americas, Inc. and Bridgefarmer & Associates, Inc. Such estimates included grading, drainage, bridges, pavements, retaining walls, soundwalls, gantries, landscaping and related elements. The estimated quantities and unit prices for similar construction in the Dallas area were used to estimate the total construction costs. Unit prices were based on costs expected to be received through the competitive bidding process in the fourth quarter of 2007 and the first quarter of 2008. Quantities of major construction items for Segments 4 and 5 were estimated by the consulting engineers from construction plans prepared by the section design engineering firms of Jacobs Engineering Group, Inc. and Rodriguez Transportation Group, Inc. With respect to the PGBT EE Project, the consulting engineers estimated the quantities of the major construction items from construction plans prepared by the section design engineering firms of Jacob Carter-Burgess, Halff Associates, Parsons Brinckerhoff and PBS&J. Such estimates included grading, drainage, bridges, pavements, retaining walls, soundwalls, gantries and related elements. The estimated quantities and unit prices for similar construction in the Dallas area were used to estimate the total construction costs. Unit prices were based on costs expected to be received through the competitive bidding process in the second, third and fourth quarter of 2008.

There is also a possibility of insolvency or bankruptcy of the contractors during construction. While the contractors will be required to provide a performance bond and a payment bond, there can be no assurance that such bonds will be sufficient to assure timely completion of the SRT, the PGBT EE and other projects. Moreover, in the event that a default occurs under a construction contract by the contractor, there is a possibility of litigation between the Authority and the providers of the performance bonds and payment bonds and/or the contractor, which could further delay construction and the opening of the SRT, the PGBT EE and other projects. Any such delays and/or cost overruns could result in the delay or reduction in the collection of revenues and an increase in costs, thereby making it more difficult for the Authority to generate sufficient revenues to pay principal of and interest on the Series 2009 Bonds.

The Authority has included a contingency amount of approximately 20% and 15% in its estimates for the construction and development of the SRT and the PGBT EE, respectively, thereby reducing the possibility of cost overruns.

### **Traffic and Revenue Reports**

The revenue forecasts in the traffic and revenue studies are based upon certain assumptions set forth or incorporated therein. See the Report incorporated by reference herein. See "**INCORPORATION BY REFERENCE.**" The traffic and revenue study is not a guarantee of any future events or trends and the forecasts therein are subject to future economic and social conditions and demographic developments that cannot be predicted with certainty. Further, any of the estimates and assumptions in the traffic and revenue study are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of the Authority. Failure to achieve or realize any of the assumptions listed in the traffic and revenue study may have a materially adverse effect upon the net revenues actually realized. Currently, the toll rates in effect on the NTTA System are set at rates that are expected to produce a First Tier debt service coverage ratio of at least 1.50 times in each future year. In 2013, the First Tier debt service coverage ratio is expected to be 1.50, the lowest future level projected. If there is a decrease in ridership on the NTTA System or if there is a period of significant inflationary pressure, the Authority's actual First Tier debt service coverage ratio could decline below 1.50, which could effect the market value of the Series 2009 Bonds. While the Authority has a goal of maintaining a First Tier debt service coverage ratio of 1.50, the Amended and Restated Trust Agreement only requires that it maintain a First Tier debt service coverage ratio of 1.35. If the First Tier debt service coverage ratio falls below 1.35 (or such other levels as are specified in the Amended and Restated Trust Agreement for First and Second Tier debt or on all debt) the Authority would be required to raise toll rates or reduce expenses to maintain the minimum coverage ratios required by the Amended and Restated Trust Agreement. In order to better understand the ramifications of a decline in ridership on the NTTA System, the Authority stressed the results of the Report, which stress tests reflected a decline in toll revenues by 9.0% and 13.0%. The Authority would still maintain a debt service coverage ratio on all outstanding First Tier debt of 1.35 if toll revenues were to decline by 9.0%. The Authority would still maintain a debt service coverage ratio on all outstanding debt of 1.0 if toll revenues were to decline by 13.0%.

### **Operating Risks**

The ability of the SRT, the PGBT EE and other toll facilities of the Authority to generate revenues in amounts sufficient to pay debt service on the obligations of the Authority when due will be subject to the risks inherent in the establishment of any new toll facility. The ability to repay the obligations of the Authority will be dependent on the volume of traffic that utilizes the NTTA System and the ability of the Authority and its computer systems to accurately process data. Revenues to be generated through such use will be influenced by numerous factors, including, among other things, the ability to manage toll evasion; the ability to control expenses; the availability of adequately-trained personnel; population, employment and income trends within the region; the congestion on alternative freeways, highways, and streets; time savings experienced by motorists utilizing the NTTA System; the toll rates; the availability and price of fuel; and the construction of new or improved competitive roadways or other transit facilities.

### **Ability to Maintain or Raise Rates**

The Authority recently adopted a new toll rate schedule which substantially increased toll rates across most of the NTTA System. Such rates will go into effect on September 1, 2009. Although the Report suggests there is an ability to raise rates further, the effect of such increased rates is unknown at this time. It is possible that the increase in rates could result in reduced usage of the NTTA System, resulting in decreased revenues. Additionally, after raising rates, substantial political pressure could result in hesitance to raise rates further if needed. Such risk is mitigated as a result of automatic increases to toll rates every two years, absent action by the Authority.

### **Maintenance Costs**

Successful operation of the NTTA System will require timely and complete maintenance and replacement of components of the NTTA System. No assurance can be given that sufficient funds will be available to maintain the NTTA System adequately over the long term. Any significant deterioration in the NTTA System

may result in increased operating costs and in reduced usage, as well as temporary lane closures, and may adversely affect the amount of funds available to pay debt service on the Authority's obligations.

### **Motor Fuel Prices and Taxes**

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 to the extent that motor fuel pump prices increase substantially. Increases in motor fuel pump prices could negatively impact the revenues of the Authority. Additionally, if motor fuel prices continue to increase as they have in recent history, it could have a material adverse effect on the economy of the north central Texas region and the revenues of the Authority.

### **Limitation and Enforceability of Remedies**

#### *Limitation of Remedies under the Amended and Restated Trust Agreement.*

The remedies available to owners of the Series 2009 Bonds upon an event of default under the Amended and Restated Trust Agreement are limited to the seeking of specific performance in a writ of mandamus or other suit, action or proceeding compelling and requiring the Authority and its officers to observe and perform any covenant, condition or obligation prescribed in the Amended and Restated Trust Agreement. In no event will owners have the right to have the maturity of the Series 2009 Bonds accelerated as a remedy in the event of a default by the Authority. The enforcement of the remedy of mandamus may be difficult and time consuming. No assurance can be given that a mandamus or other legal action to enforce a default under the Amended and Restated Trust Agreement would be successful.

Under current State law the Authority may waive sovereign immunity from suit or liability for the purpose of adjudicating a claim to enforce an obligation issued or incurred (including credit agreements entered into) under Chapter 1371 of the Texas Government Code or for damages for breach of such obligation. **THE AUTHORITY HAS NOT AGREED TO WAIVE SOVEREIGN IMMUNITY UNDER THE AMENDED AND RESTATED TRUST AGREEMENT.** However, State courts have held that mandamus proceedings such as those discussed in the preceding paragraph are not prohibited by sovereign immunity. See "**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE AMENDED AND RESTATED TRUST AGREEMENT.**"

#### *Enforceability of Remedies.*

The remedies available under the Amended and Restated Trust Agreement are in many respects dependent 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 Act 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 2009 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2009 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.

### **Clean Air Act Non-Attainment and Conformity Risk; NEPA Environmental Litigation Risk**

The air quality provisions of the Clean Air Act, 42 U.S.C. §7401 et seq., as amended ("**CAA**"), and the transportation planning provisions of Title 23 and Title 49 of the United States Code, are intended to ensure that integrated transportation and air quality planning occur in those areas designated by the United States Environmental Protection Agency ("**EPA**") as non-attainment areas.

The CAA requires the EPA to set National Ambient Air Quality Standards ("**NAAQS**") for widespread pollutants from numerous and diverse sources considered harmful to public health and the environment. The CAA establishes two types of National Air Quality Standards: Primary Standards set limits to protect public health, including the health of "sensitive" populations; Secondary Standards set limits to protect public welfare,



including protection against visibility impairment, damage to animals, crops, vegetation, and buildings. The CAA requires periodic review of the science upon which the standards are based and the standards themselves. NAAQS have been set for pollutants: Ozone, Carbon Monoxide, Particulate Matter, Sulfur Dioxide, Nitrogen Oxides, and Lead. An area in which one or more of the six regulated pollutants exceeds the NAAQS is designated as a "non-attainment" area, based on the area's failure to attain compliance with NAAQS for any particular pollutant. On April 15, 2004, EPA designated a nine-county area as non-attainment under the 8-hour NAAQS for ozone which became effective June 15, 2004. The nine-county area includes Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall and Tarrant Counties.

Transportation projects, including those of the Authority, must comply with and conform to the CAA. Although the area is currently designated non-attainment for ozone under the 8-hour NAAQS standard, voluntary pollution reduction efforts made in the area have kept the Area's transportation projects, including the Authority's projects, in compliance and conformity with the CAA.

Should the nine-county area fail to achieve attainment, or should the nine-county area fail to satisfy the then effective CAA State Implementation Plan ("*SIP*") (for non-attainment or otherwise), or for any other reason should a lapse in conformity with the Clean Air Act occur, the nine-county area may be subjected to sanctions pursuant to Section 179 of the CAA. Under such circumstances, the Texas Commission on Environmental Quality would be required under the CAA to submit to EPA a new SIP under the CAA for the area. Due to the complexity of the non-attainment/conformity analysis, the status of EPA's implementation of its 8-hour standard, and the incomplete information surrounding any SIP requirements for areas designated non-attainment under the 8-hour standard, the exact nature of sanctions or any potential SIP for the nine-county area is currently unknown. Nevertheless, it is possible that all or some of the transportation control measures available as sanctions under the CAA may be imposed. The CAA also provides for mandatory sanctions, including the suspension of highway funding, should the State fail to submit a proper SIP, or associated submissions, or fail to revise or implement a SIP, or fail to comply with an existing SIP. Subject to certain exceptions, if the nine-county area falls out of conformity and the mandatory highway funding suspension sanction is implemented, the Secretary of Transportation may be prohibited from approving or awarding transportation projects or grants within the area failing to conform to the CAA.

The SRT and the PGBT EE should not be directly affected by a lapse in conformity or non-attainment sanctions. The Mobility 2030: The Metropolitan Transportation Plan (the "*MTP*") was approved by the RTC in 2007 and received a favorable air quality conformity determination from the U.S. Department of Transportation. The MTP was amended in 2009 (the "*MTP 2009 Amendment*") and was approved by the RTC on April 9, 2009. As a result of the MTP 2009 Amendment, a new air quality conformity analysis was performed. Final federal approvals of the MTP 2009 Amendment and the conformity analysis have not yet been received, but are expected by the end of July 2009. The SRT and the PGBT EE are included in the MTP and the MTP 2009 Amendment.

It is possible that non-attainment, a lapse in conformity under the CAA, or other environmental issues may result in litigation involving injunctive or other relief that could give rise to delays in the construction or operation of the SRT and/or the PGBT EE. Litigation under the National Environmental Policy Act or other state or federal environmental laws may also result in injunctive or other relief and the possibility of delay in construction or operation of the SRT and/or the PGBT EE.

### **Swap Transaction Risks**

*General.* The Authority previously entered into interest rate swap transactions (the "*Swap Transactions*") in the collective notional amount of \$256,252,500 pursuant to ISDA Master Agreements dated and effective as of August 20, 2004 (the "*ISDA Master Agreements*") with Citibank N.A., New York and JPM (the "*Swap Providers*"). The Authority intends to terminate a notional amount of such swaps equal to approximately \$78 million in conjunction with the issuance of the Series 2009 Bonds.

*Basis and Termination Risk.* The Authority will experience basis risk because the variable rate bonds intended to be hedged by the Swap Transactions are expected to be converted to a fixed rate mode. However, as described under "**PLAN OF FINANCE**," the Authority may issue additional variable rate bonds later this year.

It is anticipated that such variable rate bonds would be issued in an amount and with maturities that would match the notional amounts of the Swap Transactions. Even if the Authority does issue such variable rate bonds, the Authority is still exposed to basis risk under the Swap Transactions as the variable rate received under the ISDA Master Agreements will not perfectly match the variable rate paid on the variable rate bonds intended to be hedged by such Swap Transactions.

Each of the ISDA Master Agreements may be terminated by the Authority if the respective counterparty does not maintain a credit rating of least "Baa3" by Moody's or "BBB-" by S&P. As of the date hereof, the Swap Providers respective ratings by Moody's and S&P are as follows: Citibank N.A., New York, "Aa1"/"AA" and JPM, "Aa1"/"AA-."

Under certain credit related circumstances, the Authority or the respective Swap Providers may terminate their respective obligations under the ISDA Master Agreements, and such termination may result in the payment of a settlement amount by the Authority or the respective Swap Provider to the other party. The amount of any termination would be determined at the time of the termination of the ISDA Master Agreements. If the Authority were to become obligated to make a termination payment under an ISDA Master Agreement, such obligation could be material in the period in which the amount is required to be paid. In addition to the foregoing, the Authority may enter into additional interest rate exchange agreements. See "**RISK FACTORS – Rising Interest Rate Risk.**"

In addition to the foregoing, under the Swap Transaction with JPM, the Authority may be obligated to post collateral to secure its exposure in the event such Swap Transaction is terminated. However, so long as the swap insurer for such Swap Transaction maintains a rating on its claims paying ability of at least "A-" from S&P and a financial strength rating of at least "A3" from Moody's or the Authority maintains a rating on its outstanding First Tier Bonds of at least "A3" by Moody's and at least "A-" by S&P, the Authority shall have no obligation to post collateral. While the rating of FGIC, the swap insurer, is below "A-" by S&P and below "A3" by Moody's, the Authority's ratings on its First Tier Bonds are "A2" by Moody's and "A-" by S&P and so the Authority has no obligation to post collateral at this time. See "**—Additional Refunding Risks — The Series 2005C Bonds and Certain Swap Agreements.**"

### **Additional Obligations**

There is no restriction on the Authority's ability to enter into additional hedging arrangements or to issue additional bonds (except for the satisfaction of the additional debt test contained in the Amended and Restated Trust Agreement). The execution of such hedging arrangements and the issuance of such additional bonds could adversely affect the ability of the Authority to repay the Series 2009 Bonds.

As indicated above, the Authority may issue additional debt to finance its costs for the PGBT EE, the SRT, the SWP/SWP (TxDOT)/Chisholm Trail Parkway, and SH 161. See "**OTHER PROJECTS AND RELATED INFORMATION – Committed Projects**" and "**— Potential Projects.**" If issued as part of the NTTA System, these financings may be issued as either First, Second, or Third Tier debt or some combination thereof. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS.**"

### **Capital Market Disruptions**

The credit markets have recently experienced substantial disruption. There can be no assurance as to the timing or the extent of the recovery that may be made by the credit markets. The Authority's capital plans may include raising additional funds through bond financings for various projects, including PGBT EE, SH 161, SWP/SWP (TxDOT)/Chisholm Trail Parkway and the SRT. If the Authority is unable to access the credit markets as a result of the disruptions that have been experienced, it is likely to have to delay the completion of certain projects until such time as the capital markets rebound. The effect of such delays could result in increased costs for such projects and a delay in the receipt of revenues for such projects.

### **Reliance on Capital Markets**

The Authority is undertaking, contemplating undertaking or in the process of undertaking several projects, including the PGBT EE and the SRT. The foregoing projects are scheduled to be complete between late 2011 and the third quarter of 2012 and will require substantial capital to complete.

After the issuance of the Series 2009 Bonds, the Authority will have approximately \$712.3 million on hand for the development and construction of the PGBT EE and the SRT. In order to complete the PGBT EE and the SRT, the Authority anticipates it will need to issue approximately \$419.3 million in additional bonds. Because of the significant funds that will be needed to complete construction of PGBT EE and the SRT, such funds will not be generated internally by the Authority. As a result the Authority will have to rely on its ability to access the capital markets to obtain sufficient funds to complete such projects. If the Authority is not able to raise such funds, it may be unable to complete the construction of the PGBT EE and/or the SRT.

In addition to the foregoing, the Authority is contemplating financing SH 161 and SWP/SWP (TxDOT)/Chisholm Trail Parkway off-system. However, in order to finance SH 161 and SWP/SWP (TxDOT)/Chisholm Trail Parkway, the Authority will have to make a contribution to such projects. In order to make such a contribution, the Authority intends to issue obligations in the amount of approximately \$400 million, which obligations will be secured by revenues deposited into the Capital Improvement Fund and will be subordinate to the Authority's outstanding Third Tier Bonds. If the Authority is unable to issue such obligations, it is unlikely that it will be able to undertake SH 161 and/or the SWP/SWP (TxDOT)/Chisholm Trail Parkway.

Finally, the Authority intends to remarket or refund its Series 2008E Bonds, Series 2008H Bonds, Series 2008J Bonds and Series 2008L Bonds on their respective mandatory tender dates. If the Authority is unable to remarket or refund such bonds on their mandatory tender dates, the interest rate on such bonds will increase to a rate of 12% per annum, which could have a material adverse effect on the Authority.

### **Risks Relating to Build America Bonds**

The Authority intends to issue the Series 2009B Bonds as "Build America Bonds" pursuant to the Recovery Act and to elect to receive a subsidy payment from Treasury equal to 35% of the taxable interest the Authority pays on the Series 2009B Bonds. In order to receive the subsidy, the Authority is required to make certain filings with the Internal Revenue Service. If the Authority fails to make the required filings, it will not be eligible to receive the subsidy payments. Additionally, the proceeds of "Build America Bonds" have a number of limitations on their use. If the Authority were to use the proceeds of the Series 2009B Bonds for expenditures other than capital expenditures, reasonably required reserve funds, and costs of issuance, the Series 2009B Bonds would not be eligible for the subsidy payments. Finally, it is possible that the subsidy payments could be reduced or eliminated as a result of a change in law. Any reduction or loss of the subsidy payments could have a material adverse effect on the Authority.

### **Impact of Market Turmoil**

The current domestic financial crisis has had, and is expected to continue to have, negative repercussions upon the national economy, including a scarcity of credit, lack of confidence in the financial sector, extreme volatility in the financial markets, fluctuations in interest rates, reduced business activity, increased unemployment, increased consumer bankruptcies and increased business failures and bankruptcies. In response, Congress passed, and former President George W. Bush signed on October 3, 2008, the Emergency Economic Stabilization Act of 2008, which authorizes the U.S. Treasury to purchase up to \$700 billion of mortgage-debt and other securities from financial institutions and take other actions for the purpose of stabilizing the financial markets. President Barack Obama, on February 17, 2009, signed the American Recovery and Reinvestment Act of 2009, which provides approximately \$787 billion in federal spending and tax initiatives. Congress, the Federal Reserve Board and other agencies of the federal government have taken various actions that are designed to enhance liquidity, improve the performance and efficiency of credit markets and generally stabilize securities markets and stimulate the economy. There can be no assurance that these actions will be effective.

The effect of the domestic financial crisis has impacted the Authority as well. In 2008, the Authority's actual toll revenues were approximately 8.2% below prior estimates. As a result, the Authority increased toll rates with the goal of generating additional revenue. Additionally, between the presentation of the preliminary budget in October 2008 and final adoption in December, the budget was reduced by \$6.0 million from approximately \$98.1 million to \$92.1 million. The Board amended the budget in June 2009 to approximately \$93.1 million to cover previously unbudgeted expenses. Since that time, the staff of the Authority has identified additional budget reductions of approximately \$4.7 million. If the economic environment remains weak or

worsens further, it could impact the Authority's ability to generate sufficient revenues to pay its obligations as they come due.

## LITIGATION

On the date of delivery of the Series 2009 Bonds to the Underwriters, the Authority will execute and deliver to the Underwriters a certificate to the effect that no litigation of any nature has been filed or is pending as of such date seeking to restrain or enjoin the issuance or delivery of the Series 2009 Bonds or which would affect the provisions made for their payment or security, or in any manner questions the validity of the Series 2009 Bonds.

As of the date of this Official Statement, the Authority is not a party to any litigation or other proceeding pending or, to its knowledge, threatened, in any court, agency, or other administrative body (either state or federal) which, if decided adversely to the Authority, could have a material adverse effect on the financial condition of the Authority.

## LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2009 Bonds are subject to approval of legality by the Attorney General of the State, of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Co-Bond Counsel to the Authority and of Mahomes Bolden Warren Sigmon PC, Dallas, Texas, Co-Bond Counsel to the Authority. Attached hereto as Appendix G is the form of opinion that Co-Bond Counsel will render in connection with the issuance of the Series 2009A Bonds. The legal opinion will accompany the Series 2009A Bonds deposited with DTC or will be printed on the Series 2009A Bonds in the event of the discontinuance of the Book-Entry-Only System. The payment of legal fees to Co-Bond Counsel in connection with the issuance of the Series 2009 Bonds is contingent on the sale and delivery of the Series 2009 Bonds. Certain legal matters will be passed upon for the Authority by Locke Lord Bissell & Liddell LLP, Dallas, Texas, General Counsel for the Authority. Certain legal matters will be passed upon for the Underwriters by Andrews Kurth LLP, Houston, Texas, and West & Associates L.L.P., Dallas, Texas, Co-Counsel for the Underwriters. The payment of legal fees to Co-Counsel for the Underwriters in connection with the issuance of the Series 2009 Bonds is contingent on the sale and delivery of the Series 2009 Bonds. In connection with the issuance of the Series 2009 Bonds, Co-Bond Counsel has been engaged by, and only represents, the Authority.

## TAX MATTERS

### **Federal Income Tax Treatment for the Series 2009A Bonds**

*Opinion.* On the date of initial delivery of the Series 2009A Bonds, Co-Bond Counsel will render an opinion with respect to the Series 2009A Bonds that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("*Existing Law*"), (1) interest on the Series 2009A Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Series 2009A Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "*Code*"). Except as stated above, Co-Bond Counsel will not express an opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Series 2009A Bonds. See Appendix G for the form of Co-Bond Counsel Opinion relating to the Series 2009A Bonds.

In rendering their opinion, Co-Bond Counsel will rely upon (a) certain information and representations of the Authority, including information and representations contained in the Authority's federal tax certificate, and (b) covenants of the Authority contained in the Resolution relating to certain matters, including arbitrage and the use of the proceeds of the Series 2009A Bonds and the property financed therewith. Failure by the Authority to observe the aforementioned representations or covenants could cause the interest on the Series 2009A Bonds to become taxable retroactively to the date of issuance.



The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Series 2009A Bonds in order for interest on the Series 2009A Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Series 2009A Bonds to be included in gross income retroactively to the date of issuance of the Series 2009A Bonds. The opinions of Co-Bond Counsel are conditioned on compliance by the Authority with such requirements, and Co-Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Series 2009A Bonds.

Co-Bond Counsel's opinion represents their legal judgment based upon their review of Existing Law and reliance on the aforementioned information, representations and covenants. Co-Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the United States Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Series 2009A Bonds.

A ruling was not sought from the Internal Revenue Service (the "IRS") by the Authority with respect to the Series 2009A Bonds or property financed with the proceeds of the Series 2009A Bonds. No assurances can be given as to whether or not the IRS will commence an audit of the Series 2009A Bonds, or as to whether the IRS would agree with the opinion of Co-Bond Counsel. If an audit is commenced, under current procedures the IRS is likely to treat the Authority as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

*Federal Income Tax Accounting Treatment of Original Issue Discount.* The initial public offering price to be paid for one or more maturities of the Series 2009A Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Series 2009A Bonds may not be equal to the accrual period or be in excess of one year (the "*Original Issue Discount Bonds*"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Series 2009A Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2009A Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.



The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

*Collateral Federal Income Tax Consequences.* The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Series 2009A Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF SERIES 2009A BONDS BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2009A BONDS.

Interest on the Series 2009A Bonds will be includable as an adjustment for "adjusted current earnings" to calculate the alternative minimum tax imposed on corporations by section 55 of the Code. Section 55 of the Code imposes a tax equal to twenty percent (20%) for corporations, or twenty-six percent (26%) for non-corporate taxpayers (twenty-eight percent (28%) for taxable excess exceeding \$175,000), of the taxpayer's "alternative minimum taxable income" if the amount of such alternative minimum tax is greater than the taxpayer's regular income tax for the taxable year.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Series 2009A Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Series 2009A Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds, although for this purpose, a de minimis amount of market interest is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the bond bears to the number of days between the acquisition date and the final maturity date.

### **Federal Income Tax Treatment for the Series 2009B Bonds**

THE FOLLOWING DISCUSSION, WHICH WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SALE OF THE SERIES 2009B BONDS, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN.

#### *General.*

The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Series 2009B Bonds and is based on the Code, the regulations

promulgated thereunder, published rulings and pronouncements of the IRS and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Series 2009B Bonds and does not address U.S. federal gift or estate tax or the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, taxpayers who may be subject to or personal holding company provisions of the Code) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Series 2009B Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the U.S. dollar". This summary is further limited to investors who will hold the Series 2009B Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF SERIES 2009B BONDS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE SERIES 2009B BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2009B BONDS BEFORE DETERMINING WHETHER TO PURCHASE SERIES 2009B BONDS.

As used herein, the term "U.S. Holder" means a beneficial owner of a Series 2009B Bond who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a Series 2009B Bond that is not a U.S. Holder.

*Certain U.S. Federal Income Tax Consequences to U.S. Holders.*

Periodic Interest Payments and Original Issue Discount. As described in "**THE SERIES 2009 BONDS – The First Tier Taxable Current Interest Bonds, Series 2009B**", the Issuer has made an election to treat the Bonds as Direct Pay Build America Bonds; thus, the Series 2009B Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Series 2009B Bonds or original issue discount, if any, accruing on the Series 2009B Bonds will be includable in "gross income" within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Series 2009B Bonds. An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Series 2009B Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner's tax basis in the Series 2009B Bonds. Generally, a U.S. Holder's tax basis in the Series 2009B Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Series 2009B Bonds has been held for more than one year.

Defeasance of the Series 2009B Bonds. Defeasance of any Series 2009B Bond may result in a reissuance thereof for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

*Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders.*

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Series 2009B Bond, will not be subject to U.S. federal income or withholding tax in respect of a Series 2009B Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Series 2009B Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

*Information Reporting and Backup Withholding.*

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Series 2009B Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

**State, Local, and Foreign Taxes for Series 2009 Bonds**

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership, or disposition of the Series 2009B Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

**CONTINUING DISCLOSURE OF INFORMATION**

In the Resolution the Authority has made the following agreement for the benefit of the holders and beneficial owners of the Series 2009 Bonds. The Authority is required to observe the agreement for so long as it remains obligated to advance funds to pay the Series 2009 Bonds. Under the agreement, the Authority will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the MSRB. This information will be available from the MSRB.

**Annual Reports**

The Authority will provide certain updated financial information and operating data to the MSRB. The information to be updated includes (i) all quantitative financial information and operating data with respect to the Authority and the NTTA System of the general type included in this Official Statement under the headings "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2009 BONDS, – Outstanding Obligations,**" "**THE NTTA SYSTEM – Operations,**" "**CURRENT AND HISTORICAL INFORMATION,**" "**PRO FORMA DEBT SERVICE REQUIREMENTS,**" "**ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME, AND ESTIMATED DEBT SERVICE COVERAGE,**" "**APPENDIX B – NTTA SYSTEM TOLL RATE SCHEDULES,**" (ii) a copy of the progress reports required under the Amended and

Restated Trust Agreement," and (iii) the annual financial statements in "**APPENDIX A – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008.**" The Authority will update and provide this information within six months after the end of each fiscal year. The Authority will provide the updated information to the MSRB.

The Authority may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "*Rule*"). The updated information will include audited financial statements, if the Authority commissions an audit and it is complete by the required time. If audited financial statements are not available by the required time, the Authority will provide unaudited statements by the required time and will provide audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with generally accepted accounting principles or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation.

The Authority's current fiscal year end is December 31. Accordingly, it must provide updated information by June 30 in each year, unless the Authority changes its fiscal year. If the Authority changes its fiscal year, it will notify the MSRB.

### **Material Event Notices**

The Authority will also provide timely notices of certain events to the MSRB. The Authority will provide notice of any of the following events with respect to the Series 2009 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2009A Bonds (the Series 2009B Bonds are taxable bonds); (7) modifications to rights of holders of the Series 2009 Bonds; (8) calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2009 Bonds; and (11) ratings changes. In addition, the Authority will provide timely notice of any failure by the Authority to provide information, data, or financial statements in accordance with its agreement described above under "– Annual Reports." The Authority will provide each notice described in this paragraph to the MSRB.

### **Availability of Information from the MSRB**

The Authority has agreed to provide the foregoing information only to the MSRB. The information will be available to Bondholders through the MSRB's internet website EMMA.

### **Limitations and Amendments**

The Authority has agreed to update information and to provide notices of material events only as described above. The Authority has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Authority makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Series 2009 Bonds at any future date. The Authority disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Series 2009 Bonds may seek a writ of mandamus to compel the Authority to comply with its agreement.

The Authority may amend, supplement, or repeal its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Series 2009 Bonds in the primary offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Series 2009 Bonds consent to the agreement or (b) any person unaffiliated with the Authority (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interest of the holders and beneficial owners of the Series 2009 Bonds. The Authority may also amend or repeal its continuing



disclosure agreement if the SEC amends or repeals the application provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Series 2009 Bonds in the primary offering of the Series 2009 Bonds.

### **Compliance with Prior Undertakings**

During the last five years, the Authority has complied materially with all continuing disclosure agreements made by it in accordance with the Rule.

### **INDEPENDENT AUDITOR**

The financial statements of the Authority, as of December 31, 2008, and for the year then ended, included in Appendix A to this Official Statement, have been audited by Crowe Horwath LLP, independent auditors, as stated in their report appearing in **Appendix A**. The audit report refers to certain supplementary information that is not a required part of the basic financial statements, some of which is unaudited.

Crowe Horwath LLP has not been engaged to perform and has not performed, since the date of its report included in **Appendix A**, any procedures on the financial statements addressed in that report.

### **PROFESSIONAL ENGINEERS**

The Report of Wilbur Smith Associates incorporated by reference herein and of HNTB, set forth in **Appendices C and D**, have been included in this Official Statement in reliance on their expertise as professional engineers. Each firm has consented to the inclusion of their reports in this Official Statement.

### **LEGAL INVESTMENTS IN TEXAS**

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Series 2009 Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Series 2009 Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Series 2009 Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Series 2009 Bonds are legal investments for state banks, savings banks, trust companies with at least \$1 million of capital, and savings and loan associations. The Series 2009 Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Authority has been made of the laws in other states to determine whether the Series 2009 Bonds are legal investments for various institutions in those states.

The Authority makes no representation that the Series 2009 Bonds will be acceptable to banks, savings and loan associations or public entities for investment purposes or to secure deposits of public funds. The Authority has made no investigation of other laws, regulations or investment criteria that might apply to or otherwise limit the availability of the Series 2009 Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Series 2009 Bonds and as to the acceptability of the Series 2009 Bonds for investment or collateral purposes.

### **RATINGS**

The Series 2009 Bonds have received ratings of "A-", stable outlook, from S&P and "A2", negative outlook, from Moody's. An explanation of the significance of each rating may be obtained from the company furnishing the rating. The ratings reflect only the views of such companies at the time such ratings are given, and



the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such companies, if in the judgment of such companies, circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price of the applicable series of Series 2009 Bonds.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

As a condition to the delivery of the Series 2009 Bonds, Grant Thornton LLP, a firm of independent accountants, will deliver its report indicating that it has examined, in accordance with the standards established by the American Institute of Certified Public Accountants, certain information and assertions provided by the Authority and verified the mathematical accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the U.S. Treasury obligations to pay, when due, the principal of, redemption premium, if any, and interest on the portion of the Refunded Bonds to the redemption date, if any, or maturity.

### **FINANCIAL ADVISORS**

RBC Capital Markets Corporation is acting as Financial Advisor to the Authority and TKG & Associates is acting as Co-Financial Advisor. RBC Capital Markets Corporation and TKG & Associates, in their respective capacities, have not verified and do not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2009 Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies. The Financial Advisor may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Series 2009 Bonds.

### **UNDERWRITING**

The Underwriters for the Series 2009A Bonds have agreed, subject to certain customary conditions to delivery, to purchase the Series 2009A Bonds from the Authority at the price of par less a net original issue discount of \$1,598,394 and less an underwriter's discount of \$2,197,451.

The Underwriters for the Series 2009B Bonds have agreed, subject to certain customary conditions to delivery, to purchase the Series 2009B Bonds from the Authority at the price of par less an underwriter's discount of \$7,616,250.

The Underwriters for each series of Series 2009 Bonds will be obligated to purchase all of the Series 2009 Bonds of such series if any such Series 2009 Bonds are purchased. The Series 2009 Bonds may be offered and sold to certain dealers and others at prices lower than the initial public offering price set forth on pages (ii) and (iii) of this Official Statement, and such public offering prices may be changed, from time to time, by the Underwriters therefor. The Underwriters for the Series 2009 Bonds may provide other services and products to the Authority for which they may be entitled to receive additional compensation.

### **OTHER MATTERS**

The financial data and other information contained herein have been obtained from the Authority's records, financial statements, and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects. Copies may be obtained from the Authority.

**NORTH TEXAS TOLLWAY AUTHORITY**

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**APPENDIX A**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY  
AUTHORITY  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

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▶ responsible steward

▶ customer focused

▶ reliable partner

▶ innovative developer

Comprehensive Annual Financial Report  
for the Fiscal Year Ended  
December 31, 2008





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**NORTH TEXAS TOLLWAY AUTHORITY**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended December 31, 2008

**NORTH TEXAS TOLLWAY AUTHORITY  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 2008**

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# Introductory Section



**NORTH TEXAS TOLLWAY AUTHORITY**

5900 West Plano Parkway, Suite 100 • Plano, Texas 75026 • (214) 461-2000 • Fax (214) 528-4826 • www.ntta.org

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June 26, 2009

Chairman Paul N. Wageman,  
And the Board of Directors  
North Texas Tollway Authority

The Finance Department of the North Texas Tollway Authority (the Authority) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2008 in compliance with Section 711 of the Amended and Restated Trust Agreement. The CAFR is intended to provide detailed information on the Authority's financial condition at December 31, 2008. The Authority previously presented separate financial statements for the North Texas Tollway System (the System) and the Feasibility Study Fund and DFW Turnpike Transition Trust Fund. The System consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT), Sam Rayburn Tollway, Previously State Highway 121, (SRT), the Mountain Creek Lake Bridge (MCLB), the Addison Airport Toll Tunnel (AATT) and the Lewisville Lake Toll Bridge (to be opened in 2009). Management feels that consolidated financial statements provide the reader a more accurate view of the Authority's financial position.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Crowe, Horwath LLP, Certified Public Accountants, has issued an unqualified ("Clean") opinion on the North Texas Tollway Authority's financial statements for the year ended December 31, 2008. This independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

#### **Profile of the North Texas Tollway Authority**

The Turnpike Act of 1953 was passed by the legislature and signed into law by Governor Allan Shivers on June 9, 1953 creating the Texas Turnpike Authority for the purpose of building and managing an expressway between Dallas and Fort Worth. After the initial design was completed in December 1954, \$58,000,000 of bonds were sold to construct the expressway called the Dallas Fort Worth Turnpike. The turnpike was dedicated on September 5, 1957 and by November 8, 1957 had already served one million patrons.

In 1962, the Dallas Central Business District Association petitioned the Turnpike Authority to investigate the feasibility of a turnpike linking the central business district with north central Dallas. In June 1965 bonds were sold and the Dallas North Tollway was in business. The first segment of the tollway from downtown to Mockingbird Lane opened to traffic on February 11, 1968 and the final segment, to Royal Lane was opened to traffic on June 30, 1968.

Senate Bill 194 mandated cessation of tolls on the Dallas Fort Worth Turnpike no later than December 31, 1977 and created a Trust Fund known as the Feasibility Study Trust Fund.

In 1997, the Texas Legislature created regional tollway authorities and the current North Texas Tollway Authority was born.



Senate Bill 792, passed in 2007 had a dramatic effect on the Authority by giving it the right of first refusal on any proposed toll road project in the North Texas area.

The Board is required by Section 505 of the Amended and Restated Trust Agreement to adopt a preliminary budget of Current Expenses and payments into the Reserve Maintenance Fund on or before the 60<sup>th</sup> day prior to the end of each Fiscal Year. Copies of the preliminary budget must be filed with the Trustee and mailed to the consulting engineers. A final budget must be adopted by the first day of the next fiscal year.

The Authority experienced continued growth and transformation during 2008 with the opening of the Sam Rayburn Tollway (SRT), continued construction of the President George Bush Turnpike Eastern Extension (PGBT) and the near completion of the Lewisville Lake Toll Bridge. A one third year of operations for the SRT contributed to an increase in traffic despite unprecedented economic pressures. Toll revenues in 2008 were \$240.8 million, representing an increase of 18.8% over 2007 revenues of \$202.7 million. This increased revenue will allow the Authority to preserve current assets, fund capital improvement projects and invest in safety and technology to provide to our patrons world-class service.

The operations of the Authority are accounted for as an enterprise fund in accordance with the generally accepted accounting principles (GAAP). Management takes responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. In keeping with that responsibility, these statements are presented on a consolidated basis and include the NTTA System, the Feasibility Study Fund, a revolving fund of the System, and the DFW Turnpike Transition Trust Fund. In prior years, separate, non-GAAP financial statements were prepared and audited for the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund. Management confirms that the financial statements are presented fairly and in all material respects, represent the financial position of the NTTA as of December 31, 2008. Please refer to the Management's Discussion and Analysis (MD&A) on pages 9-18 of this report for a detailed discussion of the NTTA's financial performance.

#### **Economic Development**

While the current economic downturn has affected the Dallas Fort Worth area as it has the rest of the nation, the effects are not as deep as in many areas. The projected five year growth rate of 4.1% for this area will outpace the United States and many major metropolitan areas. Our region produces thirty percent of all the goods and services in Texas while encompassing over thirty percent of all the residents. The region is projected to capture thirty six percent of population and growth in Texas over the next five years. Dallas-Forth Worth continues to shine as one of the best places to do business. The Fortune 500 list shows 23 firms headquartered in our region, with AT&T announcing the relocation of their headquarters to Dallas from San Antonio.

#### **Relevant Financial Policies**

Section 501 of the Amended and Restated Trust Agreement mandates the Authority will keep in effect a Toll Rate Schedule which will raise and produce Net Revenues (Gross Revenues less Operating and Maintenance Expenses) sufficient to satisfy the greater of (1), (2) or (3)

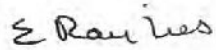
- (1) 1.35 times the scheduled Debt Service Requirements on all Outstanding First Tier Bonds for the Fiscal Year ; or
- (2) 1.20 times the scheduled Debt Service Requirements on all Outstanding First Tier Bonds and all Outstanding Second Tier Bonds for the Fiscal Year; or
- (3) 1.00 times the scheduled Debt Service Requirements on all Outstanding First Tier Bonds, all outstanding Second Tier Bonds, all Outstanding Third Tier Bonds and all other outstanding obligations of the Authority secured by Net Revenues for the Fiscal Year.

### **Awards and Acknowledgments**

The Government Finance Officer's Association (GFOA) had previously awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Texas Tollway Authority for its Comprehensive Annual Financial Report for the System. However, since this is the first year that consolidated financial statements are being presented, they have not been reviewed by GFOA.

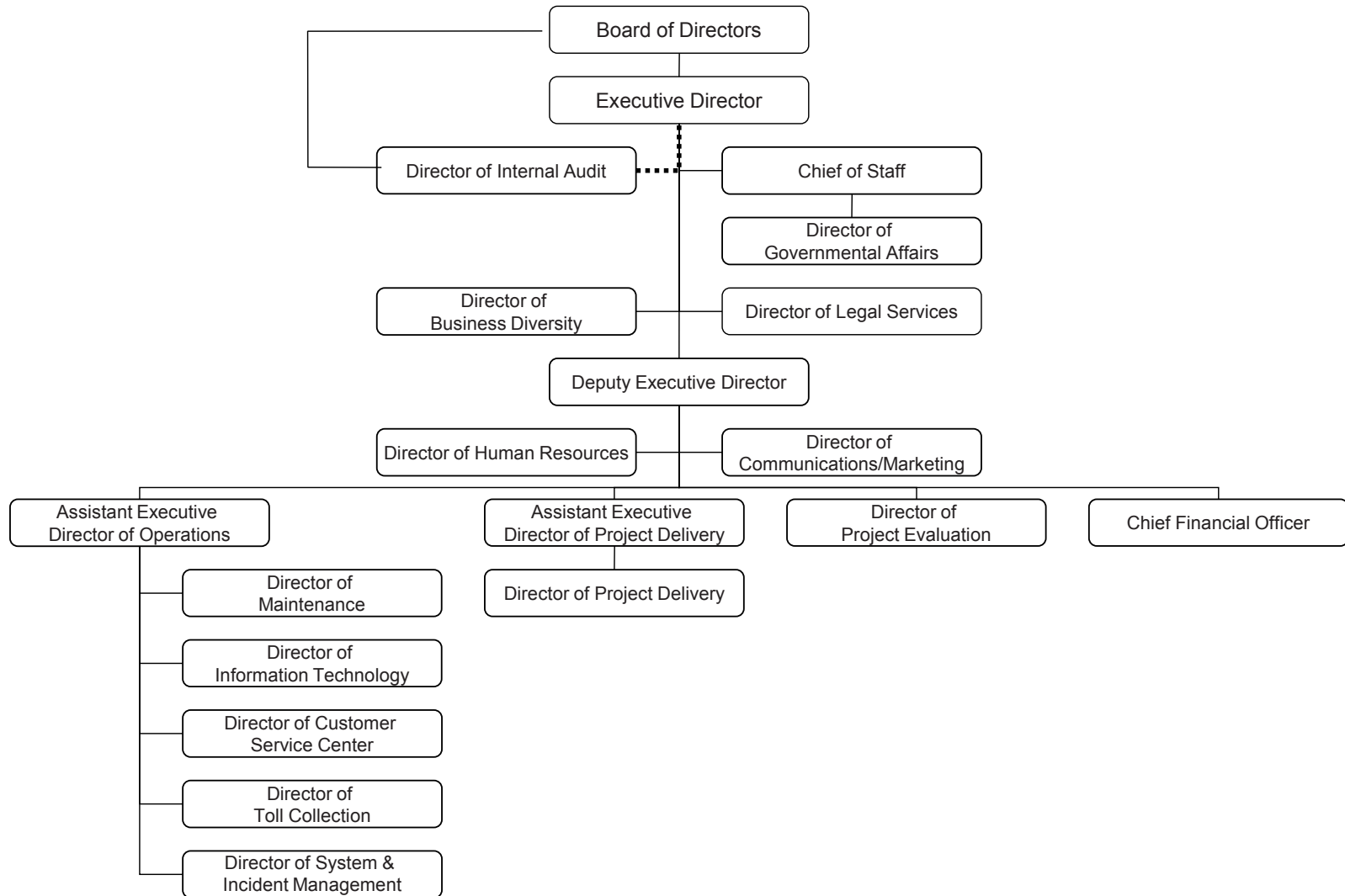
We wish to thank all members of the Finance Department and all NTTA staff for their contributions to the production of the report. We are thankful for our Board of Director's support, direction, and for guiding the NTTA into a position to greatly benefit the region.

Respectfully submitted,



E. Ray Zies  
Interim Chief Financial Officer

# North Texas Tollway Authority FY 2008 Organization Chart



**North Texas Tollway Authority  
List of Officials  
December 31, 2008**

**Board of Directors**

**Paul N Wageman  
William W. Meadows  
Gary Base  
Bob Day  
David R Denison  
Michael R. Nowels  
Robert K. Shepard  
Alan E. Sims  
Victor T. Vandergriff**

**Chair  
Vice-Chair  
Director  
Director  
Director  
Director  
Director  
Director  
Director**

**Officials**

Janice D. Davis  
Magdalena Kovats  
Rick Herrington  
Kim Tolbert  
Ray Zies  
Jeff Dailey

Clayton Howe

Nina Arias  
John Bannerman  
Anthony Coleman  
Kim Jackson  
Marty Lege

Elizabeth Mow  
Dave Pounds  
Kiven Williams  
J C Wood

Interim Executive Director  
Director, Internal Audit  
Deputy Executive Director  
Chief of Staff  
Interim Chief Financial Officer  
Assistant Executive Director  
Project Delivery  
Assistant Executive Director  
Operations  
Director, Human Resources  
Director, Customer Service  
Director, Business Diversity  
Director, Communications  
Director, Systems and Incident  
Management  
Director, Project Delivery  
Director, Information Technology  
Director, Toll Collection and Vault  
Director, Maintenance

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# Financial Section



Crowe Horwath LLP  
Member Horwath International

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
North Texas Tollway Authority

We have audited the accompanying basic financial statements of the North Texas Tollway Authority (the Authority), as of and for the year ended December 31, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Texas Tollway Authority, as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Modified Approach - Infrastructure Assets and schedules of funding progress are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as whole. The items listed in the introductory section, supplementary schedules 1 through 10 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Schedule 1 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The items listed in the introductory section, schedules 2 through 10 and the statistical section have not been subjected to the audit procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion on them.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Irving, Texas  
June 26, 2009

**NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
December 31, 2008

As Management of the North Texas Tollway Authority (Authority), we offer readers the statements for the Authority. These statements consist of the North Texas Tollway System (System), which consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT), State Highway 121, renamed Sam Rayburn Tollway (SRT) in 2009, the Mountain Creek Lake Bridge (MCLB), the Addison Airport Toll Tunnel (AATT), and the Lewisville Lake Toll Bridge (LLTB), which make up the enterprise fund of the Authority, as well as, the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund. Historically, the Authority prepared separate financial statements for the Feasibility Study Fund and the Transition Trust Fund. Management believes that presenting consolidated financial statements offer the reader a more accurate view of the financial position of the Authority.

We offer readers of these financial statements a narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2008. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read it in conjunction with the financial statements, which immediately follow this section.

### **Using This Annual Report**

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements, notes to the financial statements, and required supplementary information. The financial statements of the Authority report information using accounting methods consistent with reporting for an enterprise activity similar to those used by private sector companies.

**Statement of Net Assets:** This statement presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets are useful indicators of whether the Authority's financial position is improving or deteriorating.

**Statement of Revenues, Expenses and Changes in Net Assets:** This statement presents information showing the Authority's revenues, expenses, and how the net assets changed during the year.

**Statement of Cash Flows:** This statement presents information about the Authority's cash receipts and cash payments, or, in other words, the sources and uses of the Authority's cash and the change in cash balance during the fiscal year.

**Notes to the Financial Statements:** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Other:** Certain required supplementary information is presented to disclose trend data on the Authority's infrastructure condition. Additionally, certain financial schedules are presented by Trust Accounts and in accordance with the Authority's Trust Agreement.

### **Financial Results and Analysis**

#### **2008 Highlights**

- Recognizing the growing complexity and changing needs of the Authority on May 21, 2008, the Board authorized the adoption of an Internal Audit Policy statement and charter and created an Internal Audit Department.

**NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
December 31, 2008

- The Authority's total net assets decreased by \$60.2 million over FY 2007. This decrease is due mainly to the change in accounting treatment of bond related costs previously capitalized, as expenses during 2008.
- The Authority received a toll equity grant from the Texas Department of Transportation (TxDOT) for Right of Way acquisition and other costs related to the PGBT Eastern Extension (PGBT EE). The grant totals \$160.3 million. The Authority received payments totaling \$142.5 million. Of this amount, \$74.9 has been included as grant revenue and the remainder is shown as deferred revenue.
- Toll revenues increased \$38.1 million or 18.8% over FY 2007. Traffic volumes on the Authority continued to increase with the opening of SRT in September 2008.
- The Administration and Operations expenses of \$80.7 million were under budget by 11.2% in FY 2008.
- The Authority issued \$5.3 billion in Revenue Refunding Bonds to refund the \$3.4 billion in Bond Anticipation Notes issued in 2007, refund certain other bonds and for partially funding the costs of the acquisition and construction of Authority's projects, including SRT, PGBT EE, and the LLTB.
- The Authority also issued \$110.0 million of Commercial Paper in FY 2008. \$30.0 million was transferred to the Authority's Feasibility Study Fund, in FY 2008, to finance the study and design of Southwest Parkway, PGBT EE, State Highway 161, Trinity Parkway and various other projects, in addition to the \$50.0 transferred in FY 2007.

**Summary of Operations**

Total operating revenues were \$250.0 million for FY 2008 and \$210.7 million for FY 2007 (see Table A-1). Authority toll revenues were approximately \$240.8 million, an 18.8% increase over FY 2007 toll revenues of approximately \$202.7 million. An estimated 84.5% was collected through ETC (Electronic Toll Collection) during FY 2008 in comparison to 80.5% in FY 2007. Traffic on the Authority continues to grow, with average daily transactions of approximately 1,131,230 and 1,055,100 in FY 2008 and FY 2007, respectively.

Total operating expenses before depreciation for FY 2008 were \$137.5 million, representing a 2.8% increase over FY 2007 of 133.8 million. Interest expense, net of capitalized interest, for 2008 was \$262.1 million, a 375.7% increase from FY 2007 of \$55.1 million. Debt service coverage for FY 2008 and FY 2007 were 1.60 and 1.96 times, respectively. The Trust Agreement and the Authority's Debt Policy both require bond principal and interest coverage of 1.35.



**NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
December 31, 2008

**Table A-1**  
Changes in Net Assets  
(in millions of dollars)

	2008	2007
<b>REVENUES</b>		
Operating Revenues	\$ 250.0	\$ 210.7
Operating Expenses before depreciation	<u>137.5</u>	<u>133.8</u>
Income from operations before depreciation	112.5	76.9
Depreciation	<u>(3.5)</u>	<u>(1.8)</u>
Operating Income	109.0	75.1
Net Nonoperating Revenue (Expenses):		
Interest Income	75.0	17.9
Interest Expense	(262.1)	(55.1)
Grant Revenue	74.9	-
SWAP Termination	(4.5)	-
Additional payment to escrow	(3.2)	-
Other	(49.3)	(3.4)
Net Nonoperating Revenue (Expenses):	(169.2)	(40.6)
Capital Contributions	<u>-</u>	<u>25.0</u>
Change in Net Assets	(60.2)	59.5
Net Assets - Beginning of Year	<u>618.1</u>	<u>558.6</u>
Net Assets - Ending	<u>\$ 557.9</u>	<u>\$ 618.1</u>

**Operations:** The total operating expenses before depreciation for FY 2008 were \$137.5 million, compared to \$133.8 million in FY 2007 (see Table A-1). Several factors due mainly to the addition of SRT, such as increased number of personnel and related cost; and the increased maintenance costs, attributed to the rise in operating expenses.

**NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
December 31, 2008

Net assets at December 31, 2008 were \$557.9 million. (See Table A-2.)

**Table A-2**  
Net Assets (in millions of dollars)

	2008	2007
Current Assets	\$ 108.3	\$ 150.2
Current Restricted Assets	544.7	390.6
Noncurrent Assets		
Unrestricted Investments	10.0	5.0
Restricted Investments	930.3	81.3
Other Assets	167.4	
Capital Assets	5,501.5	5,171.7
Total Assets	7,262.2	5,798.8
Current Liabilities	56.5	59.4
Liabilities Payable from Restricted Assets	444.1	3,660.2
Long-Term debt and other noncurrent liabilities	6,203.6	1,461.2
Total Liabilities	6,704.2	5,180.7
Net Assets:		
Invested in Capital Assets, net of related debt	187.9	473.4
Restricted for Construction	289.1	4.9
Restricted for Debt Service	396.7	112.2
Restricted for Operations and Maintenance	0.0	3.4
Restricted for Retiree Health Benefits	0.4	0.4
Unrestricted	(316.2)	23.8
Net assets	\$ 557.9	\$ 618.1

The Authority's overall financial position decreased in FY 2008, as indicated by the \$60.2 million decrease in net assets. During 2008, approximately \$162.1 million of interest expense that would previously be recorded as a capital cost was recorded as non-operating expenses. The largest portion of the Authority's net assets is restricted for debt service. The next largest component represents the investment in capital assets (e.g., right-of-way, roads, bridges, buildings, toll equipment) less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide service and, consequently, the assets are not available to liquidate liabilities or other spending.

The Authority's net assets indicate an unrestricted current ratio of 1.9 and 2.5 for FY 2008 and FY 2007, respectively. Working capital was \$51.8 million and \$90.8 million in FY 2008 and FY 2007, respectively. Total unrestricted current assets were \$108.3 million in FY 2008, compared to 150.2 million in FY 2007. Total unrestricted and restricted current assets were \$653.0 million at the end of FY 2008. Cash and investments of \$639.5 million represent the largest component of current assets. The remaining \$13.5 million is comprised of accrued interest receivable, accounts receivable (See Note 9), inventory, and prepaid expenses.

Total unrestricted current liabilities were \$56.5 million at the end of FY 2008. \$26.0 million of this total was accounts payable and retainage payable, and \$25.9 million of deferred revenue. \$4.6 million of the amount is accrued liabilities, which is mainly accrued salaries and vacation liability. Approximately 1,566,800 and 1,376,000 Toll Tags were in use at the end of FY 2008 and FY 2007, respectively.

**NORTH TEXAS TOLLWAY AUTHORITY**  
 Management's Discussion and Analysis  
 December 31, 2008

**Investments:** The Authority's investments at December 31, 2008 and 2007 were approximately \$1.57 billion and \$584.0 million, respectively. Table A-3 chart below shows the types of authorized investments in the December 31, 2008 portfolio.

**Table A-3**

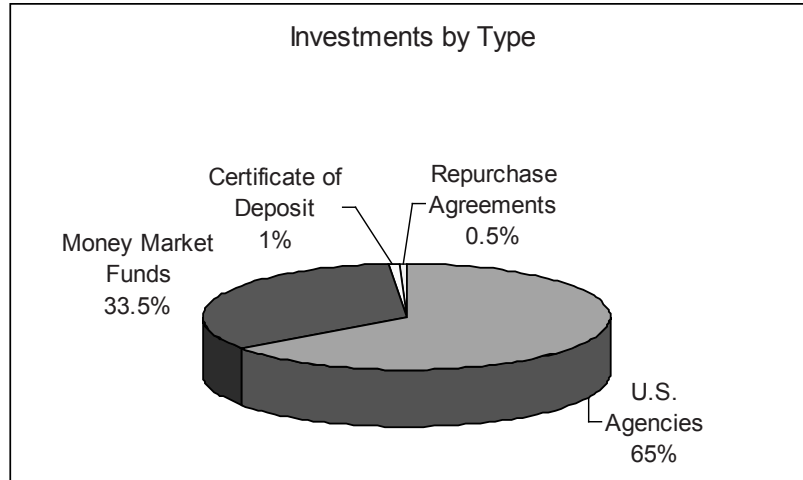
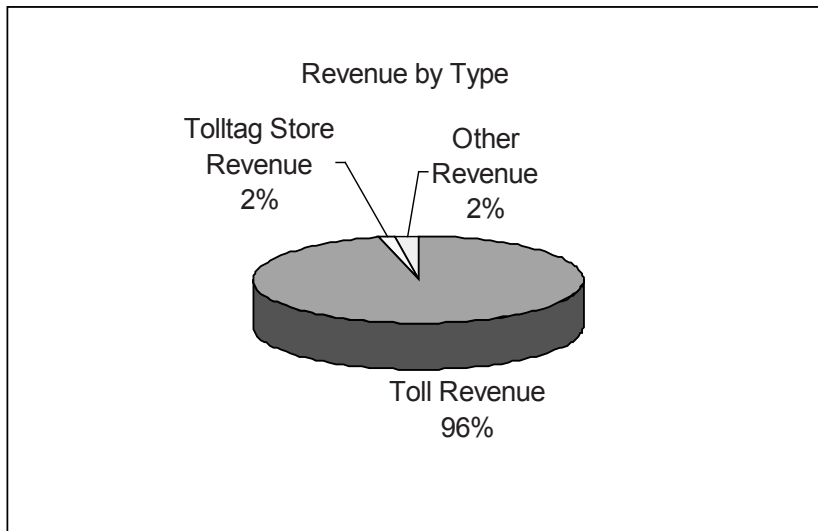


Table A-4 below shows NTTA's revenue in FY 2008 by revenue source type.

**Table A-4**

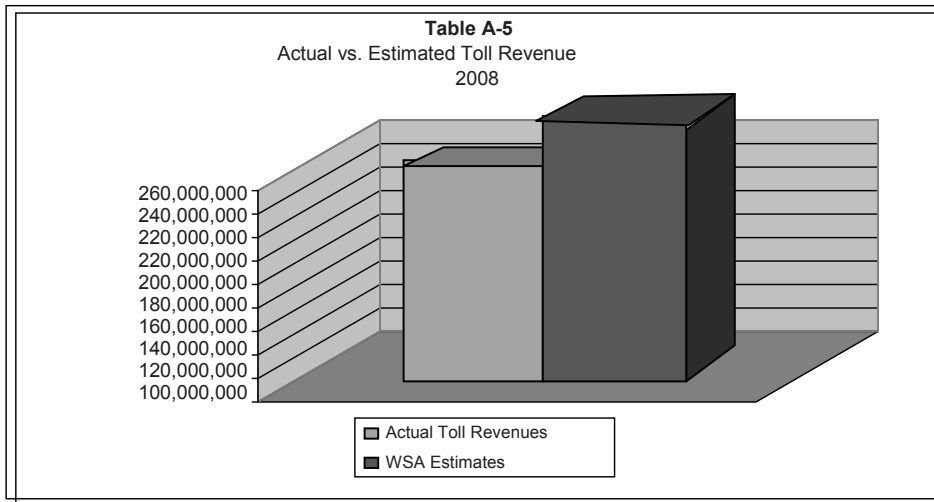


Total operating revenues for FY 2008 were \$250.0 million, an 18.7% increase over FY 2007 total revenues of \$210.7 million. Toll revenues of \$240.8 million account for 96.3% of total revenue. TollTag

**NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
December 31, 2008

store revenue, primarily from processing fees, was \$4.0 million or 1.6%. Other revenue, mostly administrative fees for collection of tolls from violators, was \$5.2 million, representing 2.1% of the total.

Table A-5 below shows the Authority's actual toll revenue for FY2008 compared to the estimated toll revenue of the Authority's traffic and toll revenue engineer, Wilbur Smith Associates (WSA). Toll revenue was under WSA's estimates by 8.2%. This can be attributed to the recession in the economy, increases in gas prices, reconstruction on segments of the Authority, and extreme weather conditions.



Traffic on the Authority continues to grow with approximately 1,131,230 average daily transactions in 2008, up 7.2% from the 1,055,100 daily averages in 2007.

The increases in the toll revenue were largely attributed to the:

- The first full year of collections for the toll rate increase implemented in September 2007.
- The increased growth of population in the North Texas 4 counties (Dallas, Tarrant, Denton & Collin)
- The opening of the Sam Rayburn Tollway (121 Tollway) in September 2008

**NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
December 31, 2008

**Engineering Estimates**

The annual estimates by the Authority's traffic and revenue engineer, Wilbur Smith & Associates (WSA), are displayed in comparison to the actual revenue for the years of 2001 through 2008 in Table A-6 below:

**Table A-6**  
Actual vs. Estimated Revenue

Year	Actual	Estimate	Variance
2008	\$ 240,776,791	\$ 262,346,900	\$ (21,570,109)
2007	202,675,564	204,491,800	(1,816,236)
2006	191,434,120	197,052,500	(5,618,380)
2005	172,537,345	167,457,300	5,080,045
2004	160,695,030	151,482,500	9,212,530
2003	149,323,784	144,975,000	4,348,784
2002	137,945,439	126,955,000	10,990,439
2001	107,210,124	104,212,000	2,998,124

The FY 2008 toll revenue of \$ 240.8 million increased by 18.8%; in comparison to the FY 2007 actual amount of \$ 202.7 million. During the 2008 year, the economy, gas prices, and increased unemployment rates affected the actual revenue. The Authority's total revenues produced 1.60x debt coverage for 2008. Please see Table A-8 on page 17 on the Historical Debt Coverage.

**Capital Assets** – The Authority's investment in capital assets includes land, buildings, right-of-way, roadway, bridges, equipment, and computer systems. Capital assets at December 31, 2008 were \$5.5 billion, increasing from FY 2007 by approximately \$0.33 billion. This is due primarily to the construction of Sam Rayburn Tollway, the DNT Extension Phase 3, President George Bush Turnpike Eastern Extension, and Lewisville Lake Toll Bridge. For additional information on capital assets see Note (1) (g) and Note (4).

The Authority utilizes GASB No. 34, Modified Approach of reporting infrastructure assets. Each year a comprehensive assessment is conducted on all the Authority's infrastructure assets which affect the following fiscal year's maintenance budget. For additional information and results of the 2008 assessment, please see the Required Supplementary Information on pages 55 and 56 of this report.

The Sam Rayburn Tollway (SRT) will revert to Texas Department of Transportation after the expiration of the 50 year period commencing when the Authority began collecting tolls on the Project on its own behalf (September 2008). The Authority will depreciate the cost of the acquisition and the construction costs of the SRT over the term of the project agreement pursuant to which the Authority acquired the Project utilizing the straight-line basis. The effect of depreciating the cost of the acquisition and the construction costs of the SRT will reduce the Authority's net revenues as reported on the general accepted accounting principles (GAAP) basis. Since the depreciation will be a non-cash item, it will not impact the Authority's calculation of net revenues available per the Trust Agreement.

**Budgetary Highlights** – The Authority adopts (on a non-GAAP basis) an annual budget in December. The budget is established in accordance with the provisions of the Trust Agreement for the North Texas Tollway Authority Revenue Bonds. The budget covers the operating expenses for each fiscal year (calendar year). For FY 2008 operating expenses were \$80.7 million against an operating budget of \$90.9 million. The Authority expended 88.8% of the operating budget in 2008. The primary factors in this budget

**NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
December 31, 2008

are the continued restructuring of the Authority's departments; the maintenance and operations of segments 1 and 2 of the SRT; and the increased growth in the Customer Service, Maintenance, Information Technology, and Safety and Incidents Management areas. The Authority is also focusing on improvements in service delivery.

**Long-Term Debt** – At the end of FY 2008, the Authority's total bonded debt outstanding was \$6.15 billion compared to approximately \$1.37 billion in 2007 (See Table A-7). This debt represents bonds secured solely by toll revenue. For detailed information see Note (5) and schedule of revenue bonds outstanding as of December 31, 2008, on page 36.

**Table A-7**  
Revenue Bonds Outstanding  
As of FY 2008 and FY 2007

Series	Amount Outstanding	
	2008	2007
Series 1997	\$ 69,000,000	90,460,000
Series 1997A	105,070,000	106,290,000
Series 1998	100,540,000	100,660,000
Series 2003A	225,000,000	225,000,000
Series 2003B	-	125,245,000
Series 2003C	-	85,670,000
Series 2005A	3,905,000	223,155,000
Series 2005B	-	71,000,000
Series 2005C	340,260,000	341,070,000
Series 2008A	1,770,285,000	-
Series 2008B	237,395,000	-
Series 2008C	19,370,000	-
Series 2008D	417,826,981	-
Series 2008E	600,000,000	-
Series 2008F	1,000,000,000	-
Series 2008G	124,750,000	-
Series 2008H	410,726,910	-
Series 2008I	201,685,275	-
Series 2008J	100,000,000	-
Series 2008K	205,000,000	-
Series 2008L	220,000,000	-
Revenue Bonds Outstanding	\$ <u>6,150,814,166</u>	<u>1,368,550,000</u>



**NORTH TEXAS TOLLWAY AUTHORITY**  
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Table A-8 sets forth debt service coverage for all Revenue Bonds outstanding for the years 1999 through 2008.

**Table A-8**  
Historical Debt Coverage

Year	Coverage
2008	1.60x
2007	1.96x
2006	1.98x
2005	1.80x
2004	2.00x
2003	2.09x
2002	2.08x
2001	1.88x
2000	2.22x
1999	2.42x

Additionally, part of the construction of the PGBT was funded with the proceeds from a loan in the amount of \$135 million, made by the Texas Department of Transportation in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991. Interest has been accruing since 2000 and annual payment began in FY2004. The FY 2008 payment was \$7.5 million with a due date of January 1, 2009. The payment was processed on January 2, 2009. A detailed description of accrued interest on this loan see Note (5) page 48.

**Short-Term Debt** -The Authority maintains approximately \$200 million commercial paper program. Issuing \$110.0 million of Commercial Paper in 2008 and transferred \$80 million of the proceeds to the Authority's Feasibility Study Fund to finance the feasibility study and design of Southwest Parkway (\$54.6 million), PGBT South – SH 161 projects (\$7.1 million) and various other projects (\$15.5 million) for a total of \$77 million. Approximately \$23 million was issued for the initial construction of the Lewisville Lake Toll Bridge. As of December 31, 2008 there was \$89.7 million of outstanding notes under the commercial paper program.

The Authority issued an estimated \$3.5 billion in Bond Anticipation Notes with a due date of November 19, 2008 for the acquisition and interim financing for the development and a portion of the construction of the SRT. The acquisition payment of \$3.20 billion was paid to Texas Department of Transportation on November 29, 2007. As of November 19, 2008 there were no Bond Anticipation Notes outstanding.

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The Authority's \$340,260,000 amount outstanding of Series 2005C Bonds are entitled to the benefit of a standby bond purchase agreement ("SBBPA") provided by DEPFA Bank plc. On February 2008 the remarketing agent exercised the SBBPA on \$334,760,000 of the these bonds, causing them to bear interest at the higher of DEPFA's prime rate or federal funds plus 0.50% (the "Alternate Base Rate") for the first 180 days such bonds are held by DEPFA and at the Alternate Base Rate plus 0.75% thereafter. A "termination event" or a "suspension event" occurring under the SBBPA, causes the Series 2005C Bonds held by DEPFA to bear interest at the Alternate Base Rate plus 3.00%. Series 2005C Bonds held by DEPFA for more than 180 days, results in the seven year "term-out" beginning for such bonds with principal amortizing equally over a seven year period, payable semi-annually. There was no termination event or suspension event by either party in 2008.

**Contacting the NTTA's Financial Management**

This financial report is designed to provide overview information to our bondholders, patrons, and other interested parties. Should you have questions about this report, please contact the North Texas Tollway Authority's Chief Financial Officer, 5900 W. Plano Parkway, Suite 100, Plano, Texas 75093.

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## NORTH TEXAS TOLLWAY AUTHORITY

### Statement of Net Assets

December 31, 2008

#### Assets

Current assets:		
Cash and cash equivalents (note 3)	\$	5,916,242
Investments (note 3)		93,736,719
Accrued interest receivable		243,751
Accounts receivable (net of allowance for uncollectibles) (note 9)		5,921,786
Inventory, at average cost		1,886,701
Prepaid expenses		625,799
Total current unrestricted assets		<u>108,330,998</u>
Current restricted assets:		
Restricted assets:		
Restricted for construction:		
Investments (notes 3 and 10)		284,828,011
Accrued interest receivable		1,724,641
Accounts receivable		1,595,394
Restricted for debt service:		
Cash and cash equivalents (notes 3 and 5)		113,449
Investments (notes 3 and 5)		254,429,573
Accrued interest receivable		1,501,968
Restricted for pension benefits and other purposes:		
Investments (notes 3 and 5)		444,389
Accrued interest receivable		403
Total current restricted assets		<u>544,637,828</u>
Total current assets		<u>652,968,826</u>
Noncurrent assets:		
Investments for unrestricted assets (note 3)		10,007,700
Investments restricted for construction (note 3)		110,730,332
Investments restricted for debt service (note 3)		819,566,131
Accounts receivable (note 9)		970,489
Deferred improvement costs		653,524
Deferred financing costs		88,563,762
Deferred feasibility study costs		77,254,384
Capital assets (net of accumulated depreciation) (note 4)		5,501,488,622
Total noncurrent assets		<u>6,609,234,944</u>
<b>Total assets</b>		<u><b>7,262,203,770</b></u>

See accompanying notes to basic financial statements.

**NORTH TEXAS TOLLWAY AUTHORITY**

Statement of Net Assets

December 31, 2008

<b>Liabilities</b>		
Current liabilities:		
Accounts and retainage payable	\$	25,991,721
Accrued liabilities		4,584,431
Deferred revenue		25,058,074
Tolltag deposits		885,727
Total current unrestricted liabilities		56,519,953
Payable from restricted assets:		
Construction-related payables:		
Accounts payable (note 10)		92,002,104
Retainage payable (note 10)		14,419,567
Deferred grant revenue		67,549,495
Debt service-related payables:		
Accrued interest payable		146,323,487
Accrued arbitrage rebate payable		33,841
Commercial paper payable (note 5)		89,700,000
Revenue bonds payable (note 5)		34,110,000
Pension benefits and other related payables		
Accounts payable (note 10)		721
Total current liabilities payable from restricted assets		444,139,215
Total current liabilities		500,659,168
Noncurrent liabilities:		
Other post-employment benefits		4,063,843
Texas Department of Transportation loan payable (note 5)		4,600,000
Texas Department of Transportation ISTEPA loan payable (note 5)		135,000,000
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of \$37,003,509 and bond discount (premium) costs of \$19,749,049 (note 5)		6,059,951,608
Total noncurrent liabilities		6,203,615,451
<b>Total liabilities</b>		<b>6,704,274,619</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt		187,921,483
Restricted:		
Restricted for construction		289,136,672
Restricted for debt service		396,663,142
Restricted for pension benefits and other purposes		436,836
Unrestricted		(316,228,982)
<b>Total net assets</b>	<b>\$</b>	<b>557,929,151</b>

See accompanying notes to basic financial statements.

**NORTH TEXAS TOLLWAY AUTHORITY**  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended December 31, 2008

Operating revenues:		
Tolls	\$	240,776,791
Other		9,273,124
Total operating revenues		<u>250,049,915</u>
Operating expenses:		
General		
Administration		12,604,559
Operations		68,064,173
Preservation		
Reserve maintenance		18,254,548
Capital improvement		38,541,652
Total operating expenses before depreciation		<u>137,464,932</u>
Operating income before depreciation		112,584,983
Depreciation		<u>3,481,013</u>
<b>Operating income</b>		<b><u>109,103,970</u></b>
Nonoperating revenues (expenses):		
Interest earned on investments		50,438,067
Net increase in the fair value of investments		24,555,188
Grant revenue		74,902,422
Unallocated infrastructure depreciation		(24,555,772)
Interest expense on revenue bonds		(227,034,684)
Interest expense on short term notes (net of capitalized interest)		(28,874,541)
Interest expense on loan		(6,211,688)
Bond premium/discount amortization		(217,615)
Bond issuance cost amortization		(17,543,223)
Deferred amount on refunding amortization		(6,694,083)
Additional payment to escrow		(3,167,688)
SWAP termination payment		(4,511,011)
Other		(355,245)
Net nonoperating revenues (expenses)		<u>(169,269,873)</u>
Change in net assets		(60,165,903)
Beginning net assets		618,095,054
<b>Ending net assets</b>	<b>\$</b>	<b><u>557,929,151</u></b>

See accompanying notes to basic financial statements.



**NORTH TEXAS TOLLWAY AUTHORITY**

Statement of Cash Flows  
Year ended December 31, 2008

Cash flows from operating activities:	
Receipts from customers and users	\$ 250,882,065
Payments to contractors and suppliers	(103,553,858)
Payments to employees	(30,107,432)
Net cash provided by operating activities	<u>117,220,775</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets (including capitalized interest costs)	(413,244,983)
Issuance of revenue bonds	5,285,837,760
Issuance of commercial paper	110,000,000
Grant proceeds	142,451,917
Defeased bond anticipation notes	(3,487,245,000)
Defeased commercial paper	(95,300,000)
Defeased revenue bonds	(501,535,000)
Principal paid on revenue bonds	(23,240,000)
SWAP termination payment	(4,511,011)
Interest paid on revenue bonds and other debt	(222,495,891)
Net cash provided by (used by) capital and related financing activities	<u>790,717,792</u>
Cash flows from investing activities:	
Purchase of investments	(3,890,588,883)
Proceeds from sales and maturities of investments	2,930,377,227
Interest received	31,954,871
Net cash provided by (used in) investing activities	<u>(928,256,785)</u>
Net increase (decrease) in cash and cash equivalents	(20,318,218)
Cash and cash equivalents, beginning of the year	26,347,909
Cash and cash equivalents, end of the year	<u>\$ 6,029,691</u>
Classified as:	
Current assets	\$ 5,916,242
Restricted assets	113,449
Total	<u>\$ 6,029,691</u>
Noncash financing, capital, and investing activities:	
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 109,103,970
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,481,013
Changes in assets and liabilities:	
Decrease in accounts receivable	4,468,528
Increase in inventories	(599,487)
Increase in prepaid expenses	(414,906)
Increase in deferred revenue	2,174,312
Decrease in accounts and retainage payable	(467,710)
Decrease in accrued liabilities	(524,945)
Total adjustments	<u>8,116,805</u>
Net cash provided by operating activities	<u>\$ 117,220,775</u>
Noncash financing activities:	
Increase in fair value of investments	\$ 24,555,188

See accompanying notes to basic financial statements.

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**NORTH TEXAS TOLLWAY AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
December 31, 2008

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**NORTH TEXAS TOLLWAY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

**(1) Nature of the Organization and Summary of Significant Accounting Policies**

**(a) Reporting Entity**

In June 1997, the Texas Legislature approved a bill to create the North Texas Tollway Authority (the Authority), a regional tollway authority under Chapter 366, Transportation Code. Effective September 1, 1997, the Authority became the successor agency to the Texas Turnpike Authority and succeeded to all assets, rights, liabilities, and other property of the Texas Turnpike Authority located in Collin, Dallas, Denton, and Tarrant Counties. The Authority also assumed and became liable for all duties and obligations related to the Texas Turnpike Authority at that time.

The Authority is a political subdivision of the State of Texas, authorized and empowered by the Regional Tollway Authority Act (the Act) to construct, maintain, repair, and operate turnpike projects at such locations within Collin, Dallas, Denton, and Tarrant Counties, as may be determined by the Authority. The Authority is further authorized to issue turnpike revenue bonds, payable solely from tolls and other revenue of the Authority, for the purpose of paying all or any part of the cost of a turnpike project. Under the provisions of the Act, these revenue bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of Texas or of any other political subdivision thereof.

The North Texas Tollway Authority System (the System) is the enterprise fund of the Authority. The System is a turnpike project of the Authority and consists of the Dallas North Tollway (the DNT), the Addison Airport Toll Tunnel (the AATT), the President George Bush Turnpike (the PGBT), the Mountain Creek Lake Bridge (the MCLB), Sam Rayburn Tollway (SRT), and the Lewisville Lake Toll Bridge (the LLTB).

In addition, Chapter 366 authorized the Feasibility Study Fund to be used only to pay the expenses of studying the cost and feasibility and any other expenses relating to:

- 1) The preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority;
- 2) The financing of the improvement, extension or expansion of an existing turnpike or Authority;
- 3) Private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.

In addition, Senate Bill 194, which was subsequently replaced by Chapter 366, authorized the establishment of the Dallas-Fort Worth Turnpike Transition Trust Fund, a Fiduciary Fund, to account for the payment of transition costs and other obligations payable from funds of the Dallas-Fort Worth Turnpike at December 31, 1977, such as post-employment benefits.

Prior to 2007, separate financial statements were prepared for the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund.

While the Fiduciary Funds are normally presented separately in the financial statements, the DFW Turnpike Transition Trust Fund is shown as a part of the basic financial statements, since the Trust Fund is immaterial to the financial statements.

**NORTH TEXAS TOLLWAY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

**(b) Basis of Accounting**

The operations of the Authority, including the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund, are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the Authority are included in the Statement of Net Assets. The assets of the Authority are stated at cost with the exception of certain investments, which are stated at fair value.

The Authority applies all applicable GASB pronouncements to the Authority, as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those statements conflict with or contradict GASB pronouncements.

The principal revenues of the Authority are toll revenues received from patrons. Operating expenses for the Authority include the costs of operating and maintaining the Authority and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Trust Agreement also requires that certain funds and accounts be established and maintained. The Authority consolidates these Authority funds and accounts for the purpose of enterprise fund presentation in its external financial statements.

In accordance with House Bill 749, an act of the 72nd Legislature of Texas, the Authority may transfer an amount from a surplus fund (currently Capital Improvement Fund) established for a turnpike project to the North Texas Tollway Feasibility Study Fund (Feasibility Study Fund). However, the Authority may not transfer an amount that results in a balance in the surplus fund that is less than the minimum balance required in the trust agreement for that project, if any. Revenues are recognized when they are earned, expenses are recorded in the period in which they are incurred.

The costs of studies funded by the Feasibility Study Fund are deferred until such time as the feasibility of the project is determined. If the project is pursued, the Feasibility Study Fund is reimbursed for related study costs from the proceeds of the project's bond issue. However, the study costs associated with projects determined to be unfeasible are removed from the statement of assets and liabilities and written off to expense when approved by the Executive Director.

**(c) Budget**

Operating budgets are adopted on a non-GAAP basis. The budget is established in accordance with the practices set forth in the provisions of the Trust Agreement for the Dallas North Tollway Authority Revenue Bonds, as interpreted by the Authority. These practices are similar to U.S. generally accepted accounting principles for an enterprise fund on an accrual basis except that depreciation and amortization of certain non-infrastructure capital assets and related acquisition and revenue bond issuance costs are not included as an operating expense or otherwise provided, and interest accrued for certain periods after official completion on certain of the Authority's bond issues is capitalized as allowed by the Trust Agreement and bond resolution, rather than being reflected as an expense. Otherwise, revenues are recognized when they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the Authority are included in the statement of net assets in accordance with the Trust Agreement as described above.

Each year the Authority completes a review of its financial condition for the purpose of estimating whether the net revenues of the Authority for the year will meet its debt covenants. See additional information regarding legal compliance for budgets in Note (2).

**(d) Restricted Assets**

Certain proceeds of the Revenue Bonds are restricted by applicable bond covenants for construction or restricted as reserves to ensure repayment of the bonds. Also, certain other assets are accumulated and

**NORTH TEXAS TOLLWAY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

restricted on a monthly basis in accordance with the Trust Agreement for the purpose of paying interest and principal payments that are due on a semiannual and annual basis, respectively, and for the purpose of maintaining the reserve funds at the required levels. Payments from these restricted accounts are strictly governed by the Trust Agreement and can only be made in compliance with the Trust Agreement. Limited types of expenses may be funded from these accounts. Expenses that do not meet these requirements are funded from unrestricted accounts. The funds and accounts that have been established in accordance with the Trust Agreement are as follows:

- **Construction and Property Fund** – The Construction and Property Fund was created to account for that portion of the proceeds from the sale of the Authority Revenue Bonds, which were required to be deposited with the trustee in order to pay all costs of construction. There also may be deposited in the Construction and Property Fund any monies received from any other source for paying the cost of the Authority.
- **Revenue Fund** – The Revenue Fund was created to account for all revenues (all tolls, other revenues, and income) arising or derived by the Authority from the operation and ownership of the Authority. All revenues of this fund are distributed to other funds in accordance with the Trust Agreement.
- **Operation and Maintenance Fund** – The Operation and Maintenance Fund was created to account for and pay current operating expenses of the Authority.
- **Reserve Maintenance Fund** – The Reserve Maintenance Fund was created to account for those expenses of maintaining the Authority that do not recur on an annual or shorter basis. As defined in the Trust Agreement, such items include repairs, painting, renewals, and replacements necessary for safe or efficient operation of the Authority or to prevent loss of revenues, engineering expenses relating to the functions of the Authority, equipment, maintenance expenses, and operating expenses not occurring at annual or shorter periods.
- **Capital Improvement Fund** – The Capital Improvement Fund (CIF) was created to account for the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, reconstruction and replacements, capital expenditures, engineering, and other expenses relating to the powers or functions of the Authority in connection with the Authority, or for any other purpose now or hereafter authorized by law. This CIF fund will also be combined with a revolving fund, called the Feasibility Study Fund to use only to pay the expenses of studying the cost and feasibility and any other expenses relating to; (1) the preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority; (2) the financing of the improvement, extension or expansion of an existing turnpike or Authority; (3) private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.
- **Bond Interest Account** – The Bond Interest Account was created to account for the payment of the semiannual interest requirements of the revenue bonds.
- **Reserve Account** – The Reserve Account was created for the purpose of paying interest and principal of the bonds whenever and to the extent that the monies held for the credit of the Bond Interest Account and the Redemption Account shall be insufficient for such purpose. The required reserve is an amount equal to the average annual debt service requirements of all bonds outstanding. At December 31, 2008, according to staff calculations the Authority was in compliance with this requirement.
- **Redemption Account** – The Redemption Account was created to account for the payment of the annual principal requirements of the revenue bonds.



**NORTH TEXAS TOLLWAY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

- **DFW Turnpike Transition Trust Fund** – The Trust Fund is used to fund post-employment healthcare benefits for retire employees of the Dallas-Fort Worth Turnpike. Currently, there are two (2) employees that meet these requirements.

**(e) Cash, Cash Equivalents and Investments**

Cash includes amounts in demand deposits. Cash equivalents are amounts included in the overnight sweep of the commercial account. These deposits are fully collateralized or covered by federal deposit insurance. The Authority considers other money market funds to be investments. The carrying amount of the investments is fair value. The net change in fair value of investments is recorded on the Statement of Revenues, Expenses, and Changes in Net Assets and includes the unrealized and realized gains and losses on investments.

**(f) Materials Inventory**

Inventories of road maintenance materials and supplies are valued at the lower of cost or market using the average cost method.

**(g) Capital Assets**

All capital assets are stated at historical cost, except for donated assets, which are valued at the estimated fair value of the item at the date of its donation. This includes costs for infrastructure assets (right-of-way, highways, bridges, and highways and bridges substructures), toll equipment, buildings, land, toll facilities; other related costs, including software and property and equipment with a value greater than \$5,000. Highways and bridges substructure includes road sub-base, grading, land clearing, embankments, and other related costs. Also included in capital assets are the costs of certain real estate for right-of-way requirements and administrative and legal expenses incurred during the construction period.

The costs to acquire additional capital assets, which replace existing assets or improve the efficiency of the Authority, are capitalized. Under the Authority's policy of accounting for infrastructure assets pursuant to the "preservation method of accounting" or "modified approach," property costs represent an historical accumulation of costs expended to acquire rights-of-way and to construct, improve, and place in operation the various projects and related facilities. These infrastructure assets are considered to be "indefinite lived assets" that is, the assets themselves will last indefinitely and are, therefore, not depreciated. Costs related to renewing and maintaining these assets are not capitalized, but instead are considered to be period costs and are included in preservation expense classified as part of reserve maintenance and capital improvement expenses. Additional charges to preservation expense occur whenever the condition of the infrastructure assets is determined to be at a level that is below the standards adopted by the Board of Directors of the Authority.

**(h) Compensated Absences**

Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**(i) Retainage Payable**

Retainage payable represents amounts billed to the Authority by contractors for which payment is not due pursuant to retained percentage provision in construction contracts until substantial completion of performance by contractor and acceptance by the Authority.

**(j) Deferred Amount on Refunding of Revenue Bonds**

Deferred amount on refunding of revenue bonds incurred on advance refunding of such bonds relates to the difference between the reacquisition price and the net carrying amount of the refunded bonds. The amount deferred is included as a reduction to revenue bonds payable and is amortized in a systematic and rational manner over the life of the refunded bonds or the life of the refunding bonds, whichever is shorter.

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**(k) Bond Discounts, Premiums, and Bond Issuance Costs**

Costs incurred in connection with the offering and sale of bonds for construction purposes are deferred and amortized over the life of the bonds. Revenue bonds payable are reported net of unamortized bond discount or premium.

**(l) Arbitrage Rebate Payable**

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements, and arbitrage rebate liability on issuers of tax-exempt debt. This represents interest earnings on bond proceeds in excess of amounts allowed under the Act. This Act requires the remittance to the Internal Revenue Service (IRS) of 90% of the cumulative arbitrage rebate within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The Authority's cumulative arbitrage rebate liabilities for the year ended December 31, 2008 are \$33,841.

**(m) Estimates**

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Immaterial reclassifications have occurred on several line items in 2008.

**(n) New Accounting Pronouncements**

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets ("GASB 51"), establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The Authority will make plans to implement GASB 51 in the fiscal year beginning January 1, 2010.

**(2) Legal Compliance – Budgets**

The Authority is required to prepare a preliminary budget of current expenses, deposits to the Reserve Maintenance Fund, and the purposes for which the monies held in the Reserve Maintenance Fund will be expended for the ensuing year. Copies of the preliminary budget must be filed with the bond trustee, and mailed to the consulting engineers, traffic engineers, principal underwriters, and all bondholders who have filed their names and addresses with the secretary and treasurer of the Authority 60 days prior to year-end. The Authority is required by the Trust Agreement to adopt a final budget for the Authority on or before December 31 prior to the beginning of the year. The budget is prepared at the Department level and is prepared based upon the Trust Agreement.

The Authority may not expend any amount or incur any obligations for maintenance, repairs, and operations in excess of the total amount of the budgeted expenses in the Annual Budget unless the funding source is other than revenues received from the Authority. The Authority may expend additional monies from the Reserve Maintenance Fund in excess of the annual deposits. Budget amendments must be approved by the Board Members of the Authority in a manner similar to the adoption of the annual budget. There were no occurrences of budget noncompliance in 2008.

Pursuant to the Trust Agreement, the Authority has agreed that it will at all times keep in effect a plan for toll collecting facilities and a schedule of rates of tolls, which will raise and produce net revenues during each fiscal year sufficient to satisfy the greatest of (1), (2), or (3) below:

- 1) 1.35 times the scheduled debt service requirements on all outstanding First Tier Bonds for the fiscal year:  
or

**NORTH TEXAS TOLLWAY AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS**

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- 2) 1.20 times the scheduled debt service requirements on all outstanding First Tier Bonds and Second Tier Bonds for the fiscal year: or
- 3) 1.00 times the scheduled debt service requirements on all outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and all other obligations secured by net revenues for the fiscal year.

In 2008, the requirement was 1.35 times the scheduled debt service requirement. The actual for the year is calculated below.

GAAP basis operating income	\$	109,103,970
Non-construction fund interest income		<u>11,685,372</u>
Gross income		120,789,342
Add:		
Depreciation		3,481,013
Capital improvement fund expenses		38,541,652
Reserve maintenance fund expenses		<u>18,254,548</u>
Net revenues available for debt service		<u>181,066,555</u>
Bond interest expense, net of amounts capitalized		78,845,508
Scheduled principal amount due		<u>34,110,000</u>
Calculated debt service requirement	\$	<u>112,955,508</u>
Coverage ratio		<u>1.60</u>

**(3) Deposits and Investments**

The Authority's investment policy is in accordance with the laws of the State of Texas. The Authority may purchase investments as authorized by the Trust Agreement and as further authorized by the revised investment policy and strategy approved by the Board of Directors in December 2007. These investments include obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities; obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; certificates of deposit issued by a state or national bank; fully collateralized repurchase agreements; commercial paper with a stated maturity of 270 days or fewer from the date of its issuance; and no load money market mutual funds that have a dollar-weighted average stated maturity of 90 days or fewer and includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.

The Authority does not invest in financial instruments other than those authorized by the investment policy, and does not invest in any state or local government investment pools.

The Authority reports all equity securities and debt instruments with readily determinable market values to be carried at fair value, with changes in fair value reflected in the Statements of Revenues, Expenses, and Changes in Net Assets.

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**(a) Deposits**

The Authority's deposits were fully insured or collateralized at December 31, 2008. The carrying amount of the Authority's deposits were \$6,029,691 and the respective bank balances totaled \$6,885,556. As of December 31, 2008 the total bank balances were covered under the Temporary Liquidity Guarantee Program created by the Federal Depository Insurance Corporation (FDIC). The program provides full coverage of non-interest bearing deposit transaction accounts regardless of dollar amount.

**(b) Investments**

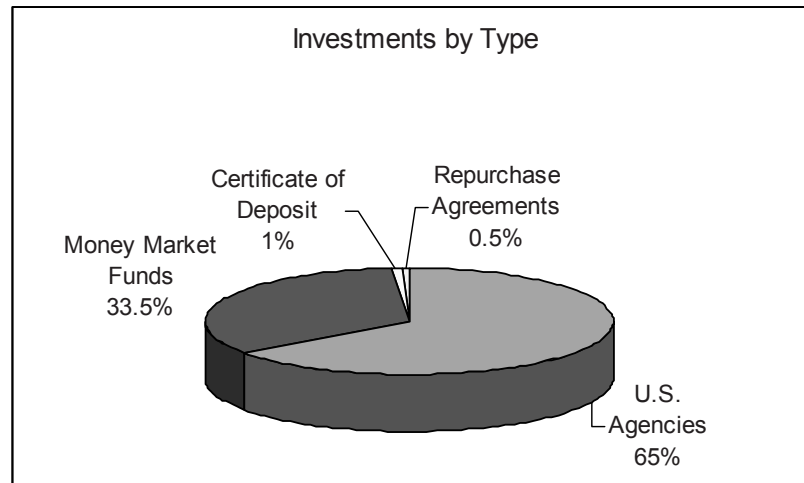
As of December 31, 2008 the maturity values are as follows:

Description	2008		
	Maturity Value (in Yrs)		
	Fair Value	Less Than 1 Yr	1 Yr or More
U.S. Agencies:			
Federal Home Loan Bank	\$ 302,746,200	22,798,154	279,948,046
Federal National Mortgage Assn.	593,523,190	51,557,243	541,965,947
Federal Agricultural Mortgage Corporation	17,807,864	-	17,807,864
Federal Farm Credit Banks	17,990,838	-	17,990,838
Federal Home Loan Mortgage Corp	<u>92,591,468</u>	<u>10,000,000</u>	<u>82,591,468</u>
Total U.S. Agencies	1,024,659,560	84,355,397	940,304,163
Money Market Funds*	531,465,722	531,465,722	-
Certificate of Deposit	15,000,000	15,000,000	-
Repurchase Agreements	<u>7,999,928</u>	<u>7,999,928</u>	-
<b>Total Investments</b>	<b><u>\$ 1,579,125,210</u></b>	<b><u>638,821,047</u></b>	<b><u>940,304,163</u></b>

\* Included in Money Market Funds are overnight sweeps, totaling \$5,382,355 that are classified as cash in the financial statements.

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**(c) Interest Rate Risk**

Investment portfolios are designed with the objective of attaining the best possible rate of return commensurate with the Authority's investment risk constraints and the cash flow characteristics of the portfolio. Return on investments, although important, is subordinate to the safety and liquidity objectives. In reflection with the Authority's investment report, the portfolio reflects the overall summary of the Authority's investment position. The weighted average yield-to-maturity of the portfolio for December 31, 2008 was 2.317%, in comparison to 4.026% in 2007. The weighted average maturity in days was 506 days for 2008, compared to 384 days in 2007. Market value fluctuation of the overall portfolio is minimized by keeping the weighted average maturity low. Approximately 40% of the investment are maturing within one year and 60% are maturing one year or greater.

**(d) Credit Risk**

Per the Investment Policy, the Authority may not enter into longer term investment agreements or other ongoing investment transactions with a final maturity or termination date of longer than six months with any financial institution that initially has a long term rating of less than "AA" by Standard & Poor's Ratings Group or "Aa2" by Moody's Investor Services. That means ratings of AA, AA+ for S&P and Aa2, Aa1 for Moody's are appropriate for the financial institution.

As of December 31, 2008, the Authority invested 33.5% in AAA rated money market funds, 1% in Certificates of Deposit, 0.5% invested in AAA rated Full Flex Repurchase agreements, and 65% in Agencies backed by the full faith and credit of the U.S. Government. Repurchase agreements are fully collateralized. Agencies are AAA rated by Moody's.

**(e) Concentration of Credit Risk**

It is the policy of the Authority to diversify its investment portfolios. Assets held in the particular funds shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of December 31, 2008 the Wells Fargo, Federated, and MBIA Texas Class A funds exceeded 5% of the total portfolio. This higher balance held with the Trustee was required for the debt service payment due January 1, 2009. More than 5% of the Authority's

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investments are in Federal Home Loan Banking, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation.

Cash and investments either restricted in accordance with bond provisions or accounted for per the Trust Agreements budget requirements are as follows:

Construction and Property Account	\$ 950,397,994
Revenue Account	25,139,263
Operations and Maintenance Account	13,165,026
Reserve Maintenance Account	48,210,316
Consolidated Capital Improvement Account	27,632,622
Bond Interest Account	125,632,883
Bond Reserve Account	351,754,160
Bond Redemption Account	37,403,128
DFW Turnpike Transition Trust Fund	437,154
Total cash and investments	<u>\$ 1,579,772,546</u>

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December 31, 2008

**(4) Capital Assets**

Capital assets are summarized as follows:

	<u>January 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2008</u>
Infrastructure network (nondepreciable):				
Preliminary costs	\$ 45,363,314	—	—	45,363,314
Engineering	148,590,327	6,317,515	—	154,907,842
Right-of-way	134,013,363	881,743	—	134,895,106
Construction	1,052,684,706	23,186,984	—	1,075,871,690
Administration	28,627,702	1,266,085	—	29,893,787
Financing cost*	92,057,317	—	—	92,057,317
Construction in Progress (nondepreciable):				
Preliminary costs	4,870,683	258,007	—	5,128,690
Engineering	37,213,468	37,069,192	—	74,282,660
Right-of-way	703,804	85,613,189	—	86,316,993
Construction in progress	236,431,754	89,437,616	—	325,869,370
Administration	1,664,442	4,860,803	—	6,525,245
Total nondepreciable infrastructure network	<u>1,782,220,880</u>	<u>248,891,134</u>	<u>—</u>	<u>2,031,112,014</u>
Construction in Progress (depreciable):				
Preliminary costs	1,142,464	—	—	1,142,464
Engineering	13,511,355	39,946,800	—	53,458,155
Construction in progress	3,197,211,448	130,299,191	(3,197,211,448)	130,299,191
Administration	13,480,893	3,618,657	—	17,099,550
Financing cost*	13,762,699	47,623,137	—	61,385,836
Total Construction in Progress (depreciable)	<u>3,239,108,859</u>	<u>221,487,785</u>	<u>(3,197,211,448)</u>	<u>263,385,196</u>
Roadway	—	3,197,211,448	—	3,197,211,448
Less accumulated depreciation	—	(24,555,772)	—	(24,555,772)
Total roadway	<u>—</u>	<u>3,172,655,676</u>	<u>—</u>	<u>3,172,655,676</u>
Total infrastructure	5,021,329,739	3,643,034,595	(3,197,211,448)	5,467,152,886
Property and equipment				
Land	7,360,255	—	—	7,360,255
Buildings	17,434,998	—	—	17,434,998
Machinery and equipment	14,421,375	10,245,020	(407,957)	24,258,438
Less accumulated depreciation	(10,854,401)	(3,863,554)	—	(14,717,955)
Total depreciable	21,001,972	6,381,466	(407,957)	26,975,481
Total property and equipment	<u>28,362,227</u>	<u>6,381,466</u>	<u>(407,957)</u>	<u>34,335,736</u>
Total capital assets	\$ <u>5,049,691,966</u>	<u>3,649,416,061</u>	<u>(3,197,619,405)</u>	<u>5,501,488,622</u>

\* Includes capitalized interest net of interest earnings.

Total bond interest cost incurred amounted to \$309,744,050 during the year ended December 31, 2008, of which \$47,623,137 was capitalized.

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**(5) Revenue Bonds, Commercial Paper, and Loans Payable**

***Revenue Bonds***

The Authority has issued and refunded various Revenue Bond Series to construct the Authority and to fund reserves and expenses associated with the bond issues. The Authority follows the provisions of GASB No. 23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities (Statement No. 23). Under the provisions of Statement No. 23, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized over the life of the new debt or the life of the old debt (had it not been refunded), whichever is shorter, as an adjustment to the bond interest expense.

Outstanding bonds which were delivered prior to 2008 were issued under the Trust Agreement dated July 1, 1989, as amended by the First through Twelfth Supplements (collectively, the "Trust Agreement"). The Series 2008 A through E bonds were issued under the Thirteenth Supplement of the Trust Agreement. Upon delivery of the Series 2008 A through E bonds, the Trust Agreement was replaced with the Amended and Restated Trust Agreement. The Amended and Restated Trust Agreement created First Tier, Second Tier and Third Tier debt levels. The then current outstanding bonds and the Series 2008 A through E bonds became First Tier debt. The Authority's commercial paper program was secured as Third Tier Debt. Additional series of bonds in 2008 were authorized by resolutions of the NTTA Board of Directors and were issued pursuant to the Amended and Restated Trust Agreement, as amended by the First through Third Supplements (collectively, the "Amended and Restated Trust Agreement").

The following are descriptions of Revenue Bond Series currently outstanding as of December 31, 2008.

**Series 1997:** The Authority issued \$129,270,000 in principal amount of Dallas North Tollway Authority Revenue Refunding Bonds, Series 1997 insured by Financial Guaranty Insurance Company ("FGIC"), dated January 1, 1996 with a forward delivery on October 8, 1997, for the purpose of refunding \$123,945,000 of Series 1989 revenue bonds. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1 of each year. The issue included \$78,665,000 of serial bonds, which began maturing on January 1, 1999 and bear interest rates ranging from 5.0% to 6.5%, and \$50,605,000 of 5.5% term bonds due January 1, 2015.

The difference between the reacquisition price and the net carrying amount of the Series 1989 Bonds (\$11,430,835) was deferred and is being amortized over the stated term of the Series 1997 Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$3,427,557. Amortization of the deferred amount on the refunding was \$1,940,717 for the year ended December 31, 2008. Outstanding principal on the Series 1989 revenue bonds refunded by Series 1997 and Series 1997A, in escrow is \$189,230,000 on December 31, 2008.

**Series 1997A:** The Authority issued \$129,005,000 in principal amount of Dallas North Tollway Authority Revenue Refunding bonds, Series 1997A insured by FGIC, on October 01, 1997, for the purpose of refunding a portion of the Dallas North Tollway Authority Revenue Bonds, Series 1989, dated July 1, 1989, and the outstanding Dallas North Tollway Authority Revenue Bonds, Series 1994, dated December 1, 1994. The amount of refunded principal related to the Series 1989 Bonds is \$98,040,000 and the amount related to the Series 1994 Bonds is \$22,575,000. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1. The issue included \$67,685,000 of serial bonds which began maturing on January 1, 1998 and bear interest rates ranging from 4.0% to 5.375%, \$56,655,000 of 5.0% term bonds due January 1, 2020, and \$4,665,000 of 5.0% term bonds due January 1, 2023.

The difference between the reacquisition price and the net carrying amount of the Series 1989 Bonds and 1994 Bonds (\$9,217,525) was deferred and is being amortized over the stated term of the Series 1997A Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$6,259,412. Amortization of the deferred amount on the refunding was \$154,039 for the year ended December 31, 2008. Outstanding principal on the Series 1994 revenue bonds in escrow is \$20,380,000 on December 31, 2008.

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**Series 1998:** The Authority issued \$100,660,000 North Texas Tollway Authority Dallas North Tollway Authority Revenue Bonds, Series 1998 on October 29, 1998. The bonds are insured by FGIC and were issued for the purpose of financing Segment V of the PGBT. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1 commencing January 1, 2008. The issue included \$22,515,000 of serial bonds maturing from 2008-2018 with interest rates ranging from 4.10%-4.75%, \$22,065,000 term bonds due January 1, 2022 with an interest rate of 4.75%, and \$56,080,000 term bonds due January 1, 2029 with an interest rate of 4.75%.

**Series 2003A:** To fund a portion of the costs for Segments IV of the PGBT, finance improvements to the Authority and refund commercial paper notes, the Authority issued \$225,000,000 Series 2003A North Texas Tollway Authority Dallas North Tollway Authority Revenue Bonds, insured by Ambac Assurance Corporation ("Ambac"), on May 28, 2003. The \$54,405,000 of serial bonds and \$170,595,000 of term bonds will mature beginning January 1, 2021 and bear an interest rate of 5.00%. The term bonds are subject to mandatory sinking fund redemptions beginning January 1, 2027. Interest is payable on January 1 and July 1 of each year. The Series 2003A Bonds are subject to redemption prior to maturity at the option of the Authority on January 1, 2013 or on any date thereafter at a price of par plus accrued interest to the date of redemption.

**Series 2005A:** The \$227,370,000 North Texas Tollway Authority Dallas North Tollway System Revenue Bonds, Series 2005A were issued March 24, 2005 for the purpose of financing a portion of the construction cost of improving, expanding and extending the Authority, including the proposed extension of the DNT from Gaylord Parkway to U.S. 380, and reimbursing the cost of construction of the extension of the DNT from Legacy Drive across SH 121 to Gaylord Parkway. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1 of each year. As of December 31, 2008, only the January 1, 2009 maturity of this series remains outstanding in the amount of \$3,905,000. The Series 2008B Bonds refunded all but the January 1, 2009 maturity of the Series 2005A Bonds.

**Series 2005 C:** The \$341,670,000 North Texas Tollway Authority Dallas North Tollway Authority Variable Rate Revenue Bonds, Series 2005C, insured by FGIC, were issued December 15, 2005 for the purpose of refunding \$332,425,000 Series 1995 Bonds. Interest initially accrues from the date of delivery at a Weekly Rate, but may be subsequently converted to bear interest at a Daily Rate, Flexible Rate, Monthly Rate, Quarterly Rate, Semi-Annual Rate, Multi-Annual Rate, or Fixed Rate. While bearing interest at a Weekly Rate, interest is payable on the first business day of each calendar month, and is calculated on the basis of actual days elapsed in a 365-day or 366-day year, as applicable. Upon a change to any of the other interest modes, the bonds will be subject to mandatory tender for purchase and remarketing with a maximum rate of twelve (12%) per annum. The bonds consist of \$341,670,000 term bonds due January 1, 2025. The bonds are subject to mandatory sinking fund redemption prior to maturity on January 1 of the years 2008-2025. In 2008, FGIC was downgraded below investment grade and remarketing of the bonds was not completely successful. The Series 2005C Bonds were entitled to the benefit of a liquidity facility issued by DEPFA Bank. Bonds held by DEPFA now bear interest at 3% plus the higher of (i) DEPFA's prime rate or (ii) federal funds plus 0.5%. As of December 31, 2008, \$334,760,000 in bonds is held by DEPFA at 6.60% interest, and \$5,500,000 continues to be remarketed at 9.50% interest.

The difference between the reacquisition price and the net carrying amount of the Series 1995 Bonds (\$14,207,535) was deferred and is being amortized over the stated term of the Series 2005C Refunding Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$12,859,341. Amortization of the deferred amount on the refunding was \$1,348,194 for the year ended December 31, 2008. Outstanding principal on the Series 1995 Bonds in escrow is \$436,320,954 on December 31, 2008.

**Series 2008A:** The \$1,770,285,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008A were issued on April 3, 2008 for the purpose of refunding \$58,760,000 of Series 2003C Tender Bonds, \$71,000,000 of Series 2005B Bonds and \$1,203,405,000 of the Bond Anticipation Notes that were issued in November 2007, utilizing State and Local Government Securities. Interest is payable January 1 and July 1, and principal is payable on January 1 of each year. The issue included \$483,665,000 of serial bonds, which begin maturing January 1, 2009 and bear interest rates ranging from 4.0% to 6.0%; \$373,810,000 of 5.125% term bonds due January 1, 2028, which are insured by MBIA Insurance Corporation; \$207,910,000 of 5.625% term

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bonds due January 1, 2033; \$404,900,000 of 5.75% term bonds due January 1, 2040; and \$300,000,000 5.75% term bonds due January 1, 2048.

Net proceeds of \$1,354,730,351 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes and refunded Series 2003C Bonds. As a result, a portion of the Bond Anticipation Notes and Series 2003C Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of \$42,650,043.

The difference between the reacquisition price and the net carrying amount of the Series 2003C Bonds (\$6,964,108) was deferred and is being amortized over the stated term of the Series 2003C Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$6,004,539. Amortization of the deferred amount on the refunding was \$959,569 for the year ended December 31, 2008. Outstanding principal on the Series 2003C Bonds in escrow is \$58,760,000 on December 31, 2008.

In addition, the remaining Series 2005B Bonds, in the amount of \$71,000,000, were refunded.

**Series 2008B:** The Authority issued \$237,395,000 in principal amount of North Texas Tollway Authority Revenue Refunding Bonds, Series 2008B on April 3, 2008 for the purpose of refunding \$215,185,000 of Series 2005A Bonds. The issue includes \$53,175,000 in serial bonds, which begin maturing January 1, 2009 and bear interest rates ranging from 4.0% to 6.0%; \$62,290,000 of 5.625% term bonds due January 1, 2033 and \$121,930,000 of 5.75% term bonds due January 1, 2040. Interest is payable on January 1 and July 1.

Net proceeds of \$229,618,924 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded Series 2005A Bonds. As a result, a portion of the Series 2005A Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of \$38,839,974.

The difference between the reacquisition price and the net carrying amount of the Series 2005A Bonds (\$10,487,892) was deferred and is being amortized over the stated term of the Series 2005A Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$10,021,769. Amortization of the deferred amount on the refunding was \$466,123 for the year ended December 31, 2008. Outstanding principal on the Series 2005A Bonds in escrow is \$215,185,000 on December 31, 2008.

**Series 2008C:** The \$19,370,000 North Texas Tollway Authority Taxable Revenue Refunding Bonds, Series 2008C were issued on April 3, 2008 for the purpose of refunding \$18,375,000 of Series 2003C Serial Bonds maturing January 1, 2009 and January 1, 2010. Interest is payable January 1 and July 1, and principal is payable on January 1 of each year. The issue includes serial bonds bearing interest at 4% to 4.25% maturing on January 1, 2009 and January 1, 2010.

Net proceeds of \$19,241,567 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded Series 2003C Bonds. As a result, a portion of the Series 2003C Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of \$597,310.

The difference between the reacquisition price and the net carrying amount of the Series 2003C Bonds (\$1,741,111) was deferred and is being amortized over the stated term of the Series 2003C Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$1,476,989. Amortization of the deferred amount on the refunding was \$264,122 for the year ended December 31, 2008. Outstanding principal on the Series 2003C Bonds in escrow is \$18,375,000 on December 31, 2008.

**Series 2008D:** The \$399,999,394 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008D were issued on April 3, 2008 for the purpose of refunding \$353,730,000 of the Bond Anticipation Notes that were issued in November 2007. These bonds were issued as Capital Appreciation Bonds, and the sum of the principal and accreted/compounded interest is payable only at maturity. The approximate Yield to Maturity is 5.90% to

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5.97%. The maturity dates of the 2008D bonds are January 1, 2028 through January 1, 2038. These bonds are insured by the Assured Guaranty Corp.

Net proceeds of \$359,581,465 were deposited in an irrevocable trust with an escrow agent to provide for future payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there were no Bond Anticipation Notes outstanding. The Authority obtained a present value loss of \$9,506,346.

**Series 2008E:** The \$600,000,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008E Put Bonds with an Initial Multiannual period, were issued on April 3, 2008 for the purpose of refunding \$12,970,000 of Series 1997 Bonds and \$465,755,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the Series 2008E Bonds at the Initial Interest Rate, ranging from 5.0% to 5.75% and is payable January 1 and July 1. The Series 2008E Bonds were issued in subseries. These bonds are subject to mandatory tender on the following Mandatory Tender Dates: Subseries 2008E-1 on January 1, 2010, Subseries E-2 on January 1, 2012, and Subseries E-3 on January 1, 2016. On the Mandatory Tender Dates, the Series will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender Date at which they can be sold in any interest rate mode and at a rate not exceeding 12.00% per annum. In the event they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Series 2008E Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

Net proceeds of \$487,277,027 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes and refunded a portion of the Series 1997 Bonds. As a result, a portion of the Bond Anticipation Notes and Series 1997 Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value gain of \$45,238,402.

The difference between the reacquisition price and the net carrying amount of the Series 1997 Bonds (\$1,214,490) was deferred and is being amortized over the stated term of the Series 1997 Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$807,089. Amortization of the deferred amount on the refunding was \$407,401 for the year ended December 31, 2008. Outstanding principal on the Series 1997 Bonds in escrow is \$12,970,000 on December 31, 2008.

**Series 2008F:** The Authority issued \$1,000,000,000 North Texas Tollway Authority Second Tier Revenue Refunding Bonds, Series 2008F on July 30, 2008 for the purpose of refunding \$739,150,000 of the Bond Anticipation Notes that were issued in November 2007. Interest is payable January 1 and July 1, and principal is payable on January 1. The issue consists of term bonds bearing interest from 5.75% to 6.125% with maturities on January 1, 2031, January 1, 2033 and January 1, 2038.

Net proceeds of \$760,916,726 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there were no Bond Anticipation Notes outstanding.

**Series 2008G:** The \$124,750,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008G Put Bonds with an Initial Multiannual period, were issued June 30, 2008 for the purpose of refunding \$125,245,000 of Series 2003B Bonds. Interest accrues on the Series 2008G Bonds at the Initial Interest Rate of 5% and is payable January 1 and July 1 of each year, commencing January 1, 2009. The bonds are subject to mandatory tender on January 1, 2010. On the Mandatory Tender Date, the Series will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender Date at which they can be sold in any interest rate mode and at a rate not exceeding 12.00% per annum. In the event they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will



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be deemed to have been rescinded and the Series 2008G Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

Net proceeds of \$125,262,395 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded Series 2003B Bonds. As a result, the Series 2003B Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of \$1,137,989.

The difference between the reacquisition price and the net carrying amount of the Series 1997 Bonds \$3,926,840 was deferred and is being amortized over the stated term of the Series 2003B Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$3,853,187. Amortization of the deferred amount on the refunding was \$74,146 for the year ended December 31, 2008. The \$125,245,000 Series 2003B Bonds were redeemed at the mandatory tender date of July 1, 2008.

**Series 2008H:** On September 24, 2008, the Authority issued \$409,040,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2008H Put Bonds with an Initial Multiannual period for the purpose of refunding \$324,870,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the bonds at the Initial Interest Rate of 5% and is payable January 1 and July 1 of each year, commencing January 1, 2009. The Series 2008H Bonds were issued in subseries. The bonds are subject to a mandatory tender on the following Mandatory Tender Dates: Subseries 2008H-1 on January 1, 2011 and Subseries 2008H-2 on January 1, 2013. On the Mandatory Tender Dates, the bonds will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender Date at which they can be sold in any interest rate mode and at a rate not exceeding 12.00% per annum. In the event they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Series 2008H Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

Net proceeds of \$336,528,232 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there was no Bond Anticipation Notes outstanding. The Authority obtained a present value loss of \$3,919,952.

**Series 2008I:** The Authority issued \$199,998,366 of North Texas Tollway Authority Convertible Capital Appreciation Bonds Series 2008I on September 24, 2008 for the purpose of refunding \$175,975,000 of the Bond Anticipation Notes that were issued in November 2007. The Approximate Yield to Maturity Date is 6.2% and 6.5%. Interest will accrete from the date of delivery and will compound semiannually on January 1 and July 1, commencing January 1, 2009. The Conversion Date is January 1, 2015; after this date, interest will accrue at a rate of 6.2% and 6.5% on the total amount of principal and the accreted/compounded interest thereon payable semiannually on January 1 and July 1, commencing July 1, 2015. Principal and accreted/compounded interest accreted prior to January 1, 2015 will come due on January 1, 2042 and January 1, 2043, or upon optional redemption. These bonds are insured by the Assured Guaranty Corp.

Net proceeds of \$182,290,010 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there was no Bond Anticipation Notes outstanding. The Authority obtained a present value loss of \$2,123,353.

**Series 2008J:** The Authority issued \$100,000,000 of North Texas Tollway Authority First Tier Revenue Bonds, Series 2008J on November 4, 2008 for the purpose of funding development and construction of components of the Authority, including the 121 Tollway, LLTB, and the PGBT Eastern Extension. These index floating rate mode bonds were delivered pursuant to a private placement with Banc of America Securities LLC. Under such mode, interest is based on a fixed spread above the "Securities Industry and Financial Markets Association Municipal



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Swap Index" ("SIFMA") announced weekly by Municipal Market Data. The interest rate is reset every Thursday at the SIFMA index for that week plus the fixed spread. Interest is paid to bondholders on the first business day of each month. For the first three years, the rate is set at SIFMA plus 2.5%, provided the Authority's credit ratings remain the same. The bonds mature on January 1, 2039 and may be redeemed at the option of the Authority prior to that date.

**Series 2008K:** The \$205,000,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008K were issued on November 4, 2008 for the purpose of refunding \$56,135,000 of Bond Anticipation Notes that were issued in November 2007, and \$95,300,000 of Commercial Paper Notes. Interest is payable January 1 and July 1 commencing January 1, 2009. The total consists two subseries of Series 2008K Bonds: \$125,000,000 of 5.75% term bonds, Subseries 2008K-1, due January 1, 2038 and \$80,000,000 of 6.00% term bonds, Subseries 2008K-2, due January 1, 2038. The Subseries 2008K-1 bonds are insured by Assured Guaranty Corp.

Net proceeds of \$153,686,247 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes and Commercial Paper. As a result, a portion of the Bond Anticipation Notes and Commercial Paper is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there was no Bond Anticipation Notes outstanding or Commercial Paper in escrow. The Authority obtained a present value loss of \$3,379,546.

**Series 2008L:** On November 4, 2008 the Authority issued \$220,000,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series L Put Bonds with an Initial Multiannual period, for the purpose of refunding \$168,225,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the bonds at the Initial Interest Rate of 5.5% and 6.0% and is payable January 1 and July 1 of each year, commencing January 1, 2009. The bonds were issued in two subseries. The bonds are subject to mandatory tender on the following Mandatory Tender Dates: Subseries 2008L-1 on January 1, 2011 and Subseries 2008L-2 on January 1, 2013. On the Mandatory Tender Dates, the Series will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender Date at which they can be sold in any interest rate mode and at a rate not exceeding 12.00% per annum. In the event they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Series 2008L Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

Net proceeds of \$174,971,523 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there was no Bond Anticipation Notes outstanding. The Authority obtained a present value loss of \$3,847,607.

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The following schedule summarizes the revenue bonds outstanding as of December 31, 2008:

Description of Issue	Revenue Bonds Outstanding As of December 31, 2008				
	Beginning Balance	Additions	Matured or Retired	Ending Balance	Due within one year
Series '97	\$ 90,460,000	-	(21,460,000)	69,000,000	9,850,000
Series '97A	106,290,000	-	(1,220,000)	105,070,000	1,280,000
Series '98	100,660,000	-	(120,000)	100,540,000	425,000
Series '03A	225,000,000	-	-	225,000,000	-
Series '03B	125,245,000	-	(125,245,000)	-	-
Series '03C	85,670,000	-	(85,670,000)	-	-
Series '05A	223,155,000	-	(219,250,000)	3,905,000	3,905,000
Series '05B	71,000,000	-	(71,000,000)	-	-
Series '05C	341,070,000	-	(810,000)	340,260,000	840,000
Series '08A		1,770,285,000	-	1,770,285,000	4,950,000
Series '08B		237,395,000	-	237,395,000	3,310,000
Series '08C		19,370,000	-	19,370,000	9,550,000
Series '08D		417,826,981	-	417,826,981	-
Series '08E		600,000,000	-	600,000,000	-
Series '08F		1,000,000,000	-	1,000,000,000	-
Series '08G		124,750,000	-	124,750,000	-
Series '08H		410,726,910	-	410,726,910	-
Series '08I		201,685,275	-	201,685,275	-
Series '08J		100,000,000	-	100,000,000	-
Series '08K		205,000,000	-	205,000,000	-
Series '08L		220,000,000	-	220,000,000	-
	<u>1,368,550,000</u>	<u>5,307,039,166</u>	<u>(524,775,000)</u>	<u>6,150,814,166</u>	<u>34,110,000</u>
Less:					
Unamortized deferred amount on refunding of revenue bonds	42,258,805	16,136,785	(21,392,081)	37,003,509	-
Bond discount/premium	(18,516,649)	20,221,906	18,043,792	19,749,049	-
<b>Totals</b>	<b><u>\$ 1,392,292,156</u></b>	<b><u>5,270,680,475</u></b>	<b><u>(485,339,127)</u></b>	<b><u>6,094,061,608</u></b>	<b><u>34,110,000</u></b>

**Deferred Bond Issuance/Financing Costs**

Expenses related to the issuance of the bonds and other loans are being amortized using the straight line method that factors in the maturities of the various serial bonds, over the term of the bonds and loan. The deferred amount of refunding for the year ended on December 31, 2008 was \$37,003,509. The discount (premium) costs for the year ended on December 31, 2008 was \$19,749,049.

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The revenue bond debt service requirements below are prepared as of December 31, 2008:

<u>Year</u>	<u>Total Revenue Bonds</u>		<u>Capitalized Interest</u>	<u>Total</u>
	<u>Principal amount</u>	<u>Interest amount</u>		
Due January 1				
2009	\$ 34,110,000	200,553,279	(126,987,770)	107,675,509
2010	33,045,000	301,998,234	(207,905,558)	127,137,676
2011	38,775,000	296,571,786	(177,039,199)	158,307,587
2012	38,795,000	292,120,092	(138,990,376)	191,924,716
2013	28,155,000	287,291,717	(75,073,520)	240,373,197
2014 – 2018	220,450,000	1,459,291,894		1,679,741,894
2019 – 2023	514,635,000	1,390,262,331		1,904,897,331
2024 – 2028	811,641,277	1,326,703,049		2,138,344,326
2029 – 2033	1,118,102,974	1,534,212,745		2,652,315,719
2034 – 2038	2,014,655,143	1,363,786,547		3,378,441,690
2039 – 2043	1,041,328,366	336,023,122		1,377,351,488
2044 – 2048	235,920,000	45,640,260		281,560,260
Interest Accretion	21,201,406	(21,201,406)		-
	<u>\$ 6,150,814,166</u>	<u>8,813,253,650</u>	<u>(725,996,423)</u>	<u>14,238,071,393</u>

The Interest and Sinking and Reserve Accounts required by the Trust Agreement have been established with the Trustee. The balances as of December 31, 2008 were:

	<u>Cash and Investment Balance</u>	<u>Trust Requirement</u>
Bond interest account *	\$ 125,632,883	127,135,630
Debt service reserve account	351,754,160	329,708,626
Redemption account	37,403,128	34,110,000
Total	<u>\$ 514,790,171</u>	<u>490,954,256</u>

Bond interest account – Interest payment due at next due date  
Debt service reserve account – Average annual debt service payment  
Redemption account – Principal payment due at next due date

\* \$3,293,128 due from the Redemption Account was transferred on January 2, 2009 to the Bond Interest Account.

**SWAP Transactions**

**History:** In 2004, the Authority entered into multiple interest rate swap transactions in the collective notional amount of \$202,720,000 pursuant to ISDA Master Agreements dated and effective as of August 20, 2004 (the “2004 ISDA Master Agreements”) with Citibank N.A., New York, Bear Stearns Financial Products Inc. and Lehman Brothers Special Financing Inc. (the “Swap Providers”) in connection with the then proposed refunding of a portion of the Dallas North Tollway Authority Revenue Bonds, Series 1995 (the “Series 1995 Bonds”) and the issuance of the Variable Rate Revenue Bonds, Series 2005C (the “Series 2005C Bonds”), (the “2004 Swap

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Transactions”). Concurrently with the issuance of the Series 2005C Bonds in December 2005, the Authority and the Swap Providers also entered into multiple interest rate swap transactions in the collective nominal amount of \$138,950,000, effective as of December 15, 2005, pursuant to the 2004 ISDA Master Agreements relating to the portion of the Series 2005C Bonds issued to refund the remaining Series 1995 Bonds (the “2005 Swap Transactions” and together with the 2004 Swap Transactions, the “Swap Transactions”). The swap with Lehman Brothers Derivative Products was terminated on October 1, 2008, after the parent company filed for bankruptcy protection and the Authority paid \$4,511,011 in termination payment.

**Objective of the interest rate swap:** The intention of the Swap Transactions was to produce an overall fixed rate cost of funds related to refunding of the Series 1995 Bonds. The Swap Transactions were structured to lock in low rates, minimize the negative arbitrage in escrow, achieve higher present value savings than traditional fixed rate bond alternatives and increase future debt capacity.

**Terms – 2004 Swap Transactions:** Under the 2004 Swap Transactions, the Authority is obligated to make payments to the Swap Providers calculated at a fixed rate of 3.673% per annum and the Swap Providers are obligated to make floating rate payments to the Authority calculated at a rate equal to 67% of the one-month London Interbank Offered Rate (“LIBOR”) for U.S. deposits. The 2004 Swap Transactions have a stated final maturity date of January 1, 2023.

**Terms – 2005 Swap Transactions:** Under the 2005 Swap Transactions, the Authority is obligated to make payments to the Swap Providers calculated at a fixed rate of 3.533% per annum and the Swap Providers are obligated to make floating rate payments to the Authority calculated at a rate equal to 67% of the one-month LIBOR for U.S. deposits. The Series 2005C Bonds and the 2005 Swap Transactions have a stated final maturity date of January 1, 2025.

As of December 31, 2008, rates were as follows:

Interest rate swap:	Terms	2004 Swap Rates December 31, 2008	2005 Swap Rates December 31, 2008
Fixed payment to counterparties	Fixed	3.673%	3.533%
Variable payment from counterparties	67% of 1-Month LIBOR	1.273%	1.273%
Net interest rate swap payments		2.400%	2.260%
Variable-rate bond coupon payments	+/- SIFMA	6.650%	6.650%
Synthetic interest rate on bonds		9.050%	8.910%

**Fair value:** As of December 31, 2008, the Swap Transactions had a negative fair value of \$44,726,783. The negative fair value signifies the amount that the Authority would owe to the Swap Providers upon the termination of all the Swap Transactions as of that date. The fair value was calculated by the Authority’s financial advisor and reviewed by staff using a market quotation from the Swap Providers.

**Credit risk.** As of December 31, 2008, the Authority was not exposed to counter-party credit risk because the Swap Transactions had a negative fair value. However, should interest rates change and the fair value of the Swap Transactions become positive, the Authority would be exposed to credit risk in the amount of the derivative’s fair value.

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If the respective Swap Provider's credit rating is reduced below A2 by Moody's or A by S&P, in the case of Citibank N.A., New York, or Aa3 by Moody's or AA- by S&P in the case of Bear Stearns Financial Products, Inc., it is required to post collateral to the Authority's credit.

As of December 31, 2008 the Swap Providers' respective ratings by Moody's Investors Service ("Moody's") and by Standard and Poor's Corporation ("S&P") are as follows: Citibank N.A., New York Aa3/A+ and Bear Stearns Financial Products Inc. Aaa/AAA. Each party's portion of the 2004 Forward Swap and 2005 Current Swap agreement is 2/3 & 1/3 and 1/3 & 2/3 respectively

**Basis risk:** The Authority is exposed to basis risk under the swap agreements as the variable rate received from the counterparties will not perfectly match the variable rate paid on the variable rate bonds and the expected cost savings may not be realized. Total present value savings were originally estimated at \$41.8 million. Interest rates have diverged recently and total present value of savings is now estimated at \$27 million.

**Liquidity risk:** Risk relating to the Series 2005C Bonds insured by FGIC and the swap agreement with Bear Stearns Financial Products Inc. ("BSFP"), the Authority may be required to post collateral if FGIC is downgraded to below "A-" by S&P or "A3" by Moody's. If FGIC is so downgraded, and the Authority is downgraded to below A3 by Moody's or A- by S&P, the Authority will be obligated to post collateral in an amount equal to the swap termination payment amount owed by the Authority to BSFP. FGIC was downgraded but the Authority has maintained its ratings above the referenced levels and no collateral is required to be posted.

**Termination risk:** Termination risk exists if (i) the Authority opts to terminate the Swap Transactions prior to maturity and the Swap Providers do not have sufficient funds owed to the Authority, (ii) the Authority is downgraded to below A3 by Moody's or A- by S&P and the Authority is unable to post sufficient collateral, or (iii) the Authority's credit rating is reduced below investment grade by Moody's or S&P. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the termination the swap has a negative fair value, the Authority would be liable to the Swap Providers for a payment equal to the Swap's fair value.

The Swap Transactions are subject to optional termination by the Authority at any time over the term of the Swap Transactions at the then prevailing market value. The Swap Providers do not have the elective right to optionally terminate the Swap Transactions. Each of the swap agreements may be terminated by the respective counterparty if the Authority does not maintain a credit rating of least Baa3 by Moody's or BBB- by S&P.

**Swap payments and associated debt.** Using rates as of December 31, 2008, debt service requirements of the variable-rate and net swap payments, assuming current interest rates remain the same for the term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

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Fiscal Year	2005C Bonds Associated with 2004 Swap		2004 Swap Debt	Total
	Principal amount	Interest amount*	Interest Rate Swap, Net*	
2009	\$ 430,000	13,395,297	5,110,792	18,936,089
2010	450,000	13,365,379	5,099,377	18,914,756
2011	9,255,000	12,750,065	4,864,613	26,869,678
2012	9,630,000	12,109,819	4,620,336	26,360,155
2013	10,015,000	11,443,977	4,366,293	25,825,270
2014	10,425,000	10,750,876	4,101,849	25,277,725
2015	10,845,000	10,029,852	3,826,752	24,701,604
2016	11,280,000	9,279,907	3,540,621	24,100,528
2017	13,260,000	8,398,322	3,204,265	24,862,587
2018	14,240,000	7,451,583	2,843,049	24,534,632
2019	15,260,000	6,437,029	2,455,960	24,152,989
2020	16,080,000	5,367,959	2,048,071	23,496,030
2021	34,940,000	3,044,990	1,161,774	39,146,764
2022	37,320,000	563,789	215,106	38,098,895
2023	8,480,000	-	-	8,480,000
	<u>\$ 201,910,000</u>	<u>124,388,844</u>	<u>47,458,859</u>	<u>373,757,703</u>

\*As rates vary, variable rate bond interest payments and net swap payments will vary.

Fiscal Year	2005C Bonds Associated with 2005 Swap		2005 Swap Debt	Total
	Principal amount	Interest amount*	Interest Rate Swap, Net*	
2009	\$ 410,000	9,170,872	3,354,184	12,935,056
2010	425,000	9,142,616	3,343,849	12,911,465
2011	440,000	9,113,363	3,333,150	12,886,513
2012	455,000	9,083,112	3,322,086	12,860,198
2013	470,000	9,051,865	3,310,657	12,832,522
2014	490,000	9,019,287	3,298,742	12,808,029
2015	510,000	8,985,380	3,286,341	12,781,721
2016	8,615,000	8,412,616	3,076,857	20,104,473
2017	440,000	8,383,363	3,066,158	11,889,521
2018	455,000	8,353,113	3,055,094	11,863,207
2019	475,000	8,321,533	3,043,543	11,840,076
2020	490,000	8,288,955	3,031,953	11,810,908
2021	510,000	8,255,048	3,019,227	11,784,275
2022	530,000	8,219,811	3,006,340	11,756,151
2023	31,915,000	6,097,958	2,230,286	40,243,244
2024	44,550,000	3,136,074	1,146,998	48,833,072
2025	47,170,000	-	-	47,170,000
	<u>\$ 138,350,000</u>	<u>131,034,967</u>	<u>47,925,465</u>	<u>317,310,431</u>

- As rates vary, variable-rate bond interest payments and net swap payments will vary.



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***Commercial Paper***

On April 18, 2001, the Authority's Board of Directors authorized the \$200,000,000 Dallas North Tollway Authority Tax-Exempt Commercial Paper program. The commercial paper issued must mature not more than 270 days from date of issue. The Authority may retire commercial paper at any time.

Commercial Paper may be issued to provide interim financing for new projects and other capital improvements and to finance equipment purchases for projects of the Authority. In fiscal year 2008, the Authority issued \$110,000,000 of commercial paper, \$54,600,000 to finance the feasibility study and design of Southwest Parkway and PGBT (SH 161); \$45,400,000 to pay for construction cost of the Lewisville Lake Toll Bridge, Capital Improvement Projects and other various projects. The remaining total of \$89,700,000 was outstanding as of December 31, 2008 with interest rates ranging from 0.75% to 1.25%.

Commercial paper notes are supported by a letter of credit with Bank of America in excess of \$200,000,000 and constitute a Third Tier obligation under the Amended and Restated Trust Agreement. Any advances for payments of commercial paper under the line of credit are secured by a Third Tier lien on Authority revenues. No such advances have occurred. The credit agreement was renewed on December 23, 2007 and will expire on January 2, 2010.

***Loans Payable***

Additionally, the Authority funded, in part, costs of the construction of the PGBT with proceeds from a loan, which totaled \$135,000,000, made by TxDOT in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). Repayment of the loan to TxDOT is to be made from amounts on deposit in the Capital Improvement Fund with payments subordinate to bonds or other obligations of the Authority issued or entered into and secured by the tolls and revenues of the Authority. Interest at the rate of 4.2% began to accrue on October 1, 2000, compounding annually on January 1, with the first payment made in October 2004 and on January 1 thereafter until final payment in 2029. The ISTEA loan payment of \$7,500,000 was made on January 2, 2009 for the fiscal year of 2008. Accrued interest payable was \$19,109,042 as of December 31, 2008.

TxDOT has incurred \$4,600,000 in costs for interchange improvements relating to the PGBT, which will be repaid by the Authority. Repayment of these costs will be paid in annual payments (without interest) of \$500,000 beginning on October 1 of the year after the ISTEA loan is fully paid, currently 2029. The final payment will be in 2039.

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Debt service requirements on the TxDOT loan payable and TxDOT ISTE A loan payable subsequent to December 31, 2008 are as follows:

<u>Fiscal years</u>	<u>TxDOT Loan payable</u>		<u>TxDOT ISTE A Loan payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ -	-	1,592,421	6,157,579
2010	-	-	2,159,303	6,090,697
2011	-	-	2,249,993	6,000,007
2012	-	-	2,344,493	5,905,507
2013 - 2017	-	-	12,925,357	28,074,643
2018 - 2022	-	-	45,535,707	23,181,483
2023 - 2027	-	-	65,096,953	11,515,027
2028 - 2032	1,500,000	-	14,704,795	617,601
2033 - 2037	2,500,000	-	-	-
2038 - 2040	600,000	-	-	-
Total due	4,600,000	-	146,609,022	87,542,544
Accrued Interest	-	-	(11,609,022)	11,609,022
Total principal and interest	\$ 4,600,000	-	135,000,000	99,151,566

Included in the ISTE A Loan Payable amounts is \$11,609,022 of interest expense incurred from fiscal years 2000 through 2003. The Authority was not required to begin payments of these amounts until 2004.

**(6) Employees' Retirement Plan**

As discussed in Note 1, effective September 1, 1997, the Authority, a regional tollway authority under Chapter 366, Transportation Code, became the successor agency to the Texas Turnpike Authority. In connection with this transition, the Authority changed from being a participant in the plans administered by the Employees Retirement System of Texas (ERS), which are considered single employer defined benefit pension plans, to being a participant in the Texas County and District Retirement System (TCDRS), which is a nonprofit public trust fund that provides pension, disability, and death benefits to eligible employees of the counties and districts that participate in TCDRS. Information related to the TCDRS, the Authority's 401(k) plan, and its refrain from participation in Social Security is included herein. A separate audited GAAP-basis pension plan report for ERS is available at [www.ers.state.tx.us/Publications/FinancialReports](http://www.ers.state.tx.us/Publications/FinancialReports).

**Texas County and District Retirement System**

TCDRS, an agent multiple-employer public employee retirement system, was established by legislative act in 1967 as a nontraditional, joint contributory, defined benefit plan. Individuals are required to become a TCDRS member at the time of their employment regardless of their age, unless the individual is ineligible for one of the reasons specified by the TCDRS (e.g., part time, temporary employee).

The governing body of the political subdivision determines the percentage of salary that both the individual and employer contribute toward retirement. The employee and employer contribution rate established was 6% and 8.35% of wages up to a maximum of \$225,000, respectively, at December 31, 2008.

Once an individual reaches vested status, he or she may end employment with a TCDRS subdivision and retain his or her right to future benefits as long as the individual does not die or withdraw personal contributions. Once a vested employee has satisfied both the service and age requirements for retirement, he or she is considered retirement eligible. Employees are eligible to receive lifetime monthly pension payments following the termination

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of their employment if the individual has 10 or more years of service credit at age 60 or older or the individual has 30 or more years of service credit at any age.

An individual is also eligible to receive lifetime monthly pension payments after his or her termination of employment if his or her political subdivision has authorized, and the individual has satisfied 10 years of service credit at age 60 or older or the individual's combined age and total service is 75 years or more.

If an individual is eligible for service or disability retirement pension payments, the amount of the lifetime monthly pension to be received after retirement is determined by dividing the total dollars of accumulated retirement credit earned at retirement by the appropriate annuity purchase rate used to convert dollars of retirement credit to a lifetime monthly pension payment.

If an individual has at least ten years of service credit and becomes disabled for any reason, the individual may be approved for disability retirement benefits if the TCDRS Medical Board finds that the individual is mentally or physically incapacitated for any gainful occupation and the incapacity is considered permanent.

Total pension expense allocated to the System by the Authority for the year ended December 31, 2008, was \$2,745,973 based on a covered payroll of \$33,182,184. The Authority made the actuarially required contribution. Employee contributions to the plan for the year ended December 31, 2008 were \$1,990,931.

A separate audited GAAP-basis pension plan report for TCDRS is available at [www.tcdrs.org/docs](http://www.tcdrs.org/docs).

**Actuarial valuation information (unaudited)**

Actuarial valuation date	December 31, 2005	December 31, 2006	December 31, 2007
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	20.0	15.0	15.0
Asset valuation method	Long-term appreciation with adjustments	SAF:10-yr smooth value ESF: Fund value	SAF:10-yr smooth value ESF: Fund value
Actuarial assumptions:			
Investment return**	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

\*\* Includes inflation at the stated rates.

*Source reference: Texas County and District Retirement System (GASB Compliance Data) For Employer's Accounting Year ending in 2008*

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**Trend information for the retirement plan  
for the employees of the Authority**

<u>Accounting year ended</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
December 31, 2006	\$ 2,143,060	100%	—
December 31, 2007	2,675,465	100%	—
December 31, 2008	2,745,973	100%	—

**401(k) Plan**

As a state agency of the State of Texas, the Texas Turnpike Authority was a participating employer in the State of Texas TexaSaver 401(k) Profit Sharing Plan sponsored by the Employees Retirement System of Texas. The Texas Turnpike Authority, as a state agency, was permitted to participate in the Employees Retirement System of Texas under Section 812.003 of the Texas Government Code.

Because the Act established the Authority as a political subdivision of the State of Texas instead of a state agency, it is no longer eligible to participate in the TexaSaver 401(k) Plan maintained by the Employees Retirement Authority of Texas. As a successor of the Texas Turnpike Authority, however, the Authority is eligible under current IRS rules and regulations to adopt the North Texas Tollway Authority 401(k) Plan as a successor qualified cash or deferred arrangement to the TexaSaver 401(k) Plan.

Prior to 1986, the IRC of 1986 permitted state or local governments and tax-exempt organizations to maintain qualified cash or deferred arrangement. The Tax Reform Act (TRA) of 1986 amended IRC to provide that a cash or deferred arrangement shall not be treated as a "qualified cash or deferred arrangement" if it is part of a retirement plan maintained by a governmental unit. However, TRA 1986 provides specific exception for cash or deferred arrangements adopted by a governmental unit prior to 1986 "Grandfather Employer". The Authority, a government entity is eligible to adopt the 401(k) plan because it is a successor entity to the Texas Turnpike Authority, a Grandfathered Employer, and is adopting a cash or deferred arrangement substantially similar to the Texas Turnpike Authority's cash or deferred arrangement.

Effective September 1, 1997, each Authority employee became eligible to participate in the North Texas Tollway Authority 401(k) plan, a defined contribution plan. The plan requires that each employee be required to make a mandatory employee contribution, deposited by the Authority towards the cost of the 401(k) plan, in an amount equal to 4% of total wages. All mandatory employee contributions to the 401(k) plan for payroll periods following September 1, 1997 shall be made on a pretax basis, provided they are subject to the Hospital Insurance portion of the Federal Insurance Contributions Act and the Federal Unemployment Tax Act and the withholding of those Acts. Employee contributions and plan earnings are vested at all times and a terminating employee shall be paid all mandatory contributions and plan earnings pursuant to the plan's terms. The Authority is authorized to make discretionary employer matching contributions in such amounts as may be determined by the board, and Authority employees are vested in employer contributions at 100% after five years services. Former Texas Turnpike Authority employees employed by the Authority on or before October 31, 1997 shall receive past service credit for service with the Texas Turnpike Authority for purposes of determining the vested percentage and the Authority's Board of Directors is allowed to further amend or terminate the plan at any time.

Total 401(k) contributions allocated to the System by the Authority for the year ended December 31, 2008 were \$1,151,005 based on a covered payroll of \$32,033,427.

**Social Security**

Effective September 1, 1997, the Authority elected to refrain from participation in Social Security and instead participated in both the TCDRS and the Authority 401(k) plan. The Authority requires mandatory employee participation in both of these plans.

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**(7) Risk Management**

In 1997, the Authority terminated its limited risk management program for workers' compensation. The remaining liability for claims is reported in the Operation and Maintenance Fund. As of December 31, 2008, \$432,372 is accrued to recognize actuarially determined claim liabilities. No claims have been filed in the years 2005, 2006, or 2007 and 2008.

The Texas Municipal League (TML) Intergovernmental Risk Pool insures the Authority for workers' compensation. The Authority purchases insurance policies for all major areas of operation including buildings and contents, bridges, general liability, commercial umbrella, crime, directors and officers liability, and boiler and machinery coverage. There have not been any settlements exceeding insurance coverage in the years 2005, 2006, or 2007 and 2008. There has not been any significant reduction of coverage.

**(8) Post Employment Benefits**

Other Post Employment Benefits- GASB implementation

Beginning in fiscal year 2008, the Authority implemented Governmental Accounting Standards Board (GASB) statement 45 for other post employment benefits provided to retirees on a prospective basis.

Plan Descriptions – The Authority provides post employment defined benefit health care to all eligible retired employees through contributions to either the Employee Retirement System of Texas (ERS) Group Benefit Program (GBP) or the Authority's Health Benefits plan. The Authority also has an OPEB trust, the Dallas-Fort Worth Transition Trust established in 1997 as part of the legislative action which created the Authority.

**Employees Retirement System of Texas Group Benefit Program**

The Authority contributes to the Employees Retirement System of Texas Group Benefits Program, a cost sharing multiple employer defined benefit OPEB plan. GBP provides health benefits to eligible retired employees of participating entities. Chapter 1551, Texas Insurance Code assigns authority to establish and amend benefit provisions to the ERS Board Trustees. The ERS issues a publically available GASB Statement 43 report. The report can be obtained from the ERS website.

**Funding Policy** – Chapter 1551, Texas Insurance Code provided that the contribution requirements under the GBP be established and amended by the ERS Board Trustees. Plan members receiving benefits and the Authority contribute \$361 per month for retiree only coverage \$773 for retiree and spouse, \$636 for retiree and children, and \$1,049 for family.

Contribution rates are determined annually by the trustees based on recommendations of the ERS staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred and (i) the funds appropriated and (ii) the funding policy established by the Texas Legislature in connection with the benefits provided through GBP. The trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The Authority has 56 plan members receiving benefits from GBP. An addition 41 active employees have the option of retiring under the ERS GBP or the Authority's plan. The OPEB liability for these 41 employees is calculated under the Authority's plan. The Authority's contributions to the GBP for the fiscal year ended December 31, 2008 was \$281,305; which was 100% of the required contribution for that period.

**Authority Plan Administered through PEBC**

The Authority's Benefits plan is affiliated with the Public Employees Benefits Cooperative (PEBC), an agent multiple-employer postemployment healthcare plan administrator. The plan does not issue a publicly available report. There are currently 2 individuals receiving benefits and 7 employees fully eligible to receive benefits under the Authority's Benefits plan. No separate financial statements are issued for the Authority's plan.

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**Funding Policy** – The contribution requirements under the Authority’s Benefits plan for the plan members and the Authority are established and may be amended by the Board of Directors. Authority members receiving benefits contribute the following amounts annually depending on plan, age and coverage:

Plan	Under Age 65		Age 65 and Older	
	Retiree	Spouse	Retiree	Spouse
EPO	\$ 3,156	\$ 3,348	\$ -	\$ -
PPO	3,576	3,996	-	-
BLU	3,288	3,504	-	-
PSS	-	-	1,727	1,727
PMA	-	-	560	560

The required contribution is based on the projected pay-as-you-go financing requirements. For fiscal year 2008 expenses of \$ 17,344 were recognized for the post employment health care premiums paid. This represents 49.9% of the total premiums.

**Annual OPEB Cost and Net OPEB Obligation** – The Authority’s annual other postemployment benefit (OPEB) cost is calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For 2008, the transition year, the Authority’s annual OPEB cost of \$1,147,229 was equal to the ARC.

<u>Fiscal Year Ended</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Current OPEB Obligation</u>	<u>Total Funded OPEB Obligation</u>	
12/31/2008	\$ 1,147,229	1.51%	\$ 1,129,885	\$ 4,063,843

Other post-employment benefits of \$4,063,843 includes \$2,933,958 funded in prior years

**Funded Status and Funding Progress** – The funded status of the plan as of January 1, 2008, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 6,004,945
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 6,004,945
Funded ratio (actuarial value Of plan assets/AAL)	0%
Covered payroll (active plan members)	\$28,746,776
UAAL as a percentage of covered payroll	21%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about and the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are



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designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspectives of the calculations.

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a discount rate of 5.5% (net of administrative expenses) and an annual healthcare cost trend rate of 9% for 2008, 8.5% for 2009 reduced by decrements of .05% percent to an ultimate rate in 2016 of 5%. The actuarial assumptions include an investment rate of return at 5.5% and projected salary increases at 4.0%. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. At January 1, 2008 the remaining amortization period was 30 years.

**Dallas- Fort Worth Turnpike Transition Trust Fund**

As part of the 1997 legislation creating the North Texas Tollway Authority under Chapter 366, Texas Transportation Code, the Dallas-Fort Worth Turnpike Transition Trust Fund was established to account for the payment of transition costs and other liabilities payable from funds of the Dallas-Fort Worth Turnpike at December 1977, such as post employment benefits. There are only two remaining retired employees receiving benefits from ERS GBP. Payments during fiscal year were \$ 8,653; which was 100% of the required contribution for the period. The trust currently has \$ 436,836 in net assets. Because of the limited number of participants no valuation was done.

**(9) Disaggregation of Receivable Balances**

The Authority has an unrestricted accounts receivable balance of \$5,921,786 and a restricted accounts receivable balance of \$2,565,883 as of December 31, 2008. The restricted balance of \$2,500,694 is due from TxDOT and \$65,189 from Denton County related to various construction agreements; the unrestricted balance consist of \$3,197,033 for video tolls net of allowance for doubtful accounts of \$4,506.601, \$1,895,453 from TxDOT for a capital project, \$703,284 from interoperable agencies, \$126,016 is from damage claims.

**(10) Commitments and Contingencies**

The Authority currently has \$1,579,772,546 in cash and investments with approximately \$559,318,982 restricted for capitalized interest and \$395,558,343 restricted for construction. The Authority has \$106,421,671 in current liabilities that are comprised of construction-related payables at December 31, 2008. Additionally the Authority has contract and purchase order commitments at December 31, 2008 aggregating \$1.0 billion. This amount includes \$806.0 million of construction contracts payable from restricted funds and the issuance of debt in 2009; \$27.1 million reimbursable from TxDOT; and \$166.9 payable from various other funds.

The Authority is currently evaluating several Authority maintenance, rehabilitation, and capital improvement projects with an estimated cost of approximately \$1.1 billion, which may be funded from the Authority's Reserve Maintenance Fund, the Construction Fund, or the Capital Improvement Fund over the next six years.

The Authority has an operating lease agreement for the rental of the TollTag Store. The term of the lease was extended through June 30, 2009. Lease expense for the year ended December 31, 2008 totaled \$102,293, under this lease. The following represents required remaining payments under the terms of the TollTag Store lease agreement:

2009	\$	<u>47,275</u>
TollTag Store at Inwood location	\$	<u><u>47,275</u></u>

The Authority entered into a property management agreement on February 12, 2007 and ending February 28, 2009, to manage existing leases of the Gleneagles buildings. An operating account funded with operating lease payments was established for the Manager to handle all expenses. As of December 31, 2008 this account had a balance of \$1,024,182. The building complex encompasses 163,380 square feet of which 61,662 is occupied by

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the Authority, 52,887 is leased, and 48,831 is vacant. The leased space is divided into two leases; one for 22,369 sq. ft. beginning July 1, 2005 and expiring March 31, 2010, one for 30,518 sq. ft. beginning July 1, 2005 and expiring December 31, 2010. The following represents minimum future rentals on non-cancelable operating lease agreements:

	2009	\$	1,030,902
	2010		<u>720,533</u>
	Gleneagles Offices Complex	\$	<u><u>1,751,435</u></u>

The Authority has entered into a building lease agreement for the rental of one of the Frisco Center Properties in the City of Frisco. The term of the lease was beginning on July 1, 2008 through July 31, 2010. The building complex encompasses 146,800 square feet of which 36,960 are occupied by the Authority. The lease agreement indicated that the Authority will pay \$29,036 per month (\$23,901 for building lease; \$1,540 for operating expenses; \$3,595 for tax valuation of building and land), starting on July 1, 2008. Lease expenses for the year ended on December 31, 2008 totaled \$80,951, under this lease. The following represents the required remaining payments under the terms of the building lease agreement:

	2009	\$	348,438
	2010		<u>358,891</u>
	Frisco Center Properties (lease)	\$	<u><u>707,329</u></u>

**(11) Subsequent Events**

On January 8, 2009, the Board of Directors approved the resolution approving the formal agreement between NTTA, City of Fort Worth, Union-Pacific Railroad and TxDOT on the design, construction and maintenance of Southwest Parkway (SWP) across the Union Pacific Rail Road Davidson Yard. It is anticipated that the Authority and TxDOT will conclude negotiations on the SWP/Chisholm Trail Parkway corridor project in the fourth quarter of 2009, pending determination of the financial feasibility of the project.

On February 18, 2009, the Board of Directors approved a Resolution authorizing the Authority's Interim Executive Director to execute the State Highway 161 (SH 161) Project Agreement. The formal agreement has been executed by the Authority, but has not yet been executed by TxDOT. Negotiations continue between the Authority and TxDOT on a Toll Equity Loan Agreement related to SH 161.

On May 18, 2009, the Board of Directors approved an agreement with the Texas Department of Transportation (TxDOT) regarding a settlement of a dispute concerning the upfront payment for the Sam Rayburn Tollway (SH 121) and the use of the agreed settlement as performance security under tolling services agreements (TSA). The Authority and TxDOT agreed to settle the dispute for \$25,598,767 and to deposit the Settlement Amount in an account to be used as Performance Security for the North Tarrant Express TSA and other TSAs at the time that the North Tarrant Express has been constructed, which is currently estimated to be 2012.

**NORTH TEXAS TOLLWAY AUTHORITY**  
Required Supplementary Information  
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**Modified Approach - Infrastructure**

The Authority has elected to use the Modified Approach to account for maintenance of the Authority's infrastructure assets. As required by the Trust Agreement, an annual inspection of the Authority's roadways has occurred, conducted by the Authority's General Engineering Consultant, HNTB Corporation. This inspection provides an overall rating, indicating the average condition of all of the Authority's infrastructure assets (roadways, bridges, and facilities). The assessment of conditions is made by visual and mechanical tests designed to reveal any condition that would reduce user benefits below the maximum level of service. The Authority's goal is to maintain the Authority's infrastructure assets at a rating of 8 or better (1 to 10 scale), and has established a minimum level for GASB No. 34 purposes of a condition level of 6 or greater. These condition levels were adopted by the Board of Directors for the North Texas Tollway Authority (NTTA) by Resolution No. 02-31 on June 19, 2002 and further clarified by Resolution No. 07-169 on December 19, 2008.

The infrastructure assets include the President George Bush Turnpike (PGBT), the Dallas North Tollway (DNT), the Addison Airport Toll Tunnel (AATT), the Mountain Creek Lake Bridge (MCLB), Main Lane Plazas, Ramp Plazas, maintenance shops, administration buildings, and IT lane equipment. The roadways are a major transportation network consisting of 62.8 centerline miles of high-speed roadways, 50 interchanges, 10 main lane toll plazas, 54 ramp toll plazas, 226 bridges, one tunnel, and other structures and appurtenances. All assets combined totaled approximately \$1.76 billion in current replacement value for FYE 2008.

**Condition Index**

A Condition Index is a measure of the "intrinsic value" of the asset as opposed to the book value. A Condition Index with a value of 10.0 is considered "like new"; on the contrary, a Condition Index with a value of 0.0 is considered "unusable." Evaluations were performed on all of the assets under Authority jurisdiction. The evaluation resulted in an average Condition Index of 9.0 for all of the assets combined. The following table shows the Condition Index for the years 2005 through 2008.

<b>Condition Index Table</b>		
<u>Condition Index</u>		
<u>Fiscal Year</u>	<u>Current</u>	<u>Goal</u>
2008	9.0	8.0
2007	8.9	8.0
2006	8.9	8.0
2005	8.8	8.0

**Condition Assessment and Inventory**

A comprehensive condition assessment on all the Authority's assets was conducted from fall of 2007 to May 2008. The Authority's Maintenance Management Consultant performed condition assessments of the Authority's roadways including pavement, bridges, and facilities. Fleet, being the fourth major asset, was inspected and evaluated by the NTTA staff. Assessment procedures and representative work samples were reviewed by NTTA's General Engineering Consultants, HNTB Corporation.

**Bridges**

A condition assessment was performed on the Authority's bridges using the *Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges*, published by the Federal Highway Administration (FHWA). To do this, a Sufficiency Rating was determined by totaling four separate factors using the sufficiency rating formula. The Sufficiency Rating Formula is a method of evaluating highway bridge data by calculating the four factors to obtain a numeric value, which is indicative of bridge sufficiency. The four factors are structural adequacy and safety (55% of the total rating), serviceability and functional obsolescence (30% of the total rating), essentiality for public use (15% of the total rating), and special reductions (total can be reduced by up to 13%).

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Currently, the 226 bridges, totaling 9,100,000 square feet of deck area, have a Sufficiency Rating at 9.4. In order to maintain the current Sufficiency Rating, FY 2009 preservation budget of \$667,800 is recommended.

**Roadways**

A condition assessment was performed on the Authority's roadways using the *Highway Maintenance Condition Assessment Program* (HMCAP) developed by Roy Jorgensen Associates, Inc., the pavement Condition Rating Authority (CRS) developed by Applied Research Associates, Inc., and the Pavement Condition Index (PCI) procedure as outlined in ASTM D5340. To do this, a Maintenance Rating Program (MRP) Index was determined by visual inspection of the Authority's roadways, appurtenances, and edge conditions. Additionally, a baseline PCI and a baseline ride ability survey were conducted on the roadway surface and incorporated into the MRP Index. Although the PCI and ride ability survey were conducted on the entire Authority, it would have been impractical to perform a MRP evaluation over the same length; therefore, 10% of the Authority's total roadways were randomly selected for MRP evaluation. These values were then weighted and totaled to determine an overall MRP Index. Of this total MRP Index, travel lanes and shoulders account for 70% (of which the PCI accounts for 80%), roadside components accounted for 15%, and other items account for 15%.

The Roadway Index (RI) is a measure of the overall health of the roadway Authority that takes into account the current condition of the roadway, how well it is being maintained, and its projected future performance. It is calculated using the results of the annual MRP and pavement condition surveys. In 2006 the RI was revised to use CRS pavement condition ratings in place of the PCI ratings and incorporates remaining pavement service life (RSL). RI is equal to the values of 50% of CRS, 30% RSL, 10% MRP of travel lane element, 5% MRP of roadside element, and 5% MRP of other element.

Currently, the 62.8 centerline miles (approximately 366.2 lane miles) of main lane roadways have a Roadway Index of 8.9.

The budget-to-actual expenditures for preservation and other infrastructure maintenance costs were as follows for the years 2003 through 2008.

<u>Fiscal year:</u>	<u>Budget</u>	<u>Actual</u>
2008	\$ 69,532,303	51,747,814
2007	51,283,652	31,818,863
2006	34,574,405	29,186,456
2005	20,552,627	13,704,971
2004	25,518,270	15,319,100
2003	15,005,598	12,422,078

**NORTH TEXAS TOLLWAY AUTHORITY**  
 Required Supplementary Information  
 December 31, 2008

**Funding Progress**

**Schedule of Funding Progress**  
**Texas County and District Retirement System**  
**Employee Retirement Plan**  
 Last three calendar years  
 (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/07	\$ 29,459,126	\$ 29,842,359	\$ 383,233	98.72%	\$ 30,611,880	1.25%
12/31/06	24,057,082	24,286,068	228,986	99.06%	26,091,290	0.88%
12/31/05	18,812,011	19,922,827	1,110,816	94.42%	23,407,840	4.75%

**Schedule of Funding Progress**  
**Other Post Employment Benefits**  
 Last calendar year  
 (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
01/01/08	—	\$ 6,004,945	\$ 6,004,945	—	\$ 28,746,776	20.89%

**NORTH TEXAS TOLLWAY AUTHORITY**  
Schedule of Net Assets by Trust Accounts  
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Assets	Total	Interfund eliminations/ reclassifications	Construction and property account	Revenue account
<b>Current assets:</b>				
Cash and cash equivalents (note 3)	\$ 5,916,242	(4,486,566)	-	2,954,083
Investments (note 3)	93,736,719	-	-	12,177,480
Accrued interest receivable	243,751	-	-	192,368
Interfund receivable	-	(6,492,433)	75,609	-
Accounts receivable (net of allowance for uncollectibles) (note 9)	5,921,786	-	-	3,900,317
Inventory, at average cost	1,886,701	-	-	-
Prepaid expenses	625,799	-	-	-
Total current unrestricted assets	<u>108,330,998</u>	<u>(10,978,999)</u>	<u>75,609</u>	<u>19,224,248</u>
<b>Current restricted assets:</b>				
<b>Restricted assets:</b>				
<b>Restricted for construction:</b>				
Cash and cash equivalents (notes 3 and 10)	-	4,479,331	(4,479,331)	-
Investments (notes 3 and 10)	284,828,011	-	284,828,011	-
Accrued interest receivable	1,724,641	-	1,724,641	-
Accounts receivable	1,595,394	-	1,595,394	-
<b>Restricted for debt service:</b>				
Cash and cash equivalents (notes 3 and 5)	113,449	-	-	-
Investments (notes 3 and 5)	254,429,573	-	48,644,621	-
Accrued interest receivable	1,501,968	-	-	-
<b>Restricted for pension benefits and other purposes:</b>				
Cash and cash equivalents (notes 3 and 5)	-	7,235	-	-
Investments (notes 3 and 5)	444,389	-	-	-
Accrued interest receivable	403	-	-	-
Total current restricted assets	<u>544,637,828</u>	<u>4,486,566</u>	<u>332,313,336</u>	<u>-</u>
Total current assets	<u>652,968,826</u>	<u>(6,492,433)</u>	<u>332,388,945</u>	<u>19,224,248</u>
<b>Noncurrent assets:</b>				
Investments for unrestricted assets (note 3)	10,007,700	-	-	10,007,700
Investments restricted for construction (note 3)	110,730,332	-	110,730,332	-
Investments restricted for debt service (note 3)	819,566,131	-	510,674,361	-
Accounts receivable (note 9)	970,489	-	970,489	-
Deferred improvement costs	653,524	-	-	-
Deferred financing costs	88,563,762	-	88,563,762	-
Deferred feasibility study costs	77,254,384	-	-	-
Deferred amount on refunding	-	(37,003,509)	37,003,509	-
Capital assets (net of accumulated depreciation) (note 4)	5,501,488,622	(19,749,049)	5,521,237,671	-
Total noncurrent assets	<u>6,609,234,944</u>	<u>(56,752,558)</u>	<u>6,269,180,124</u>	<u>10,007,700</u>
<b>Total assets</b>	<b><u>7,262,203,770</u></b>	<b><u>(63,244,991)</u></b>	<b><u>6,601,569,069</u></b>	<b><u>29,231,948</u></b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts and retainage payable	25,991,721	-	-	133,642
Accrued liabilities	4,584,431	-	35,430	-
Interfund payable	-	(6,492,433)	-	3,146,805
Other post-employment benefits	4,063,843	-	-	-
Deferred revenue	25,058,074	-	-	25,058,074
Tolltag deposits	885,727	-	-	885,727
Total current unrestricted liabilities	<u>60,583,796</u>	<u>(6,492,433)</u>	<u>35,430</u>	<u>29,224,248</u>
<b>Payable from restricted assets:</b>				
<b>Construction-related payables:</b>				
Accounts payable (note 10)	92,002,104	-	92,002,104	-
Retainage payable (note 10)	14,419,567	-	14,419,567	-
Deferred grant revenue	67,549,495	-	67,549,495	-
<b>Debt service-related payables:</b>				
Accrued interest payable	146,323,487	-	19,109,042	-
Accrued arbitrage rebate payable	33,841	-	33,841	-
Commercial paper payable (note 5)	89,700,000	-	79,700,000	-
Revenue bonds payable (note 5)	34,110,000	-	34,110,000	-
<b>Pension benefits and other related payables</b>				
Accounts payable (note 10)	721	-	-	-
Total current liabilities payable from restricted assets	<u>444,139,215</u>	<u>-</u>	<u>306,924,049</u>	<u>-</u>
Total current liabilities	<u>504,723,011</u>	<u>(6,492,433)</u>	<u>306,959,479</u>	<u>29,224,248</u>
<b>Noncurrent liabilities:</b>				
Texas Department of Transportation loan payable (note 5)	4,600,000	-	4,600,000	-
Texas Department of Transportation ISTEIA loan payable (note 5)	135,000,000	-	135,000,000	-
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of \$37,003,509 and bond discount (premium) costs of \$19,749,049) (note 5)	6,059,951,608	(56,752,558)	6,116,704,166	-
Total noncurrent liabilities	<u>6,199,551,608</u>	<u>(56,752,558)</u>	<u>6,256,304,166</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>6,704,274,619</u></b>	<b><u>(63,244,991)</u></b>	<b><u>6,563,263,645</u></b>	<b><u>29,224,248</u></b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	187,921,483	71,362,488	38,305,424	-
<b>Restricted:</b>				
Restricted for construction	289,136,672	289,136,672	-	-
Restricted for debt service	396,663,142	-	-	7,700
Restricted for pension benefits and other purposes	436,836	-	-	-
<b>Unrestricted</b>				
	<u>(316,228,982)</u>	<u>(360,499,160)</u>	<u>-</u>	<u>-</u>
<b>Total net assets</b>	<b><u>\$ 557,929,151</u></b>	<b><u>-</u></b>	<b><u>38,305,424</u></b>	<b><u>7,700</u></b>

See accompanying independent auditors' report.



Operation and maintenance account	Reserve maintenance account	Consolidated Capital improvement Fund	DFW Turnpike Transition Trust Fund	Debt service accounts		
				Bond interest account	Reserve account	Redemption account
8,780,356	(1,830,833)	499,202	-	-	-	-
4,384,670	50,041,149	27,133,420	-	-	-	-
615	45,738	5,030	-	-	-	-
52,500	-	3,071,196	-	3,293,128	-	-
119,798	6,218	1,895,453	-	-	-	-
1,886,701	-	-	-	-	-	-
625,799	-	-	-	-	-	-
<u>15,850,439</u>	<u>48,262,272</u>	<u>32,604,301</u>	<u>-</u>	<u>3,293,128</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	113,449	-	-
-	-	-	-	125,519,434	42,862,390	37,403,128
-	-	-	-	1,065	1,499,836	1,067
-	-	-	(7,235)	-	-	-
-	-	-	444,389	-	-	-
-	-	-	403	-	-	-
-	-	-	<u>437,557</u>	<u>125,633,948</u>	<u>44,362,226</u>	<u>37,404,195</u>
<u>15,850,439</u>	<u>48,262,272</u>	<u>32,604,301</u>	<u>437,557</u>	<u>128,927,076</u>	<u>44,362,226</u>	<u>37,404,195</u>
-	-	-	-	-	-	-
-	-	-	-	-	308,891,770	-
-	-	-	-	-	-	-
-	-	653,524	-	-	-	-
-	-	-	-	-	-	-
-	-	77,254,384	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	<u>77,907,908</u>	<u>-</u>	<u>-</u>	<u>308,891,770</u>	<u>-</u>
<u>15,850,439</u>	<u>48,262,272</u>	<u>110,512,209</u>	<u>437,557</u>	<u>128,927,076</u>	<u>353,253,996</u>	<u>37,404,195</u>
-	-	-	-	-	-	-
6,934,182	4,422,370	14,501,527	-	-	-	-
4,326,896	72,705	149,400	-	-	-	-
-	52,500	-	-	-	-	3,293,128
4,063,843	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,324,921</u>	<u>4,547,575</u>	<u>14,650,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,293,128</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	78,815	-	127,135,630	-	-
-	-	-	-	-	-	-
-	-	10,000,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	721	-	-	-
-	-	<u>10,078,815</u>	<u>721</u>	<u>127,135,630</u>	<u>-</u>	<u>-</u>
<u>15,324,921</u>	<u>4,547,575</u>	<u>24,729,742</u>	<u>721</u>	<u>127,135,630</u>	<u>-</u>	<u>3,293,128</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	78,253,571	-	-	-	-
-	-	-	-	-	-	-
-	-	7,500,000	-	1,791,446	353,253,996	34,110,000
-	-	-	436,836	-	-	-
525,518	43,714,697	28,896	-	-	-	1,067
<u>525,518</u>	<u>43,714,697</u>	<u>85,782,467</u>	<u>436,836</u>	<u>1,791,446</u>	<u>353,253,996</u>	<u>34,111,067</u>

**NORTH TEXAS TOLLWAY AUTHORITY**  
 Consolidating Schedule for Capital Improvement Fund  
 December 31, 2008  
 (Unaudited)

<b>Assets</b>	<b>Consolidated Capital Improvement Fund</b>	<b>Interfund eliminations/ reclassifications</b>	<b>Capital Improvement Fund</b>	<b>Feasibility Study Fund</b>
<b>Current assets:</b>				
Cash and cash equivalents (note 3)	\$ 499,202	-	156,165	343,037
Investments (note 3)	27,133,420	-	21,775,334	5,358,086
Accrued interest receivable	5,030	-	1,612	3,418
Interfund receivable	3,071,196	-	3,071,196	-
Accounts receivable (note 9)	1,895,453	-	1,895,453	-
Inventory, at average cost	-	-	-	-
Prepaid expenses	-	-	-	-
Total current unrestricted assets	<u>32,604,301</u>	<u>-</u>	<u>26,899,760</u>	<u>5,704,541</u>
<b>Current restricted assets:</b>				
<b>Restricted assets:</b>				
<b>Restricted for construction:</b>				
Cash and cash equivalents (notes 3 and 10)	-	-	-	-
Investments (notes 3 and 10)	-	-	-	-
Accrued interest receivable	-	-	-	-
Accounts receivable	-	-	-	-
<b>Restricted for debt service:</b>				
Cash and cash equivalents (notes 3 and 5)	-	-	-	-
Investments (notes 3 and 5)	-	-	-	-
Accrued interest receivable	-	-	-	-
<b>Restricted for pension benefits and other purposes:</b>				
Cash and cash equivalents (notes 3 and 5)	-	-	-	-
Investments (notes 3 and 5)	-	-	-	-
Accrued interest receivable	-	-	-	-
Total current restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>	<u><b>32,604,301</b></u>	<u><b>-</b></u>	<u><b>26,899,760</b></u>	<u><b>5,704,541</b></u>
<b>Noncurrent assets:</b>				
Investments for unrestricted assets (note 3)	-	-	-	-
Investments restricted for construction (note 3)	-	-	-	-
Investments restricted for debt service (note 3)	-	-	-	-
Accounts receivable (note 9)	-	-	-	-
Deferred improvement costs	653,524	-	653,524	-
Deferred financing costs	-	-	-	-
Deferred feasibility study costs	77,254,384	-	-	77,254,384
Deferred amount on refunding	-	-	-	-
Capital assets net of amortization and depreciation (note 4)	-	-	-	-
Total noncurrent assets	<u>77,907,908</u>	<u>-</u>	<u>653,524</u>	<u>77,254,384</u>
<b>Total assets</b>	<u><b>110,512,209</b></u>	<u><b>-</b></u>	<u><b>27,553,284</b></u>	<u><b>82,958,925</b></u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts and retainage payable	14,501,527	-	9,847,132	4,654,395
Accrued liabilities	149,400	-	98,441	50,959
Interfund payable	-	-	-	-
Other post-employment benefits	-	-	-	-
Deferred revenue	-	-	-	-
Tolltag deposits	-	-	-	-
Total current unrestricted liabilities	<u>14,650,927</u>	<u>-</u>	<u>9,945,573</u>	<u>4,705,354</u>
<b>Payable from restricted assets:</b>				
<b>Construction-related payables:</b>				
Accounts payable (note 10)	-	-	-	-
Retainage payable (note 10)	-	-	-	-
Deferred grant revenue	-	-	-	-
<b>Debt service-related payables:</b>				
Accrued interest payable	78,815	-	78,815	-
Accrued arbitrage rebate payable	-	-	-	-
Commercial paper payable (note 5)	10,000,000	-	10,000,000	-
Revenue bonds payable (note 5)	-	-	-	-
<b>Pension benefits and other related payables</b>				
Accounts payable (note 10)	-	-	-	-
Total current liabilities payable from restricted assets	<u>10,078,815</u>	<u>-</u>	<u>10,078,815</u>	<u>-</u>
<b>Total current liabilities</b>	<u><b>24,729,742</b></u>	<u><b>-</b></u>	<u><b>20,024,388</b></u>	<u><b>4,705,354</b></u>
<b>Noncurrent liabilities:</b>				
Texas Department of Transportation loan payable (note 5)	-	-	-	-
Texas Department of Transportation ISTEAL loan payable (note 5)	-	-	-	-
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of \$37,003,509 and bond discount (premium) costs of \$19,749,049 (note 5)	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u><b>24,729,742</b></u>	<u><b>-</b></u>	<u><b>20,024,388</b></u>	<u><b>4,705,354</b></u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	78,253,571	-	-	78,253,571
<b>Restricted:</b>				
Restricted for construction	-	-	-	-
Restricted for debt service	7,500,000	-	7,500,000	-
Restricted for pension benefits and other purposes	-	-	-	-
<b>Unrestricted</b>	<u>28,896</u>	<u>-</u>	<u>28,896</u>	<u>-</u>
<b>Total net assets</b>	<u><b>\$ 85,782,467</b></u>	<u><b>-</b></u>	<u><b>7,528,896</b></u>	<u><b>78,253,571</b></u>

See accompanying independent auditors' report.

## NORTH TEXAS TOLLWAY AUTHORITY

Schedule of Budget and Actual Revenues and Expenses on Trust Agreement Basis  
Year ended December 31, 2008  
(Unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Toll revenues	\$ 267,114,800	240,776,791	(26,338,009)
Interest revenue	9,000,000	11,685,372	2,685,372
Other revenue	8,159,800	9,273,124	1,113,324
Gross revenues	<u>284,274,600</u>	<u>261,735,287</u>	<u>(22,539,313)</u>
Operating expenses:			
Administration:			
Administration	2,905,200	2,674,139	231,061
Business diversity	-	89,921	(89,921)
Communications	3,766,800	2,783,840	982,960
Finance	1,984,200	1,600,089	384,111
Government affairs	731,100	422,542	308,558
Human resources	1,688,900	1,755,487	(66,587)
Internal audit	250,900	250,591	309
Legal	1,862,700	3,027,950	(1,165,250)
Total administration	<u>13,189,800</u>	<u>12,604,559</u>	<u>585,241</u>
Operations:			
Customer service center	15,262,500	14,544,720	717,780
Information technologies	9,345,500	7,977,018	1,368,482
Planning	23,034,500	18,040,945	4,993,555
Project delivery	45,300	-	45,300
Project evaluation	59,300	80,192	(20,892)
Maintenance	339,300	1,163,128	(823,828)
System & incident management	15,891,100	13,479,667	2,411,433
Toll collection	13,710,400	12,778,503	931,897
Total operations	<u>77,687,900</u>	<u>68,064,173</u>	<u>9,623,727</u>
Total operating expenses	<u>90,877,700</u>	<u>80,668,732</u>	<u>10,208,968</u>
Net revenues available for debt service	<u>\$ 193,396,900</u>	<u>181,066,555</u>	<u>(12,330,345)</u>

See accompanying independent auditors' report.

**NORTH TEXAS TOLLWAY AUTHORITY**  
Schedule of Changes in Net Assets by Trust Account  
December 31, 2008  
(Unaudited)

	<u>Total</u>	<u>Construction and property account</u>	<u>Revenue account</u>	<u>Operation and maintenance account</u>
<b>Net assets, beginning of year</b>	<b>\$ 618,095,054</b>	<b>394,976,363</b>	<b>53,150</b>	<b>6,094,144</b>
Gross revenues	300,491,808	38,756,522	251,438,400	93,555
Grant revenues	74,902,422	74,902,422	-	-
Net increase (decrease) in the fair value of investments	24,555,188	13,476,879	(45,450)	4
Gain (loss) on sale of investments	(3,826)	(8,714)	-	-
Administration and operations expenses	(80,668,732)	-	-	(80,664,633)
Depreciation on property and equipment	(3,481,013)	(3,481,013)	-	-
Bond interest expense	(227,034,684)	(126,987,770)	-	-
SWAP termination payment	(4,511,011)	-	-	-
Bond discount/premium amortization	(217,615)	(217,615)	-	-
Interest on short term notes (net of capitalized interest)	(28,874,541)	(26,961,308)	-	-
Interest on loan	(6,211,688)	(6,211,688)	-	-
Amortization of deferred amount on refunding (note 5)	(6,694,083)	(6,694,083)	-	-
Amortization of bond issuance costs	(17,543,223)	(17,543,223)	-	-
Unallocated infrastructure depreciation	(24,555,772)	(24,555,772)	-	-
Reserve maintenance fund expenses	(18,254,548)	-	-	-
Consolidated capital improvement fund expenses	(38,541,652)	-	-	-
Net revenues	(56,642,970)	(85,525,363)	251,392,950	(80,571,074)
Interfund transactions:				
Distribution from revenue fund	-	-	(251,438,400)	75,002,448
Revenue bonds retired	-	23,240,000	-	-
Transfer to/from debt service fund	-	(378,338,242)	-	-
Transfer to/from construction fund	-	21,366,369	-	-
Transfer of excess monies from other funds	-	3,293,128	-	-
Capitalized costs transferred to construction and property fund	-	40,311,001	-	-
Principal value retired	-	-	-	-
Transfer from/to escrow account	(3,167,688)	10,128,766	-	-
Transfer of interest accretion	-	(21,201,406)	-	-
Construction investment earnings capitalized	-	-	-	-
Transfer to feasibility study fund	-	30,360,916	-	-
Contributed capital	-	-	-	-
Cost of equipment retired	-	-	-	-
Depreciation on equipment retired	(306,108)	(306,108)	-	-
Equity realized from sale excess land	107,038	-	-	-
Equity realized from sale or trade-in of equipment	(156,175)	-	-	-
Net changes during the year	(60,165,903)	(356,670,939)	(45,450)	(5,568,626)
<b>Net assets, end of year</b>	<b>\$ 557,929,151</b>	<b>38,305,424</b>	<b>7,700</b>	<b>525,518</b>

See accompanying independent auditors' report.

Schedule 4

Reserve maintenance account	Consolidated Capital Improvement account	DFW Turnpike Transition Trust fund	Debt service accounts		
			Bond interest account	Reserve account	Redemption account
<b>27,783,852</b>	<b>86,618,952</b>	<b>430,622</b>	<b>5,963,964</b>	<b>72,864,081</b>	<b>23,309,926</b>
898,040	1,045,614	10,313	138,646	7,927,636	183,082
-	-	-	-	-	-
-	(9,165)	-	2	11,132,918	-
-	-	-	-	4,888	-
-	-	(4,099)	-	-	-
-	-	-	(100,046,914)	-	-
-	-	-	(4,511,011)	-	-
-	-	-	-	-	-
-	(1,913,233)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(18,254,548)	-	-	-	-	-
-	(38,541,652)	-	-	-	-
(17,356,508)	(39,418,436)	6,214	(104,419,277)	19,065,442	183,082
42,468,800	26,528,095	-	73,580,998	-	33,858,059
-	-	-	-	-	(23,240,000)
-	-	-	-	283,038,242	95,300,000
-	(6,406,537)	-	340,168	-	(15,300,000)
-	-	-	1,242,223	(4,535,351)	-
(9,132,310)	(31,178,691)	-	-	-	-
-	-	-	-	-	-
-	-	-	3,881,964	(17,178,418)	-
-	-	-	21,201,406	-	-
-	-	-	-	-	-
-	(30,360,916)	-	-	-	-
-	80,000,000	-	-	-	(80,000,000)
-	-	-	-	-	-
-	-	-	-	-	-
107,038	-	-	-	-	-
(156,175)	-	-	-	-	-
15,930,845	(836,485)	6,214	(4,172,518)	280,389,915	10,801,141
<b>43,714,697</b>	<b>85,782,467</b>	<b>436,836</b>	<b>1,791,446</b>	<b>353,253,996</b>	<b>34,111,067</b>

**NORTH TEXAS TOLLWAY AUTHORITY**  
Schedule of Cash Receipts and Disbursements by Trust Account  
Year ended December 31, 2008  
(Unaudited)

	<b>Total (memorandum only)</b>	<b>Construction and property account</b>	<b>Revenue account</b>
<b>Balance of cash, December 31, 2007</b>	<b>\$ 26,347,909</b>	<b>764,039</b>	<b>3,177,053</b>
<b>Receipts:</b>			
Toll revenues	233,709,795	—	233,709,795
Issuance of bonds	5,285,837,760	5,285,837,760	—
Bond premium	24,456,870	24,456,870	—
Issuance of commercial paper	110,000,000	—	—
Investments	2,930,377,227	1,347,903,719	437,943,166
Earnings received from investments	31,958,697	17,884,176	1,339,260
Gain/loss from sale of investments	(3,826)	(8,714)	—
Prepaid customers' accounts	247,840,707	—	247,840,707
Toll tag deposits	(180,733)	—	(180,733)
Damage claims collected	178,219	—	—
Lane violation fee	5,121,068	—	5,121,068
Miscellaneous revenue	14,469	—	11,694
Reimbursable receipts	13,457,247	50,645	—
Rental fee	123,431	—	123,431
Deferred grant income	142,451,917	36,916,207	—
Miscellaneous revenue – tag store	2,079,959	—	2,079,959
	<u>9,027,422,807</u>	<u>6,713,040,663</u>	<u>927,988,347</u>
<b>Disbursements:</b>			
Bond discount	(44,678,776)	(44,678,776)	—
Transfer to escrow for defeasance	(4,116,261,885)	(4,071,626,054)	—
Revenue bonds retired	(23,240,000)	—	—
Commercial paper retired	(95,300,000)	—	—
SWAP termination	(4,511,011)	—	—
Interest on bonded debt	(72,775,766)	—	—
Interest on other debt	(2,016,334)	—	—
Investments	(3,890,588,882)	(1,814,044,465)	(439,527,837)
Operating expenses	(84,743,292)	—	(5,498,762)
Reserve maintenance fund expenses	(23,119,915)	—	—
Capital improvement fund expenses	(48,042,009)	—	—
Deferred study cost	(82,620,912)	—	—
Capitalized costs	(313,841,473)	(291,675,340)	—
Equipment (net of trade-in)	(7,426,276)	—	—
	<u>(8,809,166,531)</u>	<u>(6,222,024,635)</u>	<u>(445,026,599)</u>
<b>Interfund and interproject transactions:</b>			
Transfer of capitalized interest	—	(35,183,470)	—
Transfer of deferred revenue	(187,881,812)	—	(187,881,812)
Transfer of excess monies	—	—	—
Distribution from revenue fund	—	—	(243,508,875)
Interoperative Agencies Transfers	(50,692,681)	—	(51,834,051)
Other interfund transactions – net	1,437,657	(443,590,663)	40,020
Transition trust fund – net	(1,437,658)	—	—
Feasibility study fund – net	—	(17,485,265)	—
	<u>(238,574,494)</u>	<u>(496,259,398)</u>	<u>(483,184,718)</u>
Receipts over (under) disbursements and interfund and interproject transactions for the year ended December 31, 2008	<u>(20,318,218)</u>	<u>(5,243,370)</u>	<u>(222,970)</u>
<b>Balance of cash, December 31, 2008</b>	<b>\$ 6,029,691</b>	<b>(4,479,331)</b>	<b>2,954,083</b>

See accompanying independent auditors' report.



Operation and maintenance account	Reserve maintenance account	Consolidated Capital Improvement account	DFW Turnpike Transition Trust fund	Debt service accounts		
				Bond interest account	Reserve account	Redemption account
14,319,464	51,996	8,034,172	1,185	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	110,000,000	—	—	—	—
3,000,000	87,686,858	478,476,720	16,559	68,606,022	356,054,605	150,689,578
113,927	1,294,627	2,392,408	11,583	204,576	8,466,199	251,941
—	—	—	—	—	4,888	—
—	—	—	—	—	—	—
178,219	—	—	—	—	—	—
—	—	—	—	—	—	—
2,775	—	—	—	—	—	—
—	5,055,632	8,350,970	—	—	—	—
—	—	—	—	—	—	—
—	—	105,535,710	—	—	—	—
—	—	—	—	—	—	—
3,294,921	94,037,117	704,755,808	28,142	68,810,598	364,525,692	150,941,519
—	—	—	—	—	—	—
—	—	—	—	(27,457,413)	(17,178,418)	—
—	—	(95,300,000)	—	—	—	(23,240,000)
—	—	—	—	(4,511,011)	—	—
—	—	—	—	(72,775,766)	—	—
—	—	(2,016,334)	—	—	—	—
(7,384,601)	(106,444,035)	(558,979,661)	(17,041)	(173,488,371)	(625,850,165)	(164,852,706)
(79,225,009)	—	—	(19,521)	—	—	—
—	(23,119,915)	—	—	—	—	—
—	—	(48,042,009)	—	—	—	—
—	—	(82,620,912)	—	—	—	—
—	39,138	(22,205,271)	—	—	—	—
—	(7,426,276)	—	—	—	—	—
(86,609,610)	(136,951,088)	(809,164,187)	(36,562)	(278,232,561)	(643,028,583)	(188,092,706)
—	—	—	—	35,183,470	(3,293,128)	3,293,128
—	—	—	—	—	—	—
—	—	—	—	1,242,224	(1,242,224)	—
68,541,846	42,468,800	19,979,951	—	78,660,219	—	33,858,059
1,141,370	—	—	—	—	—	—
6,633,562	—	(19,133,004)	—	94,449,499	283,038,243	80,000,000
—	(1,437,658)	—	—	—	—	—
1,458,803	—	96,026,462	—	—	—	(80,000,000)
77,775,581	41,031,142	96,873,409	—	209,535,412	278,502,891	37,151,187
(5,539,108)	(1,882,829)	(7,534,970)	(8,420)	113,449	—	—
8,780,356	(1,830,833)	499,202	(7,235)	113,449	—	—

Schedule 6

**NORTH TEXAS TOLLWAY AUTHORITY**  
 Schedule of Toll Revenue and Traffic Analysis  
 Year ended December 31, 2008  
 (Unaudited)

Toll revenue:	
Two-axle vehicles	\$ 262,432,292
Multi-axle vehicles	12,115,529
Revenue adjustments	(33,771,030)
Total	<u>\$ 240,776,791</u>
Vehicle transactions (unaudited):	
Two-axle vehicle transactions	\$ 406,862,434
Multi-axle vehicle transactions	5,409,569
Nonrevenue vehicle transactions	1,758,220
Total	<u>\$ 414,030,223</u>
Toll revenue – average per day:	
Two-axle vehicles	\$ 717,028
Multi-axle vehicles	33,103
Revenue adjustments	(92,271)
Average	<u>\$ 657,860</u>
Vehicle transactions – average per day (unaudited):	
Two-axle vehicle transactions	\$ 1,111,646
Multi-axle vehicle transactions	14,780
Nonrevenue vehicle transactions	4,804
Average	<u>\$ 1,131,230</u>

**Toll Revenue and Traffic by Class of Vehicle**  
 Year ended December 31, 2008  
 (Unaudited)

Class of vehicle	<u>Revenue</u>	<u>Vehicle transactions</u>
Two-axle vehicles	\$ 262,432,292	406,862,434
Three-axle vehicles and combinations	2,959,971	2,077,139
Four-axle vehicles and combinations	3,372,004	1,579,570
Five-axle vehicles and combinations	5,329,829	1,634,462
Six or more axle vehicles and special permits	453,725	118,398
	<u>12,115,529</u>	<u>5,409,569</u>
Toll revenue	274,547,821	412,272,003
Revenue adjustments	(33,771,030)	-
Nonrevenue vehicles	-	1,758,220
Toll revenue and traffic	<u>\$ 240,776,791</u>	<u>414,030,223</u>

See accompanying independent auditors' report.

**NORTH TEXAS TOLLWAY AUTHORITY**  
 Schedule of Toll Rates  
 Year ended December 31, 2008  
 (Unaudited)

	Two-axle passenger cars and trucks		Three-axle vehicles and vehicle combinations		Four-axle vehicles and vehicle combinations		Five-axle vehicles and vehicle combinations		Six or more axle vehicles and special permits	
	Cash	TollTag	Cash	TollTag	Cash	TollTag	Cash	TollTag	Cash	TollTag
<b>Dallas North Tollway:</b>										
Main Lane Plaza 1 (1)	\$ 0.75	0.60	1.20	0.95	1.50	1.20	1.80	1.45	2.10	1.70
Mockingbird	0.80	0.65	1.60	1.30	2.40	1.95	3.20	2.60	4.00	3.25
Northwest Highway	0.55	0.45	1.10	0.90	1.65	1.35	2.20	1.80	2.75	2.25
Royal Lane	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Spring Valley	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Belt Line	0.45	0.35	0.90	0.70	1.35	1.05	1.80	1.40	2.25	1.75
Main Lane Plaza 2	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Keller Springs	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Frankford	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
FM 544	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Main Lane Plaza 3	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Parker Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Spring Creek	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Gaylor Parkway	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Lebanon Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Stonebrook Parkway	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Cotton Gin Road/Main St	0.50	0.40	1.00	0.80	1.50	1.20	2.00	1.60	2.50	2.00
Main Lane Plaza 4	1.30	1.05	2.60	2.10	3.90	3.15	5.20	4.20	6.50	5.25
Eldorado Parkway	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
<b>Addison Airport Tunnel:</b>										
Barrier Plaza No. 5	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>President George Bush Turnpike:</b>										
N. Garland Avenue	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Campbell Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Renner Road (East of Plaza)	0.50	0.40	1.00	0.80	1.50	1.20	2.00	1.60	2.50	2.00
Renner Rd. Main Lane Plaza 6	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Shiloh Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Renner Road (West of Plaza)	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Independence Parkway	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Coit Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Coit Road Main Lane Plaza 7	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Preston Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Midway Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Marsh Lane	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Frankford Main Lane Plaza 8	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Kelly Boulevard	0.50	0.40	1.00	0.80	1.50	1.20	2.00	1.60	2.50	2.00
Josey Lane	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Sandy Lake Main Lane Plaza 9	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Belt Line Road (Coppell)	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Royal Lane	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Belt Line Road	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Belt Line Main Lane Plaza 10	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
<b>Mountain Creek Lake Bridge:</b>										
Mainlane Plaza	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50
<b>Sam Rayburn Tollway (121 Tollway) (2)</b>										
Denton Tap Main Lane Gantry 1	0.65	0.45	1.30	0.90	1.95	1.35	2.60	1.80	3.25	2.25
MacArthur Boulevard	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
Carrollton Parkway	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
FM 544	0.48	0.29	0.96	0.58	1.44	0.87	1.92	1.16	2.40	1.45
FM 2281	0.53	0.34	1.06	0.68	1.59	1.02	2.12	1.36	2.65	1.70
Standridge Drive (West of Plaza)	0.75	0.52	1.50	1.04	2.25	1.56	3.00	2.08	3.75	2.60
Josey Lane (West of Plaza)	0.91	0.63	1.82	1.26	2.73	1.89	3.64	2.52	4.55	3.15
Josey Lane Main Lane Gantry 2	1.71	1.18	3.42	2.36	5.13	3.54	6.84	4.72	8.55	5.90
Standridge Drive (East of Plaza)	0.96	0.66	1.92	1.32	2.88	1.98	3.84	2.64	4.80	3.30
Josey Lane (East of Plaza)	0.80	0.55	1.60	1.10	2.40	1.65	3.20	2.20	4.00	2.75
Plano Parkway	0.62	0.43	1.24	0.86	1.86	1.29	2.48	1.72	3.10	2.15
Spring Creek Parkway	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
Preston Road	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
Ohio Drive	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
Coit Road	0.70	0.21	1.40	0.96	2.10	1.44	2.80	1.92	3.50	2.40

(1) ZipCash rates of \$1.00 (Two-axle) through \$5.00 (Six or more axle)

(2) The Sam Rayburn Tollway opened September 2008.

**Footnote:** The Authority is converting to All Electronic Toll Collection (All ETC). All customers will either have a Toll Tag or they will be billed according to business rules currently in place. Cash will not be accepted. Currently the Dallas North Tollway Main Lane Plaza 1 and the Sam Rayburn Tollway have been converted to All ETC. The President George Bush Turnpike will be converted to All ETC by July 1, 2009. Dallas North Tollway is scheduled to be converted in 2011.

See accompanying independent auditors' report.

**NORTH TEXAS TOLLWAY AUTHORITY**  
Schedule of Historical Traffic, Toll Revenues and Net Revenues  
Year ended December 31, 2008  
(Unaudited)

**Historical Traffic and Toll Revenue**

The table below sets forth the annual revenue vehicle transactions and gross toll revenue with respect to the Dallas North Tollway System for the ten calendar years 1999 through 2008:

<u>Year</u>	<u>Annual revenue vehicle transactions (unaudited)</u>	<u>Annual toll revenue</u>
1999 (1)	149,888,064	\$ 69,653,635
2000 (2)	192,168,272	93,901,576
2001 (3)	230,044,912	107,210,124
2002 (4)	285,494,321	137,945,439
2003	296,140,087	149,323,784
2004 (5)	315,031,754	160,695,030
2005 (6)	338,390,215	172,537,345
2006	370,696,171	191,434,120
2007 (7)	383,481,098	202,675,564
2008 (8)	412,272,003	240,776,791

- (1) Reflects the opening of Addison Airport Tunnel, Segment I and IIa of the President George Bush Turnpike in January 1999, June 1999, and December 1999, respectively, and a toll rate increase on the DNT in August 1999.
- (2) Reflects the opening of Segment IIb of the President George Bush Turnpike in May 2000.
- (3) Reflects the opening of Segment III of the President George Bush Turnpike from Midway Road to Frankford in March 2001 to IH 35 in July 2001 and Segment V on December 2001.
- (4) Toll rate increase for the President George Bush Turnpike went into effect in January 2002
- (5) Reflects the completion of DNT and State Highway 121 interchange on April 2004.
- (6) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
- (7) Reflects the opening of DNT Phase 3 and toll rate increase in late September 2007.
- (8) Reflects the opening of Sam Rayburn Tollway (121 Tollway) in September 2008.

**Historical Net Revenues**

The table set forth below shows the Net Revenues for debt service (as defined by Trust Agreement) of the Dallas North Tollway System for the ten calendar years 1998 through 2007:

<u>Year</u>	<u>Toll revenue</u>	<u>Current expenses</u>	<u>Investment and other earnings</u>	<u>Net revenues</u>	<u>Coverage</u>
1999	\$ 69,653,635	\$ 16,842,717	\$ 12,869,336	\$ 65,680,254	2.42
2000	93,901,576	22,754,720	13,204,505	84,351,361	2.22
2001	107,210,124	30,429,021	11,806,432	88,587,535	1.88
2002	137,945,439	37,964,567	8,732,847	108,713,719	2.08
2003	149,323,784	42,650,533	8,371,709	115,044,960	2.09
2004	160,695,030	47,680,750	10,046,907	123,061,187	2.00
2005	172,537,345	56,576,883	14,085,285	130,045,747	1.80
2006	191,434,120	61,421,158	18,259,576	148,272,538	1.98
2007	202,675,564	76,593,495	21,307,811	147,389,880	1.96
2008	240,776,791	80,668,732	20,958,496	181,066,555	1.60

See accompanying independent auditors' report.

**NORTH TEXAS TOLLWAY AUTHORITY**  
Schedule of Capitalized Costs by Project  
Year ended December 31, 2008  
(Unaudited)

	<b>Cumulative Total Through December 31, 2008</b>
<b>Dallas North Tollway</b>	
Preliminary costs	\$ 17,863,848
Construction	156,722,704
Right-of-way	49,536,424
Engineering	22,076,877
Administration	3,332,630
Land	1,781,434
Equipment, net of accumulated depreciation	4,258,888
Subtotal	<u>255,572,805</u>
Financing costs	56,582,104
Total capitalized costs – dallas north tollway	<u>312,154,909</u>
<b>Dallas North Tollway Extension</b>	
Preliminary costs	6,619,071
Construction	207,372,173
Right-of-way	8,499,710
Engineering	22,242,373
Administration	1,413,506
Equipment, net of accumulated depreciation	-
Subtotal	<u>246,146,833</u>
Financing costs	(3,329,736)
Total capitalized costs – dallas north tollway extension	<u>242,817,097</u>
<b>Addison Airport Toll Tunnel</b>	
Preliminary costs	1,244,082
Construction	18,196,716
Right-of-way	617,278
Engineering	4,863,333
Administration	295,203
Equipment, net of accumulated depreciation	-
Subtotal	<u>25,216,612</u>
Financing costs	(1,047,102)
Total capitalized cost – addison airport toll tunnel	<u>24,169,510</u>
<b>President George Bush Turnpike - Segments I - IV</b>	
Preliminary costs	18,040,104
Construction	625,507,898
Right-of-way	76,225,234
Engineering	96,764,596
Administration	24,618,619
Land	5,578,821
Equipment, net of accumulated depreciation	22,334,050
Subtotal	<u>869,069,322</u>
Financing costs	50,894,321
Total capitalized cost – president george bush turnpike - segments I - IV	<u>919,963,643</u>
<b>President George Bush Turnpike - Segment V</b>	
Preliminary costs	1,596,208
Construction	68,433,928
Right-of-way	16,459
Engineering	8,981,476
Administration	233,829
Equipment, net of accumulated depreciation	-
Subtotal	<u>79,261,900</u>
Financing costs	8,660,673
Total capitalized cost – president george bush turnpike - segment V	<u>87,922,573</u>

See accompanying independent auditors' report.

**NORTH TEXAS TOLLWAY AUTHORITY**  
 Schedule of Capitalized Costs by Project  
 Year ended December 31, 2008  
 (Unaudited)

<b>Dallas North Tollway Phase 3</b>	
Preliminary costs	5,118,815
Construction	224,747,399
Right-of-way	569,830
Engineering	31,983,698
Administration	2,112,562
Equipment, net of accumulated depreciation	-
Subtotal	<u>264,532,304</u>
Financing costs	<u>(20,316,333)</u>
Total capitalized cost – dallas north tollway phase 3	<u>244,215,971</u>
<b>Lewisville Lake Toll Bridge</b>	
Preliminary costs	9,875
Construction	77,821,545
Right-of-way	13,177
Engineering	10,813,096
Administration	218,863
Equipment, net of accumulated depreciation	-
Subtotal	<u>88,876,556</u>
Financing costs	<u>(405,558)</u>
Total capitalized cost – lewisville lake toll bridge	<u>88,470,998</u>
<b>Sam Rayburn Tollway (121 Tollway)</b>	
Preliminary costs	1,142,464
Construction	3,327,510,639
Right-of-way	12,103,627
Engineering	53,458,155
Administration	17,099,550
Equipment, net of accumulated depreciation	-
Accumulated depreciation on infrastructure	<u>(24,555,772)</u>
Subtotal	3,386,758,663
Financing costs	<u>82,153,835</u>
Total capitalized cost – sam rayburn tollway (121 tollway)	<u>3,468,912,498</u>
<b>President George Bush Turnpike - Eastern extension</b>	
Preliminary costs	-
Construction	23,300,429
Right-of-way	73,630,358
Engineering	31,485,865
Administration	4,193,820
Equipment, net of accumulated depreciation	-
Subtotal	<u>132,610,472</u>
Financing costs	<u>-</u>
Total capitalized cost – president george bush turnpike - eastern extension	<u>132,610,472</u>
<b>All Projects</b>	
Preliminary costs	51,634,467
Construction	4,729,613,431
Right-of-way	221,212,097
Engineering	282,669,469
Administration	53,518,582
Land	7,360,255
Equipment, net of accumulated depreciation	26,592,938
Accumulated depreciation on infrastructure	<u>(24,555,772)</u>
Subtotal	5,348,045,467
Financing costs	<u>173,192,204</u>
Total all projects	5,521,237,671
Bond Premium/Discount (1)	<u>(19,749,049)</u>
Total capitalized costs at December 31, 2008	<u>\$ 5,501,488,622</u>

(1) Total capitalized cost includes bond discount/(premiums), which have been capitalized in accordance with the Trust Agreement. These costs are netted against revenue bonds within the statement of net assets.

See accompanying independent auditors' report.



**NORTH TEXAS TOLLWAY AUTHORITY**  
 Schedule of Deferred Study Costs - Feasibility Study Fund  
 Year ended December 31, 2008  
 (Unaudited)

The table below sets forth the accumulated deferred study costs, by project, through December 31, 2008 that have not been transferred out of the Feasibility Study Fund into a construction project.

<u>Projects</u>	<u>Accumulated December 31, 2008</u>
Trinity Tollway	\$ 374,328
Dallas North Tollway:	
380 Interchange	285,767
Extension Phase 4	2,765,863
Extension Phase 5	38,508
President George Bush Turnpike - East Branch	166,294
State Highway 360	2,219,382
Southwest Parkway	54,542,512
Trinity Parkway	5,712,656
President George Bush Tollway - South (SH 161)	7,141,589
North Central Texas Council of Governments	516,400
State Highway 170 - Alliance Gateway	1,719,033
Capital Planning Model	356,696
Collin/Grayson Corridor	176,602
Future Bond Issue Planning	336,519
State Highway 183 Managed Lanes	894,378
Denton County Corridor	7,857
	<u>\$ 77,254,384</u>

See accompanying independent auditor's report

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# Statistical Section

**NORTH TEXAS TOLLWAY AUTHORITY  
STATISTICAL SECTION  
(Unaudited)**

**INTRODUCTION**

Governmental Accounting Standards Board (GASB) Statement 44 “Economic Condition Reporting: The Statistical Section requires that certain detailed statistical information be presented in this section, typically in ten year trends, to assist users in utilizing the basic financial statements, notes to the financial statements and required supplementary information in order to assess the economic condition of the System.

**FINANCIAL TRENDS**

These tables contain information to help the reader understand how the Authority’s financial performance and well being have changed over time.

**REVENUE CAPACITY**

These tables contain information to help the reader assess the Authority’s most significant revenue sources.

**DEBT CAPACITY**

These tables present information to help the reader assess the affordability of the Authority’s current current level of outstanding debt and the Authority’s ability to issue additional debt in the future.

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

These tables offer demographic and economic indicators to help the reader understand the environment within which the Authority’s financial activities take place.

**OPERATING INFORMATION**

These tables contain service and infrastructure data to help the reader understand how the information in the Authority’s financial report relates to the services the Authority provides and the activities it performs.

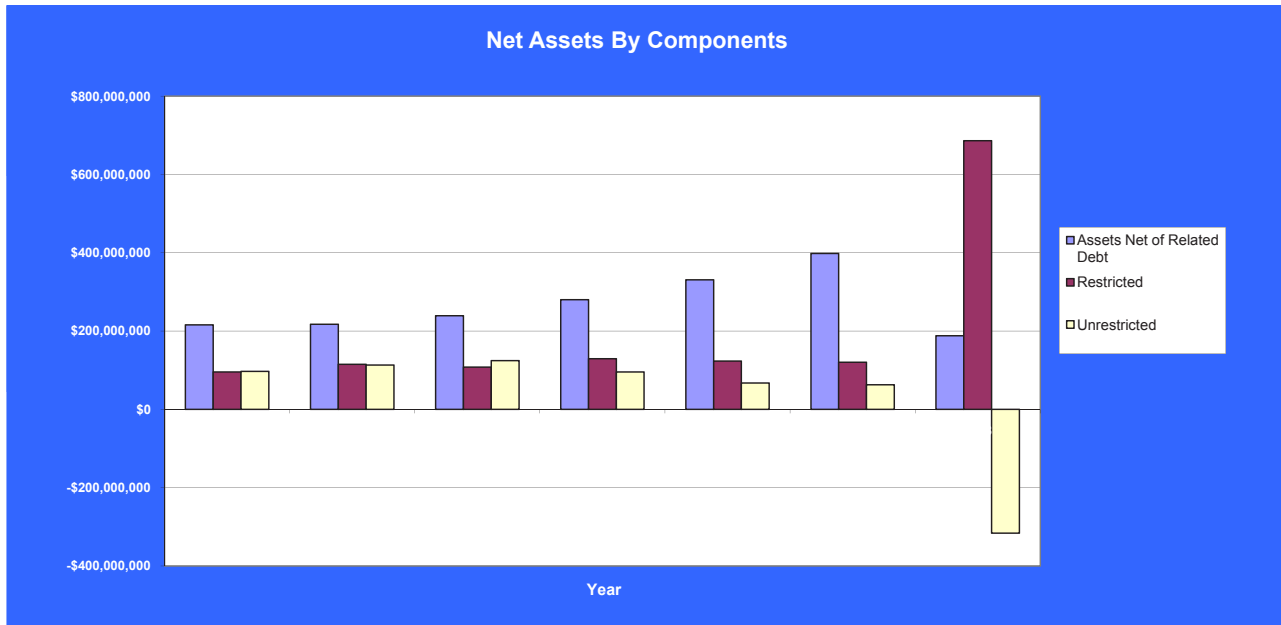
Sources: Unless other noted, the information in the following tables is derived from the annual financial reports for the relevant years.

NORTH TEXAS TOLLWAY AUTHORITY  
 Net Assets by Components  
 Last Ten Fiscal Years  
 (Unaudited)

**Business-Type Activities**

Components	2002	2003	2004	2005	2006	2007	2008
Invested in capital assets, net of related debt	\$215,719,725	\$217,181,585	\$239,205,057	\$280,156,648	\$330,841,254	\$398,078,219	\$187,921,483
Restricted (see note)	\$95,605,206	114,952,691	108,079,819	129,195,493	123,194,488	120,495,644	686,236,650
Unrestricted	\$97,103,496	113,345,843	124,451,990	95,696,520	67,332,901	62,928,573	(316,228,982)
<b>Total net assets</b>	<b>\$ 408,428,427</b>	<b>445,480,119</b>	<b>471,736,866</b>	<b>505,048,661</b>	<b>521,368,643</b>	<b>581,502,436</b>	<b>557,929,151</b>

NOTE ---- Information prior to implementation of GASB 34 in FY 2002 is not available.

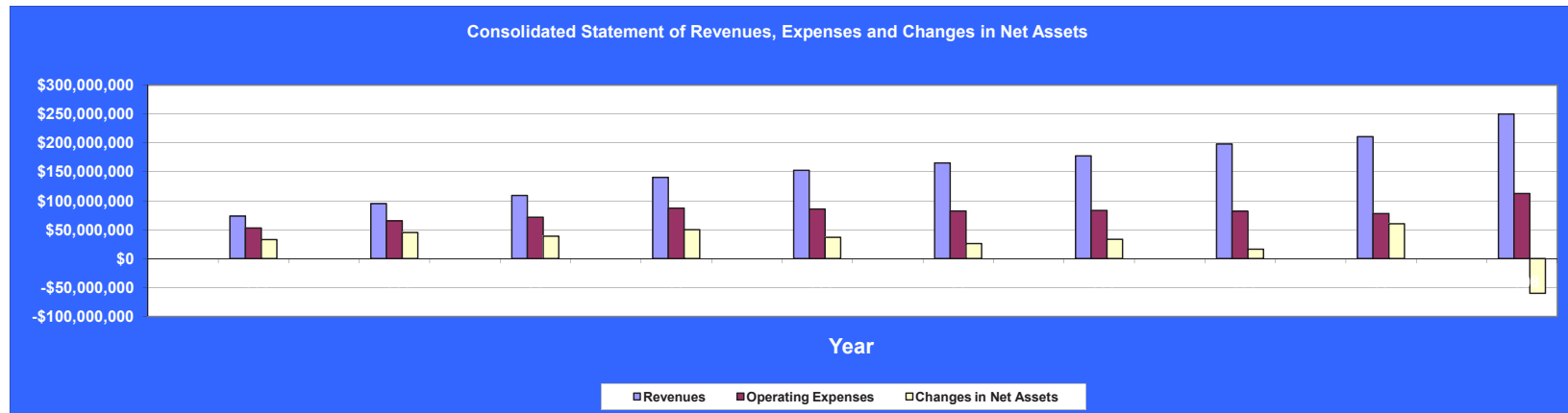


NORTH TEXAS TOLLWAY AUTHORITY  
Statement of Revenues, Expenses, and Changes in Net Assets  
Last Ten Fiscal Years  
(Unaudited)

<u>Business-Type Activities</u>										
Revenues:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Tolls	\$ 69,653,635	\$ 93,901,576	\$ 107,210,124	\$ 137,945,439	\$ 149,323,784	\$ 160,695,030	\$ 172,537,345	\$ 191,434,120	\$ 202,675,564	\$ 240,776,791
Other (1)	3,595,548	1,188,403	1,751,277	2,458,397	3,180,903	4,574,224	5,103,941	6,647,546	7,988,624	9,273,124
Total operating revenues	73,249,183	95,089,979	108,961,401	140,403,836	152,504,687	165,269,254	177,641,286	198,081,666	210,664,188	250,049,915
Operating expenses:										
Administration	4,997,011	7,909,764	11,901,154	8,261,114	5,977,858	7,592,581	8,381,359	8,899,052	10,910,385	12,604,559
Operations	11,845,706	14,844,956	18,527,867	29,703,453	36,672,675	40,088,169	48,195,524	52,522,106	64,660,897	68,064,173
Reserve maintenance	1,753,460	5,085,427	1,982,790	2,913,890	5,792,192	10,990,224	7,483,753	22,771,922	23,858,264	18,254,548
Capital improvement	1,471,457	2,014,645	5,010,782	12,586,540	18,320,162	24,268,247	30,117,098	31,975,003	33,381,445	38,541,652
Total operating expenses before depreciation	20,067,634	29,854,792	37,422,593	53,464,997	66,762,887	82,939,221	94,177,734	116,168,083	132,810,991	137,464,932
Operating income before depreciation	53,181,549	65,235,187	71,538,808	86,938,839	85,741,800	82,330,033	83,463,552	81,913,583	77,853,197	112,584,983
Depreciation	-	-	-	(951,369)	(1,598,423)	(1,662,808)	(2,092,825)	(2,126,037)	(1,800,225)	(3,481,013)
<b>Operating income</b>	<b>53,181,549</b>	<b>65,235,187</b>	<b>71,538,808</b>	<b>85,987,470</b>	<b>84,143,377</b>	<b>80,667,225</b>	<b>81,370,727</b>	<b>79,787,546</b>	<b>76,052,972</b>	<b>109,103,970</b>
Nonoperating revenues (expenses):										
Interest earned on investments	38,852,765	30,707,854	18,663,604	9,068,253	9,327,630	10,458,474	13,562,625	16,550,756	17,592,664	50,438,067
Net increase(decrease) in the fair value of investments	(2,294,046)	954,310	(87,080)	615,890	(1,454,787)	(1,676,391)	(1,087,627)	2,335,448	1,067,995	24,555,188
Grant Revenue	-	-	-	-	-	-	-	-	-	74,902,422
Unallocated infrastructure depreciation	-	-	-	-	-	-	-	-	-	(24,555,772)
Interest expense on revenue bonds	(48,627,331)	(48,268,251)	(47,878,171)	(42,837,283)	(41,408,356)	(46,017,953)	(55,184,859)	(53,414,350)	(52,420,707)	(227,034,684)
Interest expense on short term notes	-	-	(10,548)	(268,011)	(214,067)	-	-	(24,658)	(2,653,677)	(35,086,229)
Bond premium/discount amortization	(1,361,423)	(1,358,832)	(2,147,337)	(1,407,146)	(197,326)	1,305,815	1,285,475	1,618,562	1,386,510	(217,615)
Bond issuance cost amortization	-	-	-	-	-	-	-	-	-	(17,543,223)
Deferred amount on refunding amortization	(1,721,558)	(1,703,006)	(1,697,284)	(1,386,660)	(4,350,295)	(6,147,053)	(7,030,110)	(6,557,286)	(6,017,291)	(6,694,083)
SWAP termination payment	-	-	-	-	-	-	-	-	-	(4,511,011)
Net amount on refunded bonds	-	-	-	-	-	-	-	-	-	(3,167,688)
Contributed capital from Mountain Creek Lake Bridge	-	-	10,766,232	-	-	-	-	-	-	-
Contributed capital to the Feasibility Study Fund	(5,327,200)	-	(10,000,000)	-	(8,487,500)	(11,990,800)	-	(25,000,000)	25,000,000	-
Other	(10,879)	(338,873)	(150,312)	233,312	(306,984)	(342,570)	395,564	1,013,964	135,327	(355,245)
Net nonoperating revenues (expenses)	(20,489,672)	(20,006,798)	(32,540,896)	(35,981,645)	(47,091,685)	(54,410,478)	(48,058,932)	(63,477,564)	(15,909,179)	(169,269,873)
<b>Change in net assets</b>	<b>\$ 32,691,877</b>	<b>\$ 45,228,389</b>	<b>\$ 38,997,912</b>	<b>\$ 50,005,825</b>	<b>\$ 37,051,692</b>	<b>\$ 26,256,747</b>	<b>\$ 33,311,795</b>	<b>\$ 16,309,982</b>	<b>\$ 60,143,793</b>	<b>\$ (60,165,903)</b>

(1) Administrative fees, parking transaction fees, statement fees and miscellaneous charges.

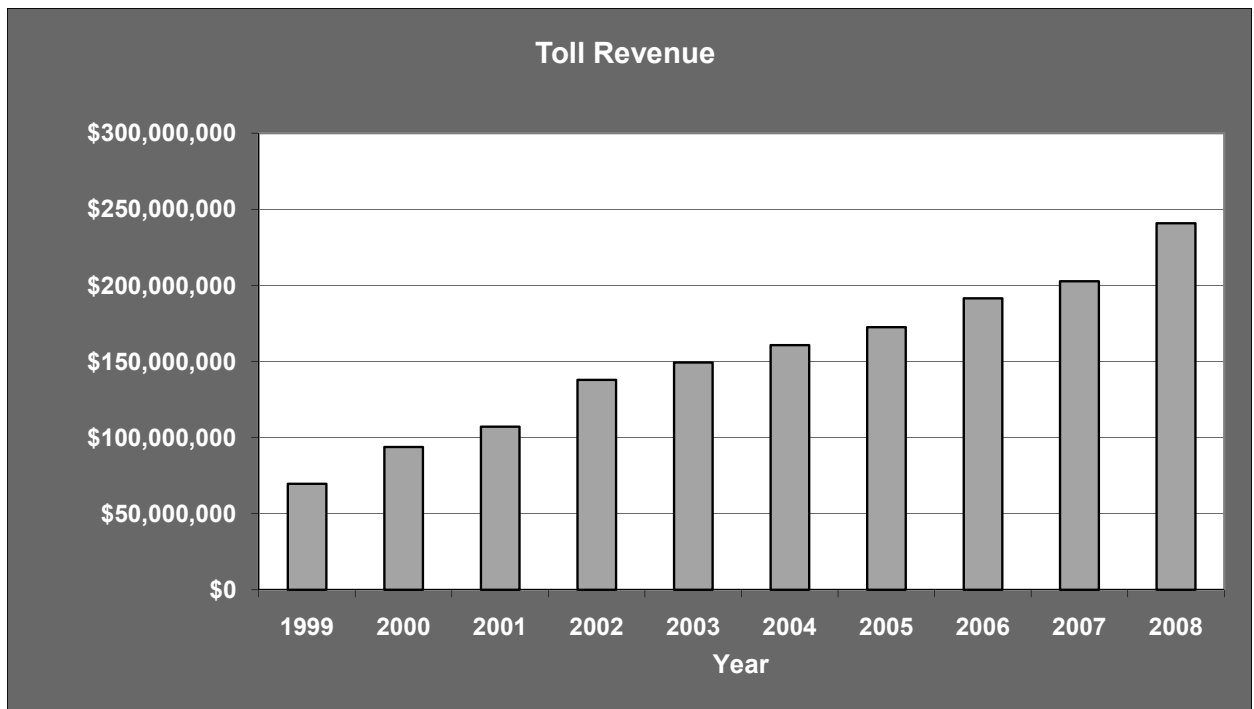
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NORTH TEXAS TOLLWAY AUTHORITY  
 Traffic and Toll Revenue  
 Last Ten Fiscal Years  
 (Unaudited)

Year	Annual Revenue Vehicle Transactions	Annual Toll Revenue	Average Toll Rate per Transaction
1999	149,888,064	\$ 69,653,635	0.46
2000	192,168,272	93,901,576	0.49
2001	230,044,912	107,210,124	0.47
2002	285,494,321	137,945,439	0.48
2003	296,140,087	149,323,784	0.50
2004	315,031,754	160,695,030	0.51
2005	338,390,215	172,537,345	0.51
2006	370,696,171	191,434,120	0.52
2007	383,481,098	202,675,564	0.53
2008	412,272,003	240,776,791	0.58



NORTH TEXAS TOLLWAY AUTHORITY  
Schedule of Toll Rates  
Last Ten Fiscal Years  
(Unaudited)

Two-axle passenger cars and trucks	Roadway	Years									
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$ 0.75
	TollTag	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.70
	<b>ZipCash - Video</b>	-	-	-	-	-	-	-	-	-	1.00
<i>(all ETC, effective in Sept, 2008)</i> Main Lane Plaza 2	Cash	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 3	Cash	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	1.30	1.30
	TollTag	-	-	-	-	-	-	-	-	1.05	1.05
Addison Airport Toll Tunnel:											
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.50	0.50	0.50	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 7	Cash	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.50	0.50	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 8	Cash	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.50	0.50	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 9	Cash	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.50	0.50	0.50	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 10 (2)	Cash	-	-	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	-	-	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Mountain Creek Lake Bridge:											
Mainlane Plaza	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
State Highway 121: (3)											
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	0.65
	TollTag	-	-	-	-	-	-	-	-	-	0.45
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	1.71
	TollTag	-	-	-	-	-	-	-	-	-	1.18

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121; both opened on Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

NORTH TEXAS TOLLWAY AUTHORITY  
Schedule of Toll Rates  
Last Ten Fiscal Years  
(Unaudited)

Three-axle vehicle and vehicle combination		Years										
		Roadway	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:												
Main Lane Plaza 1	Cash	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.40
	TollTag	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
<b>(all ETC, effective in Sept, 2008)</b>												
	<b>ZipCash - Video</b>	-	-	-	-	-	-	-	-	-	-	2.00
Main Lane Plaza 2	Cash	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.00	2.00
	TollTag	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	1.40	1.40
Main Lane Plaza 3	Cash	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.00	2.00
	TollTag	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	1.40	1.40
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	-	2.60	2.60
	TollTag	-	-	-	-	-	-	-	-	-	2.10	2.10
Addison Airport Toll Tunnel:												
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:												
Main Lane Plaza 6	Cash	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Main Lane Plaza 7	Cash	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Main Lane Plaza 8	Cash	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Main Lane Plaza 9	Cash	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Main Lane Plaza 10 (2)	Cash	-	-	-	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	-	-	-	1.20	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Mountain Creek Lake Bridge:												
Main lane Plaza	Cash	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	TollTag	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
State Highway 121: (3)												
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	-	1.30
	TollTag	-	-	-	-	-	-	-	-	-	-	0.90
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	-	3.42
	TollTag	-	-	-	-	-	-	-	-	-	-	2.36

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121; both opened on Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

NORTH TEXAS TOLLWAY AUTHORITY  
Schedule of Toll Rates  
Last Ten Fiscal Years  
(Unaudited)

Four-axle vehicle and vehicle combination		Years									
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Roadway</b>											
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
	TollTag	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
<i>(all ETC, effective in Sept, 2008)</i>											
<b>ZipCash - Video</b>		-	-	-	-	-	-	-	-	-	3.00
Main Lane Plaza 2	Cash	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.00	3.00
	TollTag	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.10	2.10
Main Lane Plaza 3	Cash	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.00	3.00
	TollTag	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.10	2.10
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	3.90	3.90
	TollTag	-	-	-	-	-	-	-	-	3.15	3.15
Addison Airport Toll Tunnel:											
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Main Lane Plaza 7	Cash	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Main Lane Plaza 8	Cash	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Main Lane Plaza 9	Cash	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Main Lane Plaza 10 (2)	Cash	-	-	2.25	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	-	-	1.80	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	TollTag	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
State Highway 121: (3)											
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	1.95
	TollTag	-	-	-	-	-	-	-	-	-	1.35
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	5.13
	TollTag	-	-	-	-	-	-	-	-	-	3.54

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121; both opened on Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

NORTH TEXAS TOLLWAY AUTHORITY  
Schedule of Toll Rates  
Last Ten Fiscal Years  
(Unaudited)

Five-axle vehicle and vehicle combination		Years									
Roadway		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80
	TollTag	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	2.45	1.45
<b>(all ETC, effective in Sept, 2008)</b>											
	<b>ZipCash - Video</b>	-	-	-	-	-	-	-	-	-	4.00
Main Lane Plaza 2	Cash	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	4.00	4.00
	TollTag	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	2.80	2.80
Main Lane Plaza 3	Cash	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	4.00	4.00
	TollTag	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	2.80	2.80
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	5.20	5.20
	TollTag	-	-	-	-	-	-	-	-	4.20	4.20
Addison Airport Toll Tunnel:											
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	2.00	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Main Lane Plaza 7	Cash	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	2.00	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Main Lane Plaza 8	Cash	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	2.00	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Main Lane Plaza 9	Cash	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	2.00	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Main Lane Plaza 10 (2)	Cash	-	-	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	-	-	2.40	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
	TollTag	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
State Highway 121: (3)											
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	2.60
	TollTag	-	-	-	-	-	-	-	-	-	1.80
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	6.84
	TollTag	-	-	-	-	-	-	-	-	-	4.72

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121; both opened on Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

NORTH TEXAS TOLLWAY AUTHORITY  
Schedule of Toll Rates  
Last Ten Fiscal Years  
(Unaudited)

Six or more-axle vehicle and vehicle combination		Years										
		Roadway	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:												
Main Lane Plaza 1	Cash	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$3.10	\$2.10
	TollTag	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	2.70	1.70
<b>(all ETC, effective in Sept, 2008)</b>												
	<b>ZipCash - Video</b>	-	-	-	-	-	-	-	-	-	-	5.00
Main Lane Plaza 2	Cash	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	5.00	5.00
	TollTag	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	3.50	3.50
Main Lane Plaza 3	Cash	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	5.00	5.00
	TollTag	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	3.50	3.50
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	-	6.50	6.50
	TollTag	-	-	-	-	-	-	-	-	-	5.25	5.25
Addison Airport Toll Tunnel:												
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:												
Main Lane Plaza 6	Cash	2.50	2.50	2.50	3.75	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Main Lane Plaza 7	Cash	2.50	2.50	2.50	3.75	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Main Lane Plaza 8	Cash	2.50	2.50	2.50	3.75	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Main Lane Plaza 9	Cash	2.50	2.50	2.50	3.75	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Main Lane Plaza 10 (2)	Cash	-	-	3.75	3.75	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	-	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Mountain Creek Lake Bridge:												
Main lane Plaza	Cash	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	TollTag	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
State Highway 121: (3)												
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	-	3.25
	TollTag	-	-	-	-	-	-	-	-	-	-	2.25
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	-	8.55
	TollTag	-	-	-	-	-	-	-	-	-	-	5.90

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121 10 opened Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

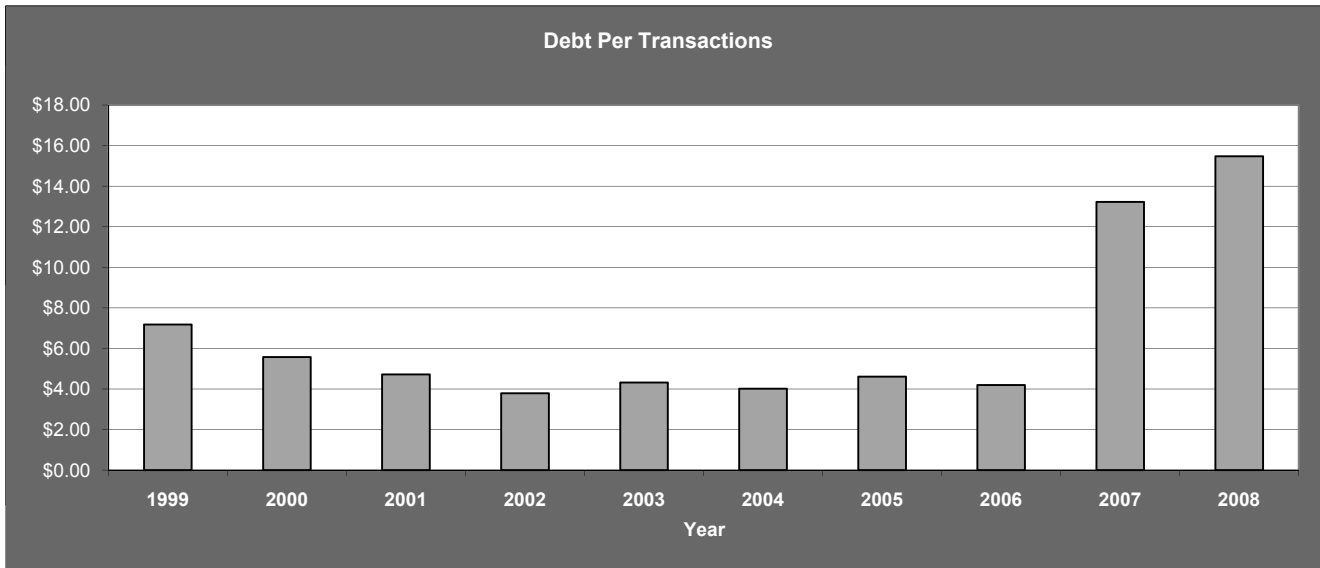
NORTH TEXAS TOLLWAY AUTHORITY  
Ratio of Outstanding Debt by Type  
Business-Type Activities  
Last Ten Fiscal Years  
(Unaudited)

Year	Revenue Bonds	Bond Anticipation Notes	Commercial Paper Notes Payable	Texas Department of Transportation ISTE A Loan	Texas Department of Transportation Loan Payable	Total Debt Amount	Total Toll Transactions(1)	Debt Per Transactions	Debt Per Capita(2)
1999	\$935,967,532	-	-	\$135,000,000	\$4,600,000	\$1,075,567,532	149,888,064	\$7.18	N/A
2000	930,934,136	-	-	135,000,000	4,600,000	1,070,534,136	192,168,272	5.57	\$232
2001	925,524,957	-	\$20,000,000	135,000,000	4,600,000	1,085,124,957	230,044,912	4.72	228
2002	921,430,778	-	20,000,000	135,000,000	4,600,000	1,081,030,778	285,494,321	3.79	222
2003	1,139,285,000	-	-	135,000,000	4,600,000	1,278,885,000	296,140,087	4.32	259
2004	1,125,735,000	-	-	135,000,000	4,600,000	1,265,335,000	315,031,754	4.02	251
2005	1,420,605,000	-	-	135,000,000	4,600,000	1,560,205,000	338,390,215	4.61	303
2006	1,390,130,000	-	25,000,000	135,000,000	4,600,000	1,554,730,000	370,696,171	4.19	293
2007	1,368,550,000	\$3,487,245,000	75,000,000	135,000,000	4,600,000	5,070,395,000	383,481,098	13.22	934
2008	6,150,814,166	-	89,700,000	135,000,000	4,600,000	6,380,114,166	412,272,003	15.48	1,147

Note----Details on the System's outstanding debt can be found in the notes to the financial statements.

(1) See table of Traffic and Toll Revenue on page 76.

(2) See table of Demographic Data on page 84.



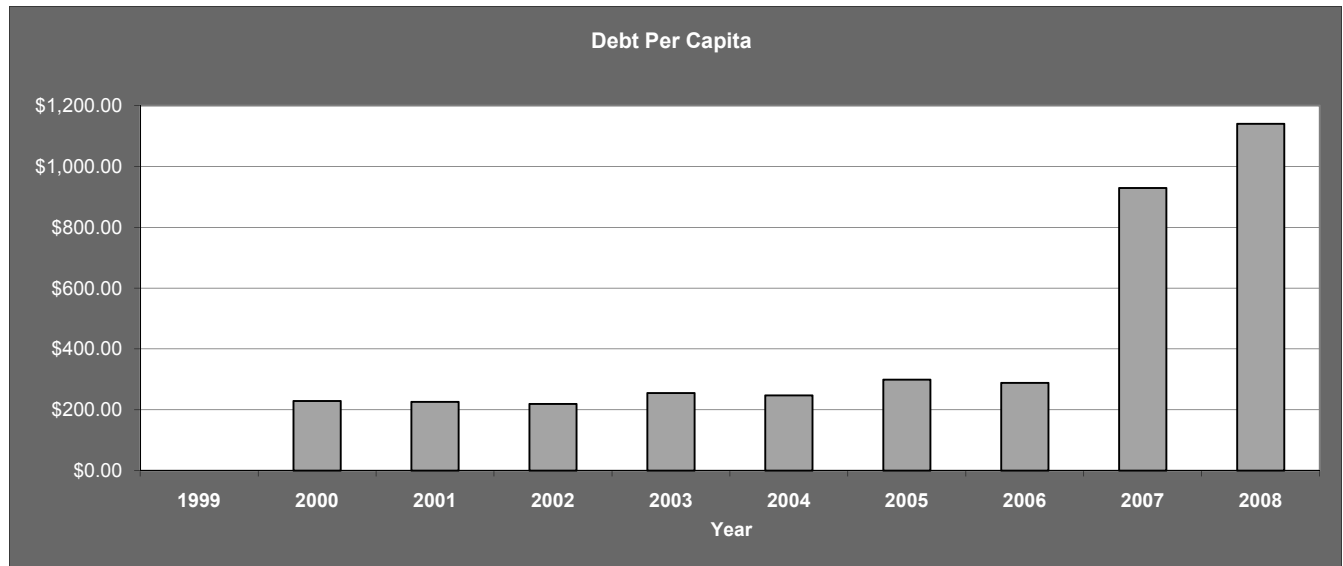


NORTH TEXAS TOLLWAY AUTHORITY  
Ratio of Revenue-backed Debt Outstanding  
Business-Type Activities  
Last Ten Fiscal Years  
(Unaudited)

Year	Revenue Bonds	Bond Anticipation Notes	Less: amounts Available in Bond Redemption Account	Commercial Paper Notes Payable	Texas Department of Transportation ISTEALoan	Total Debt Amount	Annual Toll Revenues(1)	Debt Per Annual Toll Revenue	Debt Per Capita(2)
1999	\$935,967,532	-	(\$7,390,990)	-	\$135,000,000	\$1,063,576,542	\$69,653,635	\$15	N/A
2000	930,934,136	-	(7,561,208)	-	135,000,000	1,058,372,928	93,901,576	11	\$229
2001	925,524,957	-	(6,215,744)	\$20,000,000	135,000,000	1,074,309,213	107,210,124	10	226
2002	921,430,778	-	(11,645,000)	20,000,000	135,000,000	1,064,785,778	137,945,439	8	219
2003	1,139,285,000	-	(13,553,662)	-	135,000,000	1,260,731,338	149,323,784	8	255
2004	1,125,735,000	-	(15,447,037)	-	135,000,000	1,245,287,963	160,695,030	8	247
2005	1,420,605,000	-	(17,311,773)	-	135,000,000	1,538,293,227	172,537,345	9	299
2006	1,390,130,000	-	(22,008,278)	25,000,000	135,000,000	1,528,121,722	191,434,120	8	288
2007	1,368,550,000	\$3,487,245,000	(23,240,000)	75,000,000	135,000,000	5,042,555,000	202,675,564	25	929
2008	6,150,814,166	0	(34,110,000)	89,700,000	135,000,000	6,341,404,166	240,776,791	26	1140

Note----Details on the System's outstanding debt can be found in the notes to the financial statements.

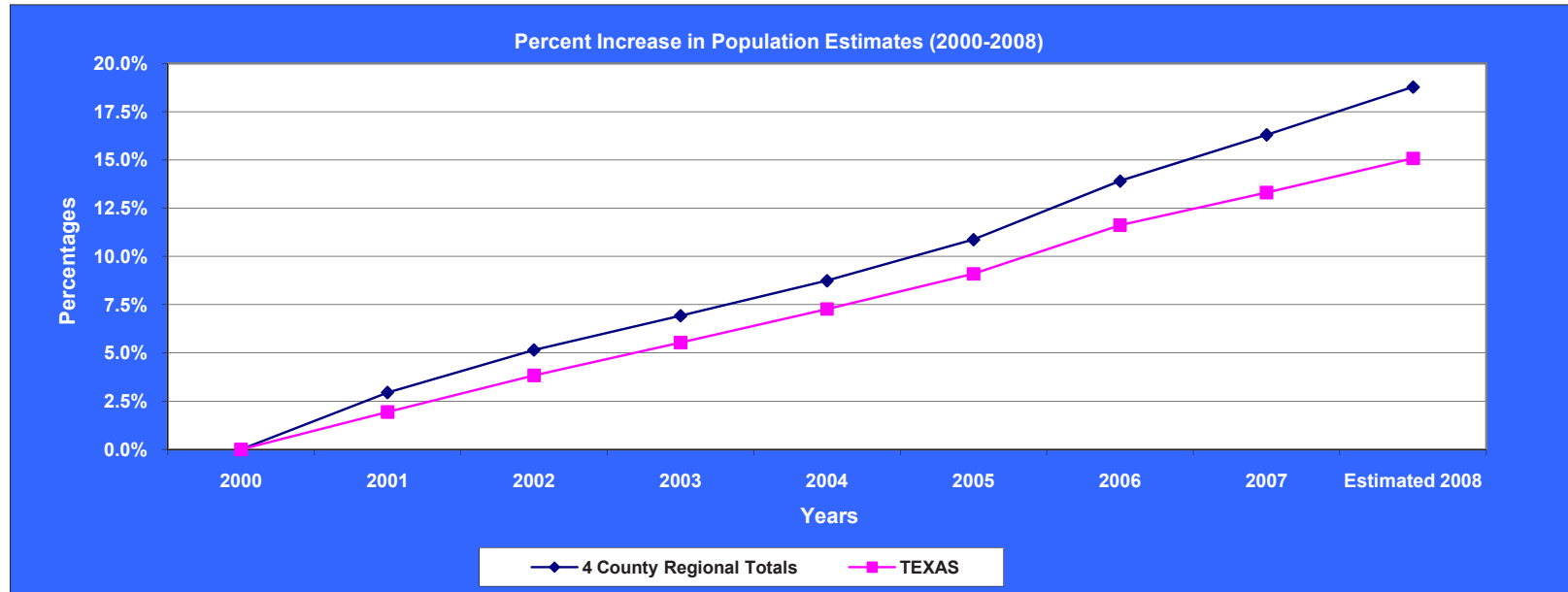
- (1) See table of Traffic and Toll Revenue on page 76.
- (2) See table of Demographic Data on page 84.



NORTH TEXAS TOLLWAY AUTHORITY  
Demographic Data-Combined Four Region and State of Texas Population Estimated Data  
For Years 2000-2008

Year	COLLIN	DALLAS	DENTON	TARRANT	Est. Four County Regional Totals	Estimated Texas Totals	Percentage Change (From Prior Years)	
							4 County	TEXAS
2000	500,224	2,225,945	438,869	1,454,612	4,619,650	20,951,848	N/A	N/A
2001	538,200	2,264,243	463,681	1,489,516	4,755,640	21,357,926	2.94%	1.94%
2002	569,438	2,276,489	488,311	1,526,307	4,860,545	21,762,430	2.21%	1.89%
2003	597,536	2,282,284	510,292	1,556,747	4,946,859	22,134,047	1.78%	1.71%
2004	628,757	2,290,710	531,054	1,586,277	5,036,798	22,517,901	1.82%	1.73%
2005	660,926	2,308,527	554,994	1,619,666	5,144,113	22,928,508	2.13%	1.82%
2006	698,851	2,345,815	584,238	1,671,295	5,300,199	23,507,783	3.03%	2.53%
2007	730,690	2,366,511	612,357	1,717,435	5,426,993	23,904,380	2.39%	1.69%
Estimated 2008	762,010	2,412,827	636,557	1,750,091	5,561,485	24,326,974	2.48%	1.77%
<b>Increase Total from Year 2000 to Year 2008</b>	<b>261,786</b>	<b>186,882</b>	<b>197,688</b>	<b>295,479</b>	<b>941,835</b>	<b>3,375,126</b>		

All information obtained from U.S. Census Bureau

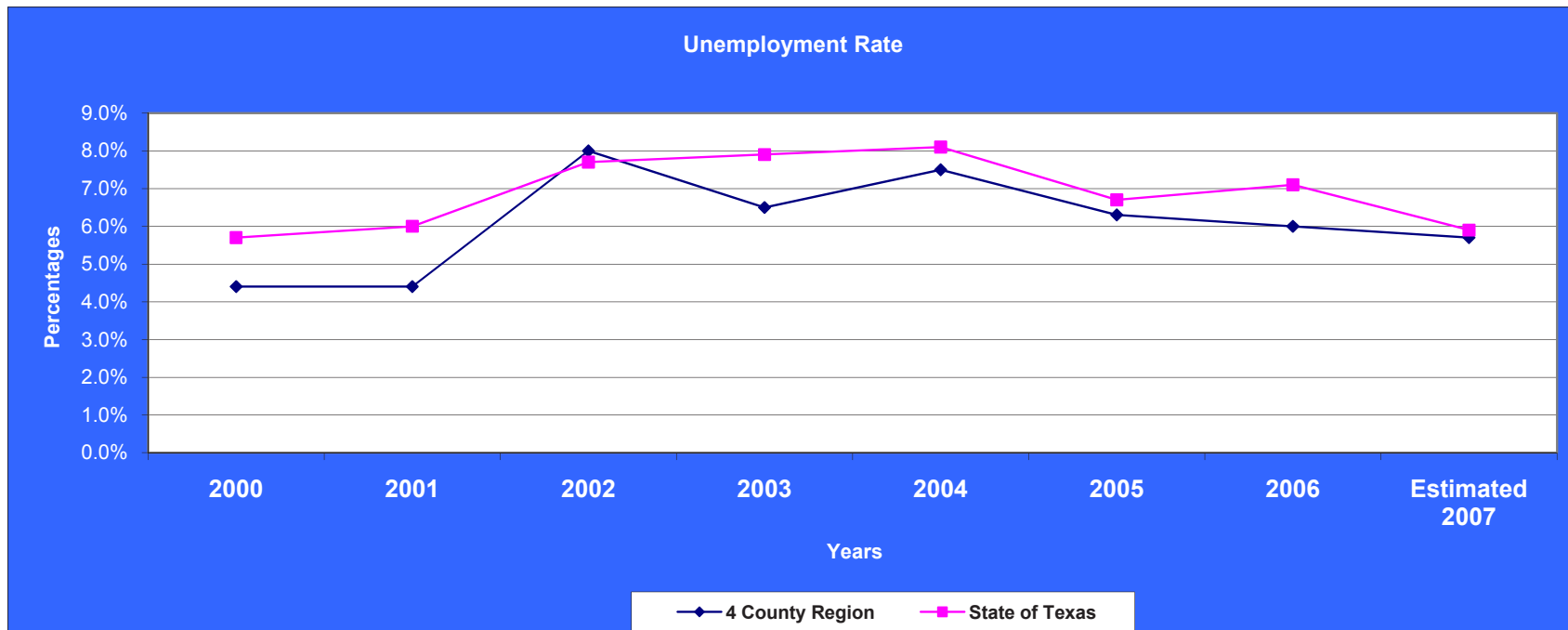


NORTH TEXAS TOLLWAY AUTHORITY  
Demographic Data-Combined Four County Region and State of Texas Employment Status Estimates  
For Years 2000-2007

Year	COLLIN	DALLAS	DENTON	TARRANT	Combined Four County Regional		Unemployment Rate	
					Estimated Totals	Estimated Totals	4 County	Texas
2000	275,187	1,166,274	248,592	758,223	2,448,276	10,003,606	4.4%	5.7%
2001	298,648	1,171,386	249,260	775,930	2,495,224	10,125,306	4.4%	6.0%
2002	308,228	1,194,564	276,897	799,447	2,579,136	10,402,410	8.0%	7.7%
2003	325,039	1,176,107	287,142	814,196	2,602,484	10,556,464	6.5%	7.9%
2004	347,165	1,197,167	301,511	835,363	2,681,206	10,851,249	7.5%	8.1%
2005	367,651	1,177,947	312,530	840,440	2,698,568	11,024,191	6.3%	6.7%
2006	389,629	1,219,541	337,144	884,101	2,830,415	11,617,834	6.0%	7.1%
<b>Estimated 2007</b>	<b>400,678</b>	<b>1,205,730</b>	<b>344,810</b>	<b>904,015</b>	<b>2,855,233</b>	<b>11,647,654</b>	<b>5.7%</b>	<b>5.9%</b>
<b>Increase Total from Year 2000 to Year 2007</b>		<b>125,491</b>	<b>39,456</b>	<b>96,218</b>	<b>145,792</b>	<b>406,957</b>	<b>1,644,048</b>	

All information obtained from U.S. Census Bureau

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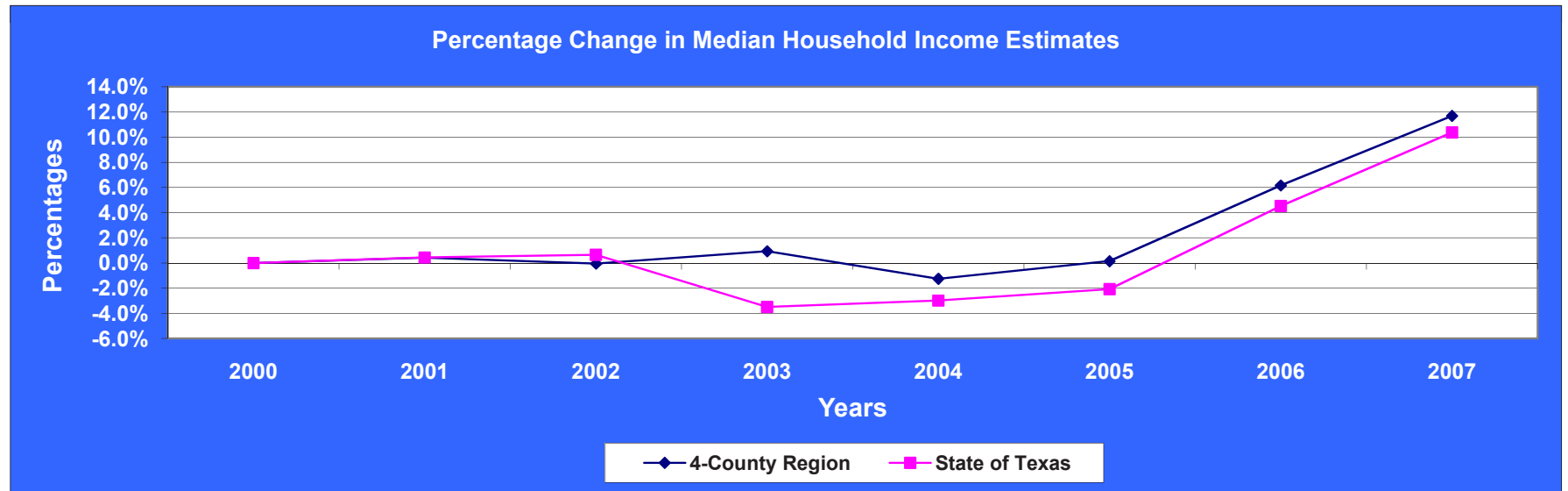


**NORTH TEXAS TOLLWAY AUTHORITY**  
 Demographic Data - Combined Four County Region and State of Texas Median Household Income Estimates  
 For Years 2000 - 2007

Year	COLLIN	DALLAS	DENTON	TARRANT	Four County Regional Totals		Percentage Change from Prior Years	
					Estimated Avg Median Income	Estimated Avg Median Income	4 County	Texas
2000	\$70,487	\$45,831	\$56,807	\$50,638	\$55,941	\$43,065	N/A	N/A
2001	70,181	44,829	60,898	48,821	56,182	43,253	0.43%	0.44%
2002	70,292	44,678	56,814	51,860	55,911	43,343	-0.48%	0.21%
2003	71,458	44,189	62,013	48,185	56,461	41,548	0.98%	-4.14%
2004	68,567	43,444	61,528	47,369	55,227	41,759	-2.19%	0.51%
2005	70,784	42,598	61,520	49,104	56,002	42,139	1.40%	0.91%
2006	74,051	44,815	66,792	51,813	59,368	44,922	6.01%	6.60%
2007	79,657	46,372	71,109	53,459	62,649	47,548	5.53%	5.85%
<b>Averaged Yearly Totals</b>	<b>\$71,935</b>	<b>\$44,595</b>	<b>\$62,185</b>	<b>\$50,156</b>	<b>\$57,218</b>	<b>\$43,447</b>		

All information obtained from U.S. Census Bureau

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**NORTH TEXAS TOLLWAY AUTHORITY**  
**North Texas Four County Region's Top Ten Employers**

<b>COLLIN COUNTY TOP TEN EMPLOYERS</b>			
<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>	<b>INDUSTRY</b>
EDS	6,700	1.72%	PROF/TECH
JC PENNEY CO INC	3,800	0.98%	RETAIL
STONEBRIAR CENTER	3,456	0.89%	RETAIL
SHOPS A WILLOW BEND (THE)	3,240	0.83%	RETAIL
FRITO-LAY INC	3,000	0.77%	MANAGEMENT
COUNTRY WIDE HOME LOANS	3,000	0.77%	FINANCE
PEROT SYSTEMS CORPORATION	2,811	0.72%	PROF/TECH
ALCATEL	2,800	0.72%	MANUFACTURING
COLLIN CREEK MALL	2,800	0.62%	RETAIL
ALCATEL	2,800	0.59%	INFORMATION
Total		8.60%	
<b>DALLAS COUNTY TOP TEN EMPLOYERS</b>			
<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>	<b>INDUSTRY</b>
AMERICAN AIRLINES/AMR	14,608	1.20%	TRANSPORTATION
TEXAS INSTRUMENTS HQ	7,800	0.64%	MANUFACTURING
PARKLAND MEMORIAL HOSPITAL	6,950	0.57%	HEALTH CARE
UT SOUTHWESTERN MED CENTER	5,893	0.48%	EDUCATION
BAYLOR MEDICAL CENTER	5,751	0.47%	HEALTH CARE
COMPUCOM CAMPUS	5,300	0.43%	REAL ESTATE/RENT
NORTEL NETWORKS	4,800	0.39%	INFORMATION
NORTHPARK CENTER	4,536	0.38%	RETAIL
DELTA AIR LINES INC	4,300	0.35%	TRANSPORTATION
GALLERIA MALL	4,104	0.34%	RETAIL
Total		5.25%	
<b>DENTON COUNTY TOP TEN EMPLOYERS</b>			
<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>	<b>INDUSTRY</b>
UNIVERSITY OF NORTH TEXAS	7,719	2.29%	EDUCATION
AMERICAN AIRLINES ALLIANCE MAINTENANCE BASE	2,381	0.71%	TRANSPORTATION
VISTA RIDGE MALL	2,288	0.68%	RETAIL
PETERBILT MOTORS CO	1,700	0.50%	MANUFACTURING
GOLDEN TRIANGLE MALL	1,676	0.49%	RETAIL
DENTON STATE SCHOOL	1,430	0.42%	EDUCATION
CENTEX HOME EQUITY PHASE I & II	1,400	0.41%	REAL ESTATE/RENT
XEROX CORP	1,381	0.41%	MANAGEMENT
TEXAS WOMAN'S UNIVERSITY	1,129	0.33%	EDUCATION
Total		6.25%	
<b>TARRANT COUNTY TOP TEN EMPLOYERS</b>			
<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>	<b>INDUSTRY</b>
LOCKHEED MARTIN CORP	16,800	1.90%	MANUFACTURING
UNIVERSITY OF TEXAS AT ARLINGTON	5,079	0.57%	EDUCATION
AMERICAN AIRLINES/AMR	5,011	0.56%	TRANSPORTATION
TARRANT COUNTY ADMINISTRATIVE OFFICE	4,141	0.47%	PUBLIC
AMERICAN AIRLINES/AMR HQ	4,118	0.46%	TRANSPORTATION
HARRIS METHODIST FORT WORTH	4,000	0.45%	HEALTH CARE
NAS FORT WORTH JOINT RESERVE BASE	3,906	0.44%	PUBLIC
HARRIS METHODIST SOUTHWEST	3,789	0.43%	HEALTH CARE
COOKS CHILDREN'S HEALTH CARE SYS	3,740	0.42%	HEALTH CARE
JOHN PETER SMITH HOSPITAL	3,473	0.39%	HEALTH CARE
Total		6.11%	

Source: Dallas Major Employers-DFW

NORTH TEXAS TOLLWAY AUTHORITY  
 Contribution to Infrastructure Assets  
 Last Ten Fiscal Years  
 (Unaudited)

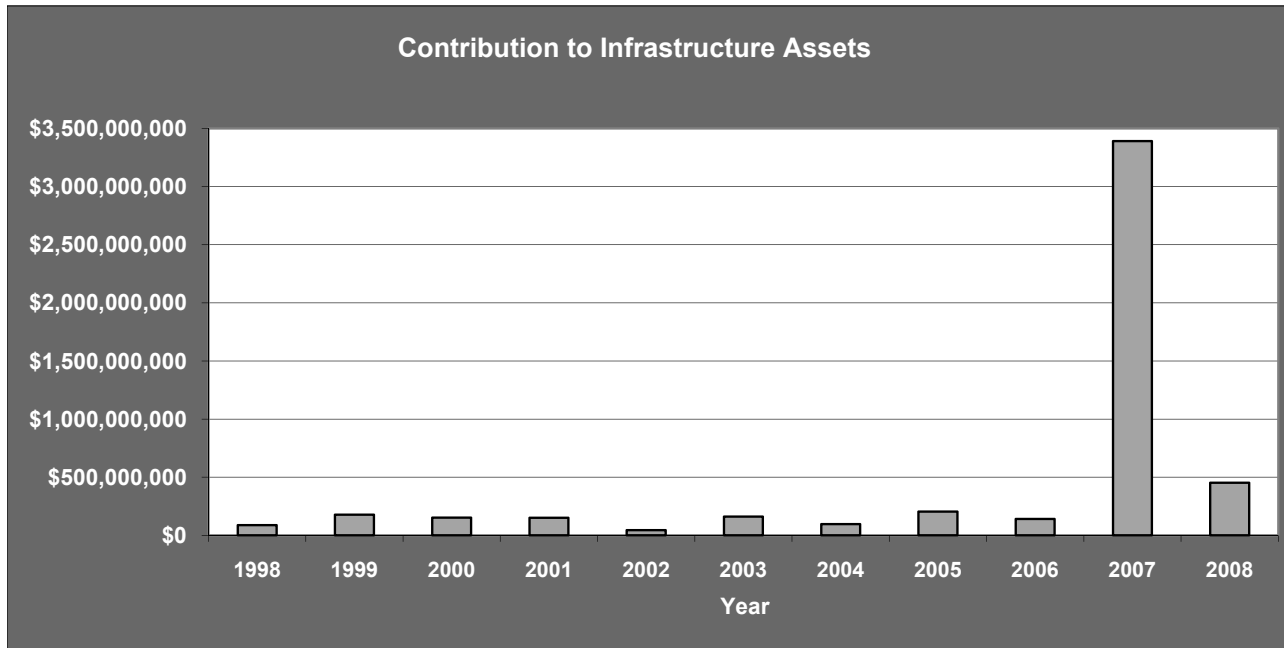
Year	Additions	Beginning Balance	Deletions	Ending Balance
1998	\$88,017,071	\$454,050,988	-	\$542,068,059
1999	178,261,690	542,068,059	-	720,329,749
2000	152,803,664	720,329,749	-	873,133,413
2001	151,520,819	873,133,413	-	1,024,654,232
2002	44,935,637	1,024,654,232	-	1,069,589,869
2003	161,829,348	1,069,589,869	-	1,231,419,217
2004	97,081,712	1,255,767,850 (2)	-	1,352,849,562
2005	203,757,845	1,352,849,562	-	1,556,607,407
2006	141,163,305	1,556,607,407	\$ (2,923,868)	1,694,846,844
2007 (1)	3,390,485,923	1,698,121,926	(983,452)	5,087,624,397
2008 (3)	452,204,613	5,087,624,397	(38,340,388)	5,501,488,622

(1) Includes a \$3.2 billion payment to Texas Department of Transportation for the acquisition of State Highway 121 Project.

(2) Includes a \$24.3 million prior period adjustment for toll collection system.

(3) Deletions include property and equipment previously recorded as infrastructure.

Note----See Notes to Financial Statements number (4) Capital Assets page 35.



NORTH TEXAS TOLLWAY AUTHORITY  
Toll Revenue Analysis  
Last Ten Fiscal Years  
(Unaudited)

Toll Revenue							
Year		Two-Axle Vehicles		Multi-Axle Vehicles		Adjustments	Total
1999	(1)	\$ 70,035,150	\$	1,313,196	\$	(12,611)	\$ 71,335,735
2000	(2)	94,246,563		1,947,823		(615,915)	95,578,471
2001	(3)	107,284,640		1,972,867		(2,047,383)	107,210,124
2002	(4)	157,445,951		2,959,988		(22,460,500)	137,945,439
2003		161,376,894		4,040,344		(16,093,454)	149,323,784
2004	(5)	169,631,935		4,635,864		(13,572,769)	160,695,030
2005	(6)	180,444,481		5,424,704		(13,331,840)	172,537,345
2006		197,742,740		6,695,120		(13,003,740)	191,434,120
2007	(7)	214,283,866		8,189,103		(19,797,405)	202,675,564
2008	(8)	262,432,292		12,115,529		(33,771,030)	240,776,791
Toll Revenue - Average Per Day							
Year		Two-Axle Vehicles		Multi-Axle Vehicles		Adjustments	Average
1999	(1)	\$ 191,877	\$	3,598	\$	(35)	\$ 195,440
2000	(2)	257,505		5,322		(1,683)	261,144
2001	(3)	293,931		5,405		(5,609)	293,727
2002	(4)	431,359		8,110		(61,536)	377,933
2003		442,128		11,069		(44,092)	409,105
2004	(5)	463,475		12,666		(37,084)	439,057
2005	(6)	494,368		14,862		(36,526)	472,704
2006		541,761		18,343		(35,627)	524,477
2007	(7)	587,079		22,436		(54,239)	555,276
2008	(8)	717,028		33,103		(92,271)	657,860

- (1) Reflects the opening of Addison Airport Tunnel, Segment I and IIa of the President George Bush Turnpike in January 1999, June 1999 and December 1999, respectively, and a toll rate increase on the DNT in August 1999. New Toll Collection system installed.
- (2) Reflects the opening of Segment IIb of the President George Bush Turnpike in May 2000.
- (3) Reflects the opening of Segment III of the President George Bush Turnpike from Midway Road to Frankford in March 2001 to IH 35 in July 2001 and Segment V on December 2001.
- (4) Toll rate increase for the President George Bush Turnpike went into effect in January 2002. High speed lanes installed (Open Lane Tolling)
- (5) Reflects the completion of DNT and State Highway 121 interchange on April 2004.
- (6) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
- (7) Reflects the opening of DNT Phase 3 and toll rate increase in late September 2007. Installation of ZipCash (Video Tolling) on Main Lane Plaza 1.
- (8) Reflects the opening of Sam Rayburn Tollway in September 2008 as the Authority's first all ETC facility. Adjustments includes transaction to be invoiced.



NORTH TEXAS TOLLWAY AUTHORITY  
Total Lane Miles Operating and Number of Employees by Department  
Last Ten Fiscal Years

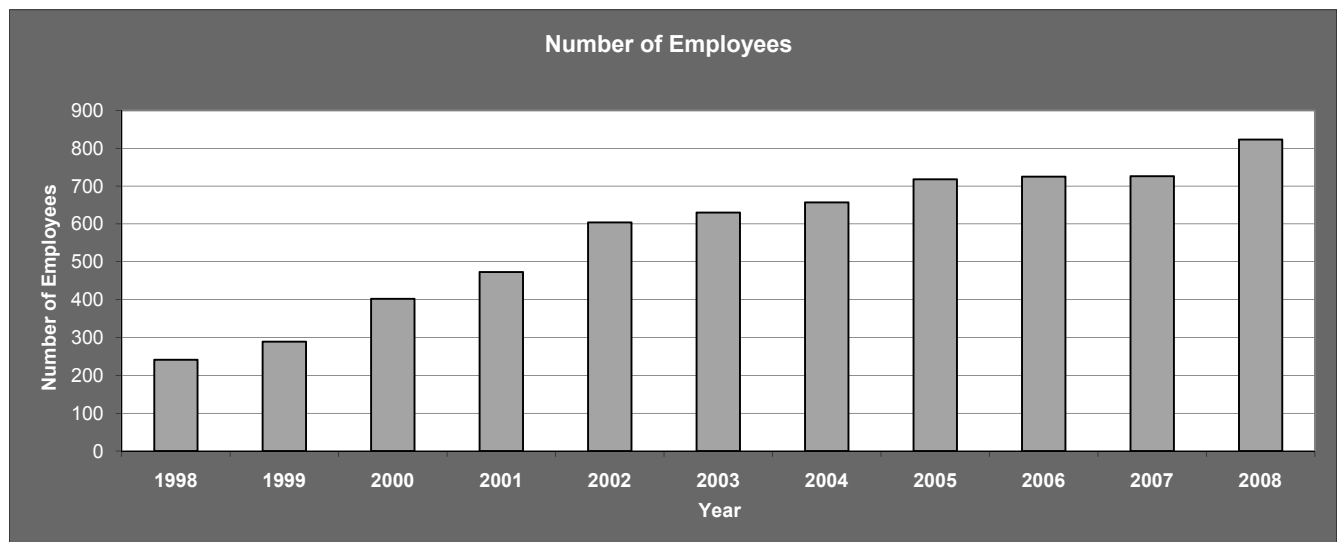
Lane Miles											
	Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Lane Miles	143	201	231	272	297	306	315	315	339	355	439

Note----Lane miles are recorded during the year in proportionate to the number of month they were operational.

Full-time Equivalent Employees											
Function	Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Administration	18	20	5	5	6	6	11	7	9	9	9
Operations	0	0	0	0	0	0	0	0	0	0	0
Finance	0	0	4	4	4	4	4	5	5	6	6
Business Diversity	0	0	0	0	0	0	0	0	1	1	3
Communications	0	0	3	4	5	4	3	7	8	9	12
Internal Audit	0	0	0	0	0	0	0	0	0	0	2
Human Resources	0	0	5	9	10	8	8	8	12	12	13
Legal Services	0	0	3	3	3	4	4	4	3	3	3
System & Incident Management	10	12	24	25	23	22	20	26	26	25	51
Accounting	7	6	7	5	5	5	5	6	7	5	8
Information Technology	2	5	10	12	13	16	16	19	19	20	32
Vault	7	7	8	8	15	28	28	31	30	28	23
Audit - Revenue Reconciliation	3	2	3	3	2	0	0	6	5	7	6
Procurement Services	0	0	3	3	3	3	3	6	6	6	10
Community Affairs	0	0	0	0	0	0	0	1	1	1	3
Toll Collection	135	177	250	304	402	379	392	412	416	386	321
Maintenance	37	39	45	52	65	67	71	76	68	81	178
Customer Service Center	14	12	24	29	41	75	81	92	98	115	133
Project Delivery	8	9	8	7	7	9	11	12	11	9	6
Project Evaluation	0	0	0	0	0	0	0	0	0	3	4
<b>Total</b>	<b>241</b>	<b>289</b>	<b>402</b>	<b>473</b>	<b>604</b>	<b>630</b>	<b>657</b>	<b>718</b>	<b>725</b>	<b>726</b>	<b>823</b>

Note 1----During 1998 & 1990, Finance, Human Resources and Procurement Services were reported within the Administration Dept.

Note 2----During 2003 & 2004, the Audit function was outsourced.



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**APPENDIX B**

**NTTA SYSTEM TOLL RATE SCHEDULES**

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**NTTA System Tolling  
(Excluding SRT and PGBT EE)**

**Toll Rates**

- Toll rates shall be as set forth in the following schedules for the periods indicated in the schedules.
- Toll rate for two-axle vehicles with TollTags is \$0.145 per mile for the DNT and PGBT (Segments I through V) starting September 1, 2009. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- Toll rate for two-axle vehicles with TollTags is \$0.50 for the MCLB and the AATT starting September 1, 2009 and \$1.00 for LLTB upon opening. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- Starting September 1, 2009, the cash toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of the TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year on each July 1 thereafter. Cash tolls are rounded to the next highest nickel.
- Starting September 1, 2009, video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of the TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year on each July 1 thereafter, for DNT, PGBT, MCLB, AATT and LLTB when All-ETC starts on any portion of these facilities.
- Tolls charged to users at any tolling location are rounded to the next highest penny after the implementation of the All-ETC configuration at that location.
- Tolls for all vehicle classifications are calculated based on “N-1” weighting, where “N” denotes the number of axles, on all plazas (a) on DNT and PGBT beginning immediately, (b) on LLTB from opening and beyond, and (c) on AATT and MCLB from September 1, 2009 and beyond. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle.

**SYSTEM TOLL RATES EFFECTIVE SEPTEMBER 29, 2007 (EXCLUDING SRT, PGBT EE AND LLTB)**

<b>Dallas North Tollway</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>
Mainlane Plaza 1*	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00
Mockingbird Lane	\$0.65	\$0.80	\$1.30	\$1.60	\$1.95	\$2.40	\$2.60	\$3.20	\$3.25	\$4.00
Northwest Highway	\$0.45	\$0.55	\$0.90	\$1.10	\$1.35	\$1.65	\$1.80	\$2.20	\$2.25	\$2.75
Royal Lane	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Spring Valley Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Belt Line Road	\$0.35	\$0.45	\$0.70	\$0.90	\$1.05	\$1.35	\$1.40	\$1.80	\$1.75	\$2.25
Mainlane Plaza 2	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00
Keller Springs Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Frankford Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
FM 544	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Mainlane Plaza 3	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00
Parker Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Spring Creek Parkway	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Gaylord Parkway	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Lebanon Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Stone Brook Parkway	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Cotton Gin Rd./Main St.	\$0.40	\$0.50	\$0.80	\$1.00	\$1.20	\$1.50	\$1.60	\$2.00	\$2.00	\$2.50
Mainlane Plaza 4	\$1.05	\$1.30	\$2.10	\$2.60	\$3.15	\$3.90	\$4.20	\$5.20	\$5.25	\$6.50
Eldorado Parkway(FM 2934)	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00

<b>President George Bush Turnpike</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>
North Garland Avenue	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Campbell Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
East Renner Road	\$0.40	\$0.50	\$0.80	\$1.00	\$1.20	\$1.50	\$1.60	\$2.00	\$2.00	\$2.50
Mainlane Plaza 6	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00
Shiloh Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
West Renner Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Independence Parkway	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Coit Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Mainlane Plaza 7	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00
Preston Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Midway Road	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Marsh Lane	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Mainlane Plaza 8	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00
Kelly Boulevard	\$0.40	\$0.50	\$0.80	\$1.00	\$1.20	\$1.50	\$1.60	\$2.00	\$2.00	\$2.50
Josey Lane	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Mainlane Plaza 9	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00
Belt Line Road North	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Royal Lane	\$0.30	\$0.40	\$0.60	\$0.80	\$0.90	\$1.20	\$1.20	\$1.60	\$1.50	\$2.00
Belt Line Road South	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00
Mainlane Plaza 10	\$0.70	\$1.00	\$1.40	\$2.00	\$2.10	\$3.00	\$2.80	\$4.00	\$3.50	\$5.00

<b>Addison Airport Toll Tunnel</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>
Main Plaza	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50

<b>Mountain Creek Lake Bridge</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>
Main Plaza	\$0.50	\$0.50	\$0.75	\$0.75	\$1.00	\$1.00	\$1.25	\$1.25	\$1.50	\$1.50

\* Tolls on Main Lane Plaza 1 are collected either through TollTag or ZipCash. There is no cash toll collection.

**SYSTEM TOLL RATES (EXCLUDING SRT AND PGBT EE) STARTING SEPTEMBER 1, 2009**

<b>Dallas North Tollway</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>
Mainlane Plaza 1*	\$1.26	\$1.89	\$2.52	\$3.78	\$3.78	\$5.67	\$5.04	\$7.56	\$6.30	\$9.45
Mockingbird Lane	\$0.92	\$1.40	\$1.84	\$2.80	\$2.76	\$4.20	\$3.68	\$5.60	\$4.60	\$7.00
Northwest Highway	\$0.62	\$0.95	\$1.24	\$1.90	\$1.86	\$2.85	\$2.48	\$3.80	\$3.10	\$4.75
Royal Lane	\$0.33	\$0.55	\$0.66	\$1.10	\$0.99	\$1.65	\$1.32	\$2.20	\$1.65	\$2.75
Spring Valley Road	\$0.22	\$0.45	\$0.44	\$0.90	\$0.66	\$1.35	\$0.88	\$1.80	\$1.10	\$2.25
Belt Line Road	\$0.29	\$0.50	\$0.58	\$1.00	\$0.87	\$1.50	\$1.16	\$2.00	\$1.45	\$2.50
Mainlane Plaza 2	\$0.90	\$1.35	\$1.80	\$2.70	\$2.70	\$4.05	\$3.60	\$5.40	\$4.50	\$6.75
Keller Springs Road	\$0.47	\$0.75	\$0.94	\$1.50	\$1.41	\$2.25	\$1.88	\$3.00	\$2.35	\$3.75
Frankford Road	\$0.22	\$0.45	\$0.44	\$0.90	\$0.66	\$1.35	\$0.88	\$1.80	\$1.10	\$2.25
FM 544	\$0.22	\$0.45	\$0.44	\$0.90	\$0.66	\$1.35	\$0.88	\$1.80	\$1.10	\$2.25
Mainlane Plaza 3	\$0.80	\$1.20	\$1.60	\$2.40	\$2.40	\$3.60	\$3.20	\$4.80	\$4.00	\$6.00
Parker Road	\$0.48	\$0.75	\$0.96	\$1.50	\$1.44	\$2.25	\$1.92	\$3.00	\$2.40	\$3.75
Spring Creek Parkway	\$0.27	\$0.50	\$0.54	\$1.00	\$0.81	\$1.50	\$1.08	\$2.00	\$1.35	\$2.50
Gaylord Parkway	\$0.22	\$0.45	\$0.44	\$0.90	\$0.66	\$1.35	\$0.88	\$1.80	\$1.10	\$2.25
Lebanon Road	\$0.33	\$0.55	\$0.66	\$1.10	\$0.99	\$1.65	\$1.32	\$2.20	\$1.65	\$2.75
Stone Brook Parkway	\$0.42	\$0.65	\$0.84	\$1.30	\$1.26	\$1.95	\$1.68	\$2.60	\$2.10	\$3.25
Cotton Gin Rd./Main St.	\$0.68	\$1.05	\$1.36	\$2.10	\$2.04	\$3.15	\$2.72	\$4.20	\$3.40	\$5.25
Mainlane Plaza 4	\$1.41	\$2.15	\$2.82	\$4.30	\$4.23	\$6.45	\$5.64	\$8.60	\$7.05	\$10.75
Eldorado Parkway(FM 2934)	\$0.51	\$0.80	\$1.02	\$1.60	\$1.53	\$2.40	\$2.04	\$3.20	\$2.55	\$4.00

<b>President George Bush Turnpike</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>
North Garland Avenue	\$0.26	\$0.46	\$0.52	\$0.92	\$0.78	\$1.38	\$1.04	\$1.84	\$1.30	\$2.30
Campbell Road	\$0.41	\$0.62	\$0.82	\$1.24	\$1.23	\$1.86	\$1.64	\$2.48	\$2.05	\$3.10
East Renner Road	\$0.67	\$1.01	\$1.34	\$2.02	\$2.01	\$3.03	\$2.68	\$4.04	\$3.35	\$5.05
Mainlane Plaza 6	\$1.00	\$1.50	\$2.00	\$3.00	\$3.00	\$4.50	\$4.00	\$6.00	\$5.00	\$7.50
Shihoh Road	\$0.51	\$0.77	\$1.02	\$1.54	\$1.53	\$2.31	\$2.04	\$3.08	\$2.55	\$3.85
West Renner Road	\$0.34	\$0.54	\$0.68	\$1.08	\$1.02	\$1.62	\$1.36	\$2.16	\$1.70	\$2.70
Independence Parkway	\$0.34	\$0.54	\$0.68	\$1.08	\$1.02	\$1.62	\$1.36	\$2.16	\$1.70	\$2.70
Coit Road	\$0.52	\$0.78	\$1.04	\$1.56	\$1.56	\$2.34	\$2.08	\$3.12	\$2.60	\$3.90
Mainlane Plaza 7	\$1.08	\$1.62	\$2.16	\$3.24	\$3.24	\$4.86	\$4.32	\$6.48	\$5.40	\$8.10
Preston Road	\$0.29	\$0.49	\$0.58	\$0.98	\$0.87	\$1.47	\$1.16	\$1.96	\$1.45	\$2.45
Midway Road	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
Marsh Lane	\$0.29	\$0.49	\$0.58	\$0.98	\$0.87	\$1.47	\$1.16	\$1.96	\$1.45	\$2.45
Mainlane Plaza 8	\$1.00	\$1.50	\$2.00	\$3.00	\$3.00	\$4.50	\$4.00	\$6.00	\$5.00	\$7.50
Kelly Boulevard	\$0.53	\$0.80	\$1.06	\$1.60	\$1.59	\$2.40	\$2.12	\$3.20	\$2.65	\$4.00
Josey Lane	\$0.35	\$0.55	\$0.70	\$1.10	\$1.05	\$1.65	\$1.40	\$2.20	\$1.75	\$2.75
Mainlane Plaza 9	\$0.80	\$1.20	\$1.60	\$2.40	\$2.40	\$3.60	\$3.20	\$4.80	\$4.00	\$6.00
Belt Line Road North	\$0.48	\$0.72	\$0.96	\$1.44	\$1.44	\$2.16	\$1.92	\$2.88	\$2.40	\$3.60
Royal Lane	\$0.24	\$0.44	\$0.48	\$0.88	\$0.72	\$1.32	\$0.96	\$1.76	\$1.20	\$2.20
Belt Line Road South	\$0.46	\$0.69	\$0.92	\$1.38	\$1.38	\$2.07	\$1.84	\$2.76	\$2.30	\$3.45
Mainlane Plaza 10	\$0.46	\$0.69	\$0.92	\$1.38	\$1.38	\$2.07	\$1.84	\$2.76	\$2.30	\$3.45

<b>Addison Airport Toll Tunnel</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>
Main Plaza	\$0.50	\$0.75	\$1.00	\$1.50	\$1.50	\$2.25	\$2.00	\$3.00	\$2.50	\$3.75

<b>Mountain Creek Lake Bridge</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>	<b>TollTag</b>	<b>Cash</b>
Main Plaza	\$0.50	\$0.75	\$1.00	\$1.50	\$1.50	\$2.25	\$2.00	\$3.00	\$2.50	\$3.75

<b>Lewisville Lake Toll Bridge (Upon Opening in August 2009)</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>
Main Plaza	\$1.00	\$1.50	\$2.00	\$3.00	\$3.00	\$4.50	\$4.00	\$6.00	\$5.00	\$7.50

\* Tolls on Main Lane Plaza 1 are collected either through TollTag or ZipCash. There is no cash toll collection.



**SYSTEM TOLL RATES (EXCLUDING SRT AND PGBT EE) STARTING JULY 1, 2011\***

<b>Dallas North Tollway</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>
Mainlane Plaza 1	\$1.33	\$2.00	\$2.66	\$4.00	\$3.99	\$6.00	\$5.32	\$8.00	\$6.65	\$10.00
Mockingbird Lane	\$0.97	\$1.46	\$1.94	\$2.92	\$2.91	\$4.38	\$3.88	\$5.84	\$4.85	\$7.30
Northwest Highway	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Royal Lane	\$0.35	\$0.57	\$0.70	\$1.14	\$1.05	\$1.71	\$1.40	\$2.28	\$1.75	\$2.85
Spring Valley Road	\$0.23	\$0.45	\$0.46	\$0.90	\$0.69	\$1.35	\$0.92	\$1.80	\$1.15	\$2.25
Belt Line Road	\$0.31	\$0.53	\$0.62	\$1.06	\$0.93	\$1.59	\$1.24	\$2.12	\$1.55	\$2.65
Keller Springs Road (South)	\$0.46	\$0.69	\$0.92	\$1.38	\$1.38	\$2.07	\$1.84	\$2.76	\$2.30	\$3.45
Mainlane Plaza 2	\$0.95	\$1.43	\$1.90	\$2.86	\$2.85	\$4.29	\$3.80	\$5.72	\$4.75	\$7.15
Frankford Road	\$0.23	\$0.45	\$0.46	\$0.90	\$0.69	\$1.35	\$0.92	\$1.80	\$1.15	\$2.25
FM 544	\$0.23	\$0.45	\$0.46	\$0.90	\$0.69	\$1.35	\$0.92	\$1.80	\$1.15	\$2.25
Mainlane Plaza 3	\$0.85	\$1.28	\$1.70	\$2.56	\$2.55	\$3.84	\$3.40	\$5.12	\$4.25	\$6.40
Parker Road	\$0.51	\$0.77	\$1.02	\$1.54	\$1.53	\$2.31	\$2.04	\$3.08	\$2.55	\$3.85
Spring Creek Parkway	\$0.28	\$0.50	\$0.56	\$1.00	\$0.84	\$1.50	\$1.12	\$2.00	\$1.40	\$2.50
Gaylord Parkway	\$0.23	\$0.45	\$0.46	\$0.90	\$0.69	\$1.35	\$0.92	\$1.80	\$1.15	\$2.25
Lebanon Road	\$0.35	\$0.57	\$0.70	\$1.14	\$1.05	\$1.71	\$1.40	\$2.28	\$1.75	\$2.85
Stone Brook Parkway	\$0.44	\$0.66	\$0.88	\$1.32	\$1.32	\$1.98	\$1.76	\$2.64	\$2.20	\$3.30
Cotton Gin Rd./Main St.	\$0.72	\$1.08	\$1.44	\$2.16	\$2.16	\$3.24	\$2.88	\$4.32	\$3.60	\$5.40
Mainlane Plaza 4	\$1.49	\$2.24	\$2.98	\$4.48	\$4.47	\$6.72	\$5.96	\$8.96	\$7.45	\$11.20
Eldorado Parkway(FM 2934)	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05

<b>President George Bush Turnpike</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>
North Garland Avenue	\$0.27	\$0.49	\$0.54	\$0.98	\$0.81	\$1.47	\$1.08	\$1.96	\$1.35	\$2.45
Campbell Road	\$0.43	\$0.65	\$0.86	\$1.30	\$1.29	\$1.95	\$1.72	\$2.60	\$2.15	\$3.25
East Renner Road	\$0.70	\$1.05	\$1.40	\$2.10	\$2.10	\$3.15	\$2.80	\$4.20	\$3.50	\$5.25
Mainlane Plaza 6	\$1.05	\$1.58	\$2.10	\$3.16	\$3.15	\$4.74	\$4.20	\$6.32	\$5.25	\$7.90
Shiloh Road	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05
West Renner Road	\$0.36	\$0.58	\$0.72	\$1.16	\$1.08	\$1.74	\$1.44	\$2.32	\$1.80	\$2.90
Independence Parkway	\$0.36	\$0.58	\$0.72	\$1.16	\$1.08	\$1.74	\$1.44	\$2.32	\$1.80	\$2.90
Coit Road	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05
Mainlane Plaza 7	\$1.14	\$1.71	\$2.28	\$3.42	\$3.42	\$5.13	\$4.56	\$6.84	\$5.70	\$8.55
Preston Road	\$0.30	\$0.52	\$0.60	\$1.04	\$0.90	\$1.56	\$1.20	\$2.08	\$1.50	\$2.60
Midway Road	\$0.23	\$0.45	\$0.46	\$0.90	\$0.69	\$1.35	\$0.92	\$1.80	\$1.15	\$2.25
Marsh Lane	\$0.31	\$0.53	\$0.62	\$1.06	\$0.93	\$1.59	\$1.24	\$2.12	\$1.55	\$2.65
Mainlane Plaza 8	\$1.06	\$1.59	\$2.12	\$3.18	\$3.18	\$4.77	\$4.24	\$6.36	\$5.30	\$7.95
Kelly Boulevard	\$0.56	\$0.84	\$1.12	\$1.68	\$1.68	\$2.52	\$2.24	\$3.36	\$2.80	\$4.20
Josey Lane	\$0.36	\$0.58	\$0.72	\$1.16	\$1.08	\$1.74	\$1.44	\$2.32	\$1.80	\$2.90
Mainlane Plaza 9	\$0.84	\$1.26	\$1.68	\$2.52	\$2.52	\$3.78	\$3.36	\$5.04	\$4.20	\$6.30
Belt Line Road North	\$0.50	\$0.75	\$1.00	\$1.50	\$1.50	\$2.25	\$2.00	\$3.00	\$2.50	\$3.75
Royal Lane	\$0.25	\$0.47	\$0.50	\$0.94	\$0.75	\$1.41	\$1.00	\$1.88	\$1.25	\$2.35
Belt Line Road South	\$0.49	\$0.74	\$0.98	\$1.48	\$1.47	\$2.22	\$1.96	\$2.96	\$2.45	\$3.70
Mainlane Plaza 10	\$0.49	\$0.74	\$0.98	\$1.48	\$1.47	\$2.22	\$1.96	\$2.96	\$2.45	\$3.70

<b>Addison Airport Toll Tunnel</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>
Main Plaza	\$0.53	\$0.80	\$1.06	\$1.60	\$1.59	\$2.40	\$2.12	\$3.20	\$2.65	\$4.00

<b>Mountain Creek Lake Bridge</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>
Main Plaza	\$0.53	\$0.80	\$1.06	\$1.60	\$1.59	\$2.40	\$2.12	\$3.20	\$2.65	\$4.00

<b>Lewisville Lake Toll Bridge</b>										
<b>Toll Plaza</b>	<b>Two-Axle Passenger Cars and Trucks</b>		<b>Three-Axle Vehicles and Vehicle Combinations</b>		<b>Four-Axle Vehicles and Vehicle Combinations</b>		<b>Five-Axle Vehicles and Vehicle Combinations</b>		<b>Six or More Axle Vehicles and Special Permits</b>	
	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>	<b>TollTag</b>	<b>Video</b>
Main Plaza	\$1.06	\$1.59	\$2.12	\$3.18	\$3.18	\$4.77	\$4.24	\$6.36	\$5.30	\$7.95

\* DNT/MCLB/AATT are expected to be converted to All-ETC on July 1, 2011. With the All-ETC conversion of the DNT, the Mainlane Plaza 2 to the south of Keller Springs Road would be relocated. The relocation would warrant toll gantries on the ramps just south of the Keller Springs Road and the toll plazas currently on the ramps north of the Keller Springs Road will not be needed.

## **SRT Tolling**

### **Toll Rates**

- Toll rates for the SRT shall be as set forth in the following schedules for the periods indicated in the schedules. Toll rate for two-axle vehicles with TollTags is \$0.145 per mile starting the later of (i) September 1, 2009, or (ii) the effective date of the amendments to the SRT Project Agreement, and thereafter toll rates shall be determined in accordance with Exhibit R of the SRT Project Agreement, as amended, and shall be the maximum rates allowed under the SRT Project Agreement, as amended.
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year on each July 1 thereafter.
- Tolls charged to users at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on “N-1” weighting on the SRT, where “N” denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle.

TOLL RATES EFFECTIVE SEPTEMBER 1, 2008										
Sam Rayburn Tollway										
Toll Plaza	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Denton Tap Mainlane Plaza	\$0.45	\$0.65	\$0.90	\$1.30	\$1.35	\$1.95	\$1.80	\$2.60	\$2.25	\$3.25
MacArthur Blvd	\$0.21	\$0.40	\$0.42	\$0.80	\$0.63	\$1.20	\$0.84	\$1.60	\$1.05	\$2.00
Carrollton Parkway	\$0.21	\$0.40	\$0.42	\$0.80	\$0.63	\$1.20	\$0.84	\$1.60	\$1.05	\$2.00
FM 544	\$0.29	\$0.48	\$0.58	\$0.96	\$0.87	\$1.44	\$1.16	\$1.92	\$1.45	\$2.40
FM 2281	\$0.34	\$0.53	\$0.68	\$1.06	\$1.02	\$1.59	\$1.36	\$2.12	\$1.70	\$2.65
Standridge Drive (West of Plaza)	\$0.52	\$0.75	\$1.04	\$1.50	\$1.56	\$2.25	\$2.08	\$3.00	\$2.60	\$3.75
Josey Lane (West of Plaza)	\$0.63	\$0.91	\$1.26	\$1.82	\$1.89	\$2.73	\$2.52	\$3.64	\$3.15	\$4.55
Josey Lane Mainlane Plaza	\$1.18	\$1.71	\$2.36	\$3.42	\$3.54	\$5.13	\$4.72	\$6.84	\$5.90	\$8.55
Standridge Drive (East of Plaza)	\$0.66	\$0.96	\$1.32	\$1.92	\$1.98	\$2.88	\$2.64	\$3.84	\$3.30	\$4.80
Josey Lane (East of Plaza)	\$0.55	\$0.80	\$1.10	\$1.60	\$1.65	\$2.40	\$2.20	\$3.20	\$2.75	\$4.00
Plano Parkway	\$0.43	\$0.62	\$0.86	\$1.24	\$1.29	\$1.86	\$1.72	\$2.48	\$2.15	\$3.10
Spring Creek Parkway	\$0.21	\$0.40	\$0.42	\$0.80	\$0.63	\$1.20	\$0.84	\$1.60	\$1.05	\$2.00
Preston Road	\$0.21	\$0.40	\$0.42	\$0.80	\$0.63	\$1.20	\$0.84	\$1.60	\$1.05	\$2.00
Ohio Drive	\$0.21	\$0.40	\$0.42	\$0.80	\$0.63	\$1.20	\$0.84	\$1.60	\$1.05	\$2.00
Coit Road	\$0.48	\$0.70	\$0.96	\$1.40	\$1.44	\$2.10	\$1.92	\$2.80	\$2.40	\$3.50

TOLL RATES EFFECTIVE SEPTEMBER 1, 2009 (Expected Opening of Segment 3 Mainlanes until Custer Road Mainlane Plaza)										
Sam Rayburn Tollway										
Toll Plaza	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Denton Tap Mainlane Plaza	\$0.48	\$0.72	\$0.96	\$1.44	\$1.44	\$2.16	\$1.92	\$2.88	\$2.40	\$3.60
MacArthur Blvd	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
Carrollton Parkway	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
FM 544	\$0.31	\$0.51	\$0.62	\$1.02	\$0.93	\$1.53	\$1.24	\$2.04	\$1.55	\$2.55
FM 2281	\$0.36	\$0.56	\$0.72	\$1.12	\$1.08	\$1.68	\$1.44	\$2.24	\$1.80	\$2.80
Standridge Drive (West of Plaza)	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05
Josey Lane (West of Plaza)	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Josey Lane Mainlane Plaza	\$1.24	\$1.86	\$2.48	\$3.72	\$3.72	\$5.58	\$4.96	\$7.44	\$6.20	\$9.30
Standridge Drive (East of Plaza)	\$0.70	\$1.05	\$1.40	\$2.10	\$2.10	\$3.15	\$2.80	\$4.20	\$3.50	\$5.25
Josey Lane (East of Plaza)	\$0.58	\$0.87	\$1.16	\$1.74	\$1.74	\$2.61	\$2.32	\$3.48	\$2.90	\$4.35
Plano Parkway	\$0.46	\$0.69	\$0.92	\$1.38	\$1.38	\$2.07	\$1.84	\$2.76	\$2.30	\$3.45
Spring Creek Parkway	\$0.23	\$0.43	\$0.46	\$0.86	\$0.69	\$1.29	\$0.92	\$1.72	\$1.15	\$2.15
Preston Road	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
Ohio Drive	\$0.23	\$0.43	\$0.46	\$0.86	\$0.69	\$1.29	\$0.92	\$1.72	\$1.15	\$2.15
Coit Road	\$0.50	\$0.75	\$1.00	\$1.50	\$1.50	\$2.25	\$2.00	\$3.00	\$2.50	\$3.75
Independence Parkway	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Custer Road (West of Plaza)	\$0.83	\$1.25	\$1.66	\$2.50	\$2.49	\$3.75	\$3.32	\$5.00	\$4.15	\$6.25
Custer Road Mainlane Plaza	\$0.87	\$1.31	\$1.74	\$2.62	\$2.61	\$3.93	\$3.48	\$5.24	\$4.35	\$6.55

TOLL RATES EFFECTIVE OCTOBER 1, 2009 (Expected Opening of Segment 3 Mainlanes until East of Lake Forest Drive)										
Sam Rayburn Tollway										
Toll Plaza	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Denton Tap Mainlane Plaza	\$0.48	\$0.72	\$0.96	\$1.44	\$1.44	\$2.16	\$1.92	\$2.88	\$2.40	\$3.60
MacArthur Blvd	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
Carrollton Parkway	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
FM 544	\$0.31	\$0.51	\$0.62	\$1.02	\$0.93	\$1.53	\$1.24	\$2.04	\$1.55	\$2.55
FM 2281	\$0.36	\$0.56	\$0.72	\$1.12	\$1.08	\$1.68	\$1.44	\$2.24	\$1.80	\$2.80
Standridge Drive (West of Plaza)	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05
Josey Lane (West of Plaza)	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Josey Lane Mainlane Plaza	\$1.24	\$1.86	\$2.48	\$3.72	\$3.72	\$5.58	\$4.96	\$7.44	\$6.20	\$9.30
Standridge Drive (East of Plaza)	\$0.70	\$1.05	\$1.40	\$2.10	\$2.10	\$3.15	\$2.80	\$4.20	\$3.50	\$5.25
Josey Lane (East of Plaza)	\$0.58	\$0.87	\$1.16	\$1.74	\$1.74	\$2.61	\$2.32	\$3.48	\$2.90	\$4.35
Plano Parkway	\$0.46	\$0.69	\$0.92	\$1.38	\$1.38	\$2.07	\$1.84	\$2.76	\$2.30	\$3.45
Spring Creek Parkway	\$0.23	\$0.43	\$0.46	\$0.86	\$0.69	\$1.29	\$0.92	\$1.72	\$1.15	\$2.15
Preston Road	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
Ohio Drive	\$0.23	\$0.43	\$0.46	\$0.86	\$0.69	\$1.29	\$0.92	\$1.72	\$1.15	\$2.15
Coit Road	\$0.50	\$0.75	\$1.00	\$1.50	\$1.50	\$2.25	\$2.00	\$3.00	\$2.50	\$3.75
Independence Parkway	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Custer Road (West of Plaza)	\$0.83	\$1.25	\$1.66	\$2.50	\$2.49	\$3.75	\$3.32	\$5.00	\$4.15	\$6.25
Custer Road Mainlane Plaza	\$1.36	\$2.04	\$2.72	\$4.08	\$4.08	\$6.12	\$5.44	\$8.16	\$6.80	\$10.20
Custer Road (East of Plaza)	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05
Alma Drive	\$0.31	\$0.51	\$0.62	\$1.02	\$0.93	\$1.53	\$1.24	\$2.04	\$1.55	\$2.55
Stacy Road	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10

TOLL RATES EFFECTIVE UPON OPENING OF SEGMENT 4 THROUGH JUNE 30, 2011										
Sam Rayburn Tollway										
Toll Plaza	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Denton Tap Mainlane Plaza	\$0.48	\$0.72	\$0.96	\$1.44	\$1.44	\$2.16	\$1.92	\$2.88	\$2.40	\$3.60
MacArthur Blvd	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
Carrollton Parkway	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
FM 544	\$0.31	\$0.51	\$0.62	\$1.02	\$0.93	\$1.53	\$1.24	\$2.04	\$1.55	\$2.55
FM 2281	\$0.36	\$0.56	\$0.72	\$1.12	\$1.08	\$1.68	\$1.44	\$2.24	\$1.80	\$2.80
Standridge Drive (West of Plaza)	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05
Josey Lane (West of Plaza)	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Josey Lane Mainlane Plaza	\$1.24	\$1.86	\$2.48	\$3.72	\$3.72	\$5.58	\$4.96	\$7.44	\$6.20	\$9.30
Standridge Drive (East of Plaza)	\$0.70	\$1.05	\$1.40	\$2.10	\$2.10	\$3.15	\$2.80	\$4.20	\$3.50	\$5.25
Josey Lane (East of Plaza)	\$0.58	\$0.87	\$1.16	\$1.74	\$1.74	\$2.61	\$2.32	\$3.48	\$2.90	\$4.35
Plano Parkway	\$0.46	\$0.69	\$0.92	\$1.38	\$1.38	\$2.07	\$1.84	\$2.76	\$2.30	\$3.45
Spring Creek Parkway	\$0.23	\$0.43	\$0.46	\$0.86	\$0.69	\$1.29	\$0.92	\$1.72	\$1.15	\$2.15
Preston Road	\$0.22	\$0.42	\$0.44	\$0.84	\$0.66	\$1.26	\$0.88	\$1.68	\$1.10	\$2.10
Ohio Drive	\$0.23	\$0.43	\$0.46	\$0.86	\$0.69	\$1.29	\$0.92	\$1.72	\$1.15	\$2.15
Coit Road	\$0.50	\$0.75	\$1.00	\$1.50	\$1.50	\$2.25	\$2.00	\$3.00	\$2.50	\$3.75
Independence Parkway	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Custer Road (West of Plaza)	\$0.83	\$1.25	\$1.66	\$2.50	\$2.49	\$3.75	\$3.32	\$5.00	\$4.15	\$6.25
Custer Road Mainlane Plaza	\$1.71	\$2.57	\$3.42	\$5.14	\$5.13	\$7.71	\$6.84	\$10.28	\$8.55	\$12.85
Custer Road (East of Plaza)	\$0.89	\$1.34	\$1.78	\$2.68	\$2.67	\$4.02	\$3.56	\$5.36	\$4.45	\$6.70
Alma Drive	\$0.65	\$0.98	\$1.30	\$1.96	\$1.95	\$2.94	\$2.60	\$3.92	\$3.25	\$4.90
Stacy Road	\$0.51	\$0.77	\$1.02	\$1.54	\$1.53	\$2.31	\$2.04	\$3.08	\$2.55	\$3.85
Lake Forest Drive	\$0.40	\$0.60	\$0.80	\$1.20	\$1.20	\$1.80	\$1.60	\$2.40	\$2.00	\$3.00
Hardin Boulevard	\$0.25	\$0.45	\$0.50	\$0.90	\$0.75	\$1.35	\$1.00	\$1.80	\$1.25	\$2.25

## PGBT EE Tolling

### Toll Rates

- Toll rates for the PGBT EE shall be as set forth in the following schedules for the periods indicated in the schedules.
- The Construction, Operation and Maintenance Agreement for the PGBT EE between the Authority and TxDOT dated December 5, 2007, (the "*EE Project Agreement*") provides for a supplemental toll on the PGBT EE (the "*Regional Toll*") to be collected by the Authority and held in trust for TxDOT for the benefit of the North Central Texas region. The Regional Toll and the toll charged by the NTTA (the "*NTTA Toll*") together constitute the publicly announced toll (the "*Unified Toll*"), but the Regional Toll will not constitute or be considered as the property or revenues of the Authority or the NTTA System.
- The Unified Toll rate for two-axle vehicles with TollTags is \$0.145 per mile as of September 1, 2009. The NTTA Toll rate for two-axle vehicles with TollTags is \$0.116 per mile for PGBT EE as of September 1, 2009. The Regional Toll rate for two-axle vehicles with TollTags is \$0.029 per mile for PGBT EE as of September 1, 2009. The Unified Toll rate for two-axle vehicles with TollTags is increased 3.0% per year thereafter, with toll adjustments made July 1, 2011 and every two years thereafter. Unified TollTag tolls for two-axle vehicles with TollTags at any tolling location are rounded to the next highest nickel. The ratio between the NTTA Toll and the Unified Toll remains constant at 80 percent.
- Toll rates shall be subject to the assumptions, qualifications and agreements set forth in Section 21 of the EE Project Agreement, as amended (as so amended, the "*Amended EE Project Agreement*").
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 3.0% per year on each July 1 thereafter. The video toll for two-axle vehicles with TollTags at any tolling location is rounded to the next highest nickel.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting on the PGBT EE, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle.

**TOLL RATES EFFECTIVE JULY 1, 2011 (PGBT EE PROJECT)**

**PGBT EE (NTTA Toll)**

Toll Plaza	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
	Miller Road	\$0.32	\$0.52	\$0.64	\$1.04	\$0.96	\$1.56	\$1.28	\$2.08	\$1.60
Main Street	\$0.44	\$0.68	\$0.88	\$1.36	\$1.32	\$2.04	\$1.76	\$2.72	\$2.20	\$3.40
Merritt Road	\$0.68	\$1.04	\$1.36	\$2.08	\$2.04	\$3.12	\$2.72	\$4.16	\$3.40	\$5.20
Mainlane Plaza 5	\$1.24	\$1.88	\$2.48	\$3.76	\$3.72	\$5.64	\$4.96	\$7.52	\$6.20	\$9.40
Miles Road	\$0.28	\$0.48	\$0.56	\$0.96	\$0.84	\$1.44	\$1.12	\$1.92	\$1.40	\$2.40
Firewheel Parkway	\$0.20	\$0.40	\$0.40	\$0.80	\$0.60	\$1.20	\$0.80	\$1.60	\$1.00	\$2.00
Crist Road	\$0.20	\$0.40	\$0.40	\$0.80	\$0.60	\$1.20	\$0.80	\$1.60	\$1.00	\$2.00

**TOLL RATES EFFECTIVE JULY 1, 2011 (PGBT EE PROJECT)**

**PGBT EE (Regional Toll)**

Toll Plaza	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
	Miller Road	\$0.08	\$0.13	\$0.16	\$0.26	\$0.24	\$0.39	\$0.32	\$0.52	\$0.40
Main Street	\$0.11	\$0.17	\$0.22	\$0.34	\$0.33	\$0.51	\$0.44	\$0.68	\$0.55	\$0.85
Merritt Road	\$0.17	\$0.26	\$0.34	\$0.52	\$0.51	\$0.78	\$0.68	\$1.04	\$0.85	\$1.30
Mainlane Plaza 5	\$0.31	\$0.47	\$0.62	\$0.94	\$0.93	\$1.41	\$1.24	\$1.88	\$1.55	\$2.35
Miles Road	\$0.07	\$0.12	\$0.14	\$0.24	\$0.21	\$0.36	\$0.28	\$0.48	\$0.35	\$0.60
Firewheel Parkway	\$0.05	\$0.10	\$0.10	\$0.20	\$0.15	\$0.30	\$0.20	\$0.40	\$0.25	\$0.50
Crist Road	\$0.05	\$0.10	\$0.10	\$0.20	\$0.15	\$0.30	\$0.20	\$0.40	\$0.25	\$0.50

**TOLL RATES EFFECTIVE JULY 1, 2013 (PGBT EE PROJECT)**

**PGBT EE (NTTA Toll)**

Toll Plaza	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
	Miller Road	\$0.36	\$0.56	\$0.72	\$1.12	\$1.08	\$1.68	\$1.44	\$2.24	\$1.80
Main Street	\$0.44	\$0.68	\$0.88	\$1.36	\$1.32	\$2.04	\$1.76	\$2.72	\$2.20	\$3.40
Merritt Road	\$0.72	\$1.08	\$1.44	\$2.16	\$2.16	\$3.24	\$2.88	\$4.32	\$3.60	\$5.40
Mainlane Plaza 5	\$1.32	\$2.00	\$2.64	\$4.00	\$3.96	\$6.00	\$5.28	\$8.00	\$6.60	\$10.00
Miles Road	\$0.28	\$0.48	\$0.56	\$0.96	\$0.84	\$1.44	\$1.12	\$1.92	\$1.40	\$2.40
Firewheel Parkway	\$0.20	\$0.40	\$0.40	\$0.80	\$0.60	\$1.20	\$0.80	\$1.60	\$1.00	\$2.00
Crist Road	\$0.20	\$0.40	\$0.40	\$0.80	\$0.60	\$1.20	\$0.80	\$1.60	\$1.00	\$2.00

**TOLL RATES EFFECTIVE JULY 1, 2013 (PGBT EE PROJECT)**

**PGBT EE (Regional Toll)**

Toll Plaza	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
	Miller Road	\$0.09	\$0.14	\$0.18	\$0.28	\$0.27	\$0.42	\$0.36	\$0.56	\$0.45
Main Street	\$0.11	\$0.17	\$0.22	\$0.34	\$0.33	\$0.51	\$0.44	\$0.68	\$0.55	\$0.85
Merritt Road	\$0.18	\$0.27	\$0.36	\$0.54	\$0.54	\$0.81	\$0.72	\$1.08	\$0.90	\$1.35
Mainlane Plaza 5	\$0.33	\$0.50	\$0.66	\$1.00	\$0.99	\$1.50	\$1.32	\$2.00	\$1.65	\$2.50
Miles Road	\$0.07	\$0.12	\$0.14	\$0.24	\$0.21	\$0.36	\$0.28	\$0.48	\$0.35	\$0.60
Firewheel Parkway	\$0.05	\$0.10	\$0.10	\$0.20	\$0.15	\$0.30	\$0.20	\$0.40	\$0.25	\$0.50
Crist Road	\$0.05	\$0.10	\$0.10	\$0.20	\$0.15	\$0.30	\$0.20	\$0.40	\$0.25	\$0.50

**APPENDIX C**

**ENGINEERING REPORTS  
FOR  
THE SAM RAYBURN TOLLWAY,  
THE PRESIDENT GEORGE BUSH TURNPIKE EASTERN EXTENSION  
AND  
THE LAKE LEWISVILLE LAKE TOLL BRIDGE**

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SH 121

# SH 121 Engineering Report



Prepared by

**HNTB**

**NTTA**  
NORTH TEXAS TOLLWAY AUTHORITY

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**HNTB Corporation**  
Engineers Architects Planners

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**HNTB**

Mr. Jorge Figueredo  
Executive Director  
North Texas Tollway Authority  
P.O. Box 260729  
Plano, Texas 75026

November 2, 2007

Dear Mr. Figueredo:

We are pleased to submit the attached report describing the engineering features of the State Highway 121 Project as proposed for construction by the Authority. The report includes estimates of construction cost for the project, estimates of annual operation and maintenance costs and exhibits showing the plan upon which the estimates are based.

The conclusions of the report based on the engineering studies indicate that the Project can be constructed to US 75 for an estimated project cost of \$698,120,000 exclusive of interest and financing costs. It is also estimated that construction of the Project can be completed in approximately 48 months after construction begins, allowing the project to be open to traffic by January, 2012.

We wish to acknowledge the cooperation, advice and assistance of the staff, legal counsel, traffic engineers, the financial advisors of the North Texas Tollway Authority, the Texas Department of Transportation and Collin County for their efforts in obtaining the majority of the necessary right-of-way to permit the construction of the SH 121 Tollway Project.

Respectfully Submitted,

*Stephanie L. Halliday*

Stephanie L. Halliday, P.E.  
Project Director

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## North Texas Tollway Authority Board of Directors

Paul N. Wageman - Chairman, Collin County

Gary Base - Collin County Director

Bob Day - Dallas County Director

David R. Denison - Denton County Director

William W. Meadows - Tarrant County Director

Michael R. Nowels - Denton County Director

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Alan E. Sims - Dallas County Director

Victor T. Vandergriff - Tarrant County Director



Paul N. Wageman



David R. Denison



Robert K. Shepard



Gary Base



William W. Meadows



Alan E. Sims



Bob Day



Michael R. Nowels



Victor T. Vandergriff

## Executive Staff

Jorge Figueredo - Executive Director

Rick Herrington - Deputy Executive Director

Susan Buse - Chief Financial Officer



Jorge Figueredo



Rick Herrington



Susan Buse

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## Executive Summary

### Introduction

The North Texas Tollway Authority (NTTA) is a regional tollway authority and a political subdivision of the state of Texas, which was created in accordance with Chapter 366 of the Texas Transportation Code. The NTTA is authorized to acquire, design, construct, maintain, repair and operate turnpike projects; to raise capital for construction projects through issuance of turnpike revenue obligations; and to collect tolls to operate, maintain and pay debt services on those projects in Collin, Dallas, Denton and Tarrant counties in Texas. The NTTA has two representatives from each of these four counties on its Board of Directors as well as one member appointed by the Governor of Texas from a county adjacent to the NTTA's four-county service area. The NTTA is dedicated to fulfilling its mission, which is to provide a fiscally sound system of innovative toll facilities, services and solutions that improves the mobility, quality of life and economy of the North Texas region.

This report describes the location, engineering design features, construction cost estimates and estimates of operation and maintenance costs of the proposed State Highway 121 (SH 121) Toll Project (the "Project") in Collin, Dallas and Denton counties from Business SH 121 in Denton County to US Highway 75 (US 75) in Collin County, a distance of approximately 26 miles. In addition, this report includes the engineering design standards, typical sections and project plan and profile for the Project.

### Project Description

The Project extends northeasterly from Business SH 121 in Denton County to US 75 in Collin County and continues to serve as a primary northeast-southwest traffic artery in the corridor area between IH 35E and US 75. The corridor area served by SH 121 continues to experience significant growth in commercial, retail and residential development. SH 121 is also a primary arterial to the Dallas-Ft. Worth (DFW) International Airport. The purpose of the Project described in this report is to complete, expand, and improve the roadway to meet the growing traffic demand in Collin and Denton

counties. The Texas Department of Transportation (TxDOT) has completed and opened to traffic the frontage roads for the entire length of the Project. The Project is broken into five segments for purposes of managing and expediting the design and construction (refer to the Project map on page 2).

- Segment One (1), the most southwesterly portion of the Project extends seven (7) miles from Denton Tap Road/ Denton Creek to FM 2281 (Old Denton Road). All bridge structures, ramps, frontage roads, six (6) main lanes pavement and video tolling system (no toll tag readers) in this Segment were constructed by TxDOT and opened to traffic in July 2006, as a six-lane video tolled facility. The NTTA is responsible for constructing soundwalls, additional signing, pavement markings, landscaping and installing an all electronic tolling collection (ETC) (toll tag readers and video) and an Intelligent Transportation System (ITS). The NTTA's improvements are scheduled for completion by September 2008.
- Segment Two (2), the mid-western half of the Project, extending nine (9) miles from FM 2281 to Hillcrest Road, is under construction by TxDOT and is scheduled for completion by the end of January 2008. TxDOT is constructing all bridge structures, ramps and six (6) main lanes pavement. The NTTA is responsible for constructing additional signing, pavement markings, landscaping and installing an all-ETC and ITS system. The NTTA's improvements are scheduled for completion by September 2008.
- Segment Three (3), the mid-eastern half of the Project, extending seven (7) miles from Hillcrest Road to Lake Forest Drive, is currently being designed by the NTTA. The existing frontage roads and diamond interchange at Custer Road were constructed and opened to traffic by TxDOT. The NTTA is responsible for constructing mainlane pavement and bridge structures, signing, pavement markings, landscaping and installing an all-ETC and ITS system. Construction completion is scheduled for January 2010.

- Segment Four (4), the most easterly portion of the Project, extends three (3) miles from Lake Forest Drive and terminates approximately one-half mile east of US 75 at Medical Center Drive, a major arterial facility in the City of McKinney. The NTTA is responsible for constructing a four-level interchange with direct connecting ramps at SH 121 and US 75. Landscaping, all-ETC toll collection system and ITS system will also be provided in this segment. Service roads will provide access to US 75 from SH 121 until this interchange is completed. This segment is planned for construction completion by January 2011.
- Segment 5, the one third (1/3) mile long middle portion of the Project, is currently a three-level interchange at the intersection of the Dallas North Tollway (DNT) and SH 121. The existing three-level interchange will remain and be converted by the NTTA to a five-level interchange with direct connecting ramps. This segment is planned for construction completion by January 2012.

Each of the 38 ramp connections to the Project will have an overhead gantry to allow for placement of ETC equipment. There are three main lane gantries located on the Project near Denton Tap Road (Segment 1), Main Street (Segment 2) and east of Custer Road (Segment 3). Each main lane ETC gantry will provide for eight toll collection lanes (four each direction) that will be equipped with both TollTag and TxTag collection capability. All toll collection lanes are dedicated, non-stop express lanes to expedite the flow of traffic through the gantries and provide for ease of maintenance. Refer to the appendix for tolled main lane gantry and ramp connection locations.

## Project Costs

The current estimated cost of the Project (Segments 1-5), for the three lane section currently being designed, is \$638,810,715, while the estimated cost for the future fourth lane capacity improvements along Segments 1-5 is \$59,309,300. The total Project cost including the future

capacity improvements is \$698,120,000. The required 350 to 400-foot-wide Project right-of-way (ROW) was acquired by TxDOT, Collin County, Dallas County, Denton County and the cities of Plano, Frisco, Allen and McKinney. The estimated cost does not include funds for ROW acquisition for minor widening required at the interchanges at SH 121/US 75 and SH 121/DNT, where a total of seven parcels are required prior to construction and will be acquired by TxDOT at its cost.

Segments 1, 2 and 3 are scheduled for bidding in January 2008. Quantities of the major construction items were developed from construction plans and include grading, drainage, bridges, retaining walls, soundwalls, gantries, ETC and ITS equipment, landscaping and related elements of construction. The estimated quantities and the unit prices for similar construction in the Dallas area were used to estimate the total construction cost. The unit prices are based on costs expected to be received through the competitive bidding process in the first quarter of 2008. Quantities of the major construction items for Segments 4 and 5 were developed from conceptual schematic plans prepared by TxDOT. Construction plans are scheduled to be completed for Segments 4 and 5 by late 2008.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages and changes in economic conditions can significantly affect (escalate or reduce) construction costs. Appropriate contingencies are added to the cost of the Project to cover the unforeseen escalations. The estimated Project cost reflects our professional judgment of the construction industry; and it is our belief that the Project can be constructed within the limits described for the estimated cost given herein. However, due to the nature of the construction industry we cannot, and will not, guarantee that the actual Project cost will not vary from the estimated cost.

## Environmental Considerations

An environmental assessment (EA) and finding of no significant impact (FONSI) re-evaluations were developed for TxDOT to determine the social, economic and environmental effects of tolling Segments 1 and 2 of the Project. Both of the environmental documents were cleared by the Federal Highway Administration (FHWA) on April 14, 2006. Additionally, an environmental re-evaluation and conceptual toll plan was prepared for TxDOT for Segments 3 and 4 of the Project. A Decisional Memorandum approving the environmental re-evaluation and conceptual toll plan was signed by FHWA on October 12, 2007. The environmental document for Segment 5 of the Project is currently in development. The environmental document was sent to the Environmental Affairs Division on March 29, 2007. Based on the investigations conducted, the Project will have no significant impacts on the quality of the human environment and have no serious effects on the factors that were evaluated and is expected to be environmentally cleared.

Under Section 404 of the Clean Waters Act, the U.S. Army Corps of Engineers (USACE) regulates the discharge of dredged or fill material into waters of the United States, including wetlands. Therefore, authorization by the USACE in the form of a nationwide permit has been obtained for Segments 1 and 2 for the discharge of dredged or fill materials or for construction of box culverts and/or bridges in waters of the United States, which exist on the Project site. Coordination with the USACE for Segments 3-5 has not been initiated. It is anticipated that remaining Section 404 activity would be authorized under NWP #14, with coordination.

## Schedule

Segment 1, 2, and 3 are scheduled for bidding in January 2008. The NTTA improvements for Segments 1 and 2 are scheduled for completion by September 2008. Segment 3 is scheduled to open to traffic in January 2010. Segment 4 is scheduled to open to traffic in January 2011 and Segment 5 is scheduled to open to traffic in January 2012. Refer to Table 1 for milestone schedule dates.

**TABLE 1: SH 121 MILESTONE SCHEDULE DATES**

Segment	Notice to Proceed	Commence Construction	Service Commencement
1 and 2	October 12, 2007	March 2008	September 1, 2008
3	October 12, 2007	March 2008	January 1, 2010
4	October 12, 2007	February 20, 2008	January 1, 2011
5	October 1, 2008	October 26, 2008	January 1, 2012

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### Introduction

The SH 121 Toll Project (the “Project”) extends northeasterly from Business SH 121 in Denton County to US 75 in Collin County, a total length of twenty-six (26) miles, and continues to serve as a primary east-west traffic artery in the corridor area between IH 35E and US 75. The corridor area served by SH 121 continues to experience significant growth in commercial, retail and residential development and is a primary arterial to the Dallas-Ft. Worth (DFW) International Airport. The purpose of the Project described in this report is to meet the growing traffic demand in Collin and Denton counties.

In March 2007, the Regional Transportation Council (RTC) requested the NTTA to furnish a proposal to design, build, operate and maintain the Project. NTTA submitted the SH 121 proposal to the RTC on May 18, 2007. The RTC recommended NTTA be selected to deliver the Project at a meeting on June 14, 2007. In addition, the Texas Transportation Commission (TTC) selected NTTA for the Project on June 28, 2007, provided that all terms and conditions of the contract and funding be met and accepted.

### Description of Project

#### SH 121 Corridor

The original SH 121 Corridor connects the Fort Worth Central Business District (CBD) to US 75 in the city of McKinney, which is the county seat for Collin County. The SH 121 corridor provides access to and from the highly developed residential areas of the greater Fort Worth area and the cities of Coppell, Lewisville, Carrollton, Plano, Frisco and McKinney. The original SH 121, approximately 70 miles in length, was built as a two-lane undivided roadway.

To facilitate convenient design and construction, the Project was divided into five (5) segments. All segments of the Project utilize the same typical section of three main lanes in each direction that are separated with a continuous concrete traffic barrier for improved safety and traffic flow. (See Appendix Pages 2-3). Parallel northbound and southbound frontage roads consisting of three lanes in each direction are complete and open to traffic by TxDOT. Additional capacity improve-

ments in the form of adding a fourth lane in each direction for the entire length of the Project are planned for the future by the NTTA. The addition of the fourth lane to Segments 1 and 2 and Segments 3 thru 5 is scheduled for January 2012 and January 2015, respectively.

#### SH 121 Segment 1

In 2006, TxDOT completed the construction of Segment 1, from Denton Creek to FM 2881 (Old Denton Road). Segment 1 includes three main lanes in each direction for a length of 7.05 miles, including northbound and southbound frontage roads. It was opened to traffic by TxDOT in July 2006 as an all electronic Tollway utilizing video tolling.

A main lane toll gantry was constructed by TxDOT and is located just east of Denton Tap Road for video tolling of all main lanes. Toll gantries also exist at each ramp east of MacArthur Boulevard to collect tolls via video tolling from customers accessing SH 121 from service roads. Segment 1 planned improvements by NTTA include new sound walls, main lane gantry, ramp gantries, additional signing, landscaping, pavement markings, tolling and ITS improvements. All improvements are scheduled for completion by September 2008. Toll Tag readers and video equipment will be placed at 8 existing ramp locations to collect tolls from customers accessing SH 121 from service roads. Segment 1 plan and profile are shown on Plates 2 through 8 in the appendix.

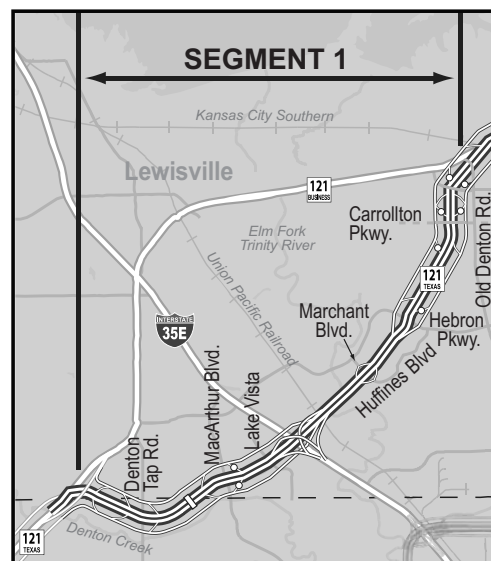
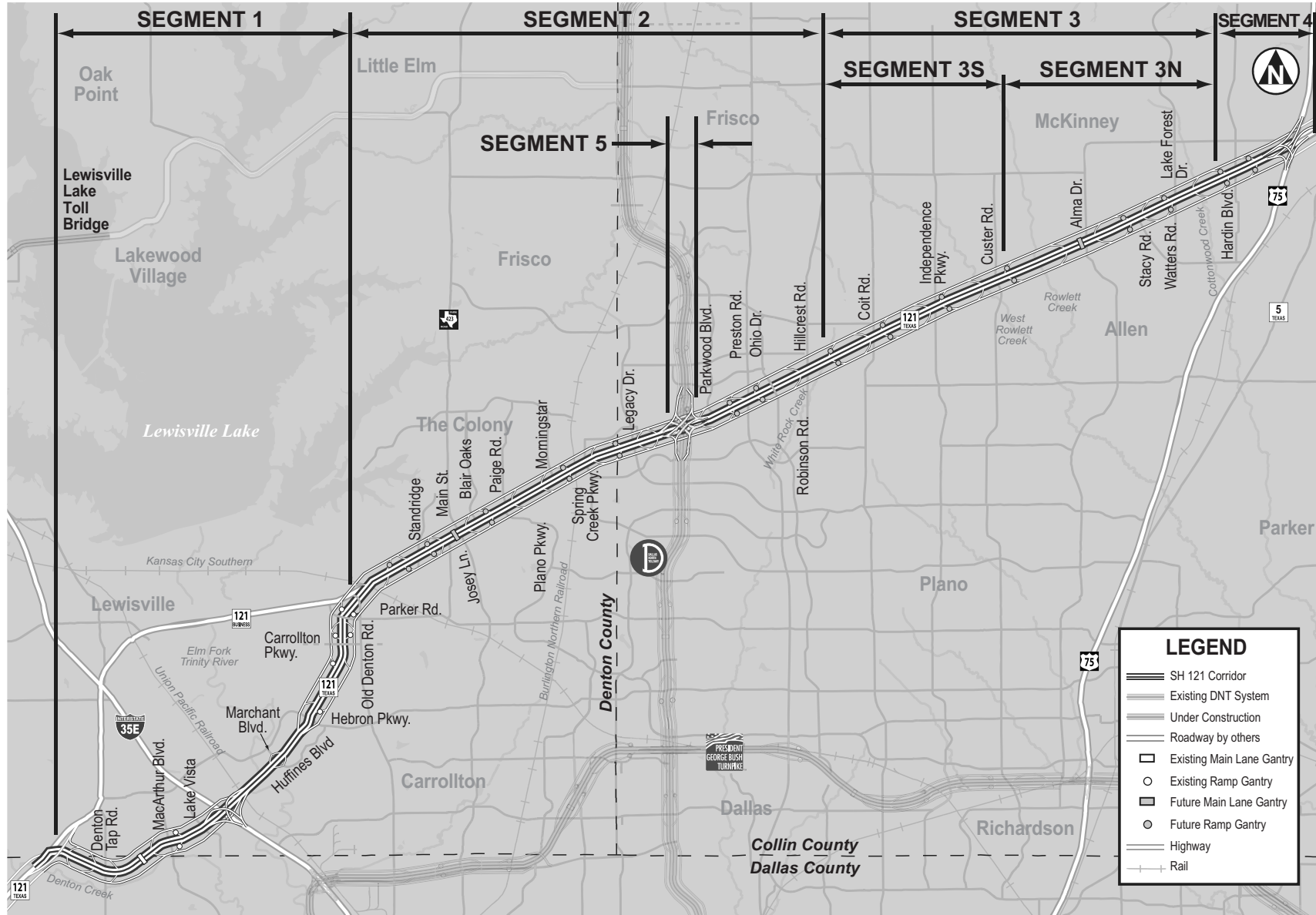


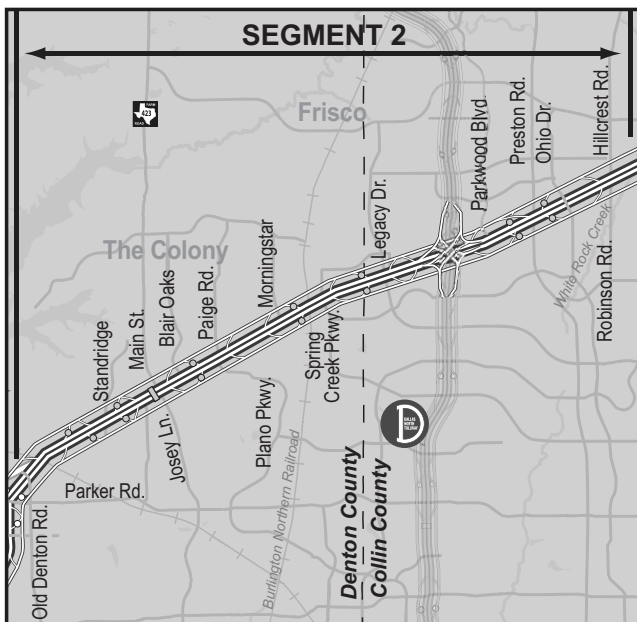
Figure 1 – SH 121 Corridor Location and Segments





## SH 121 Segment 2

The main lane construction of Segment 2 is under construction by TxDOT and is scheduled for completion by January 2008. Segment 2 begins at the ramps just west of FM 2281 (Old Denton Road) to just east of Hillcrest Road, a length of 9.02 miles. Improvements planned for this section are the same as those identified for Segment 1. A new main lane toll gantry will be located just west of Main Street for Toll Tag readers and video tolling of all main lanes. Toll gantries will be placed at 14 ramp locations to collect tolls from customers accessing SH 121 from service roads. Segment 2 plan and profile are shown on Plates 9 through 17 in the appendix.



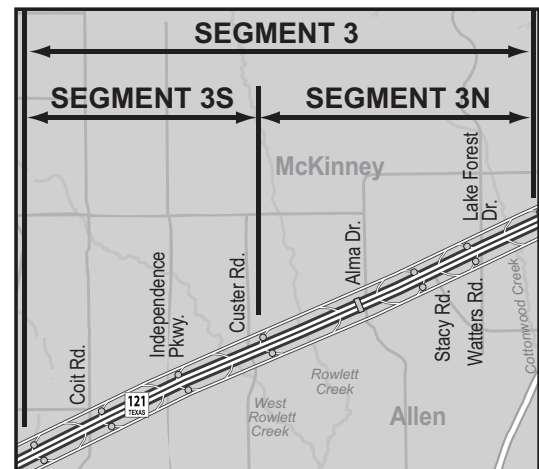
## SH 121 Segment 3

The main lane construction of Segment 3 begins just east of the Hillcrest Road overpass and extends northeasterly approximately 6.88 miles, terminating at the west side of the Watters Road overpass. Segment 3 involves design and construction of the six main lanes, main lane and ramp gantries, landscaping, signing, pavement markings, tolling and ITS systems.

Segment 3 is divided into two sections for ease of design and construction. Segment 3S begins just east of the Hillcrest Road overpass and terminates just east of the Custer Road

overpass. Segment 3N begins just east of the Custer Road overpass and terminates on the west side of Lake Forest Drive/Watters Road overpass.

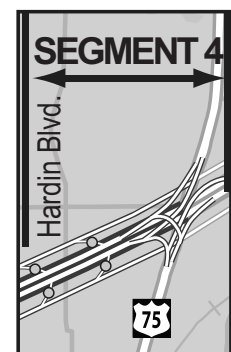
A main lane toll gantry is located just east of Custer Road for ETC tolling of all main lanes. Toll gantries will be placed at 12 ramp locations along Segment 3 to collect tolls from customers accessing SH 121 from service roads. Segment 3 construction is scheduled for completion by January 2010. Segments 3S and 3N plan and profile are shown on Plates 17 through 23 in the appendix.



## SH 121 Segment 4

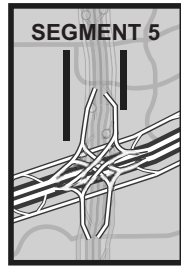
The main lane construction of Segment 4 begins at the west side of the Watters Road overpass and terminates at the Medical Center Drive intersection for a length of 2.94 miles. Design and construction of the four-level US 75 interchange with SH 121 and the reconstruction of portion of US 75 are also included in Segment 4.

Toll gantries will be placed at four ramp locations to collect tolls from customers accessing SH 121 from service roads. Construction is scheduled for completion by January 2011. Segment 4 plan and profile are shown on Plates 23 through 25 in the appendix.



## SH 121 Segment 5

Segment 5 involves the design and construction of improvements to the existing three-level interchange at the DNT and SH 121 to provide a fourth and fifth level of direct connecting ramps between the DNT and SH 121, as well as new ramp access to the Legacy Business Park area. The direct connecting ramps will provide for direct access in each direction between the DNT and SH 121 and greatly improve traffic flow at this interchange. All SH 121 and DNT frontage roads have been constructed and are open to traffic. Construction is scheduled for completion by January 2012. Segment 5 main lanes are 0.33 miles long and the plan and profile are shown on Plate 14 in the appendix.



## Existing Condition Inspection and Assessment

In July 2007, the NTTA conducted detailed, independent, visual inspections of the completed Project roadway, frontage roads, shoulders, service roads, drainage systems, bridges, retaining walls, signage and toll gantries on Segments 1 and 2. These inspections were made for the purpose of evaluating the general condition of these assets and identifying any deficiencies requiring maintenance. Based on data obtained from the visual inspection, a condition rating was determined for all existing pavements, structures, walls, signs and toll collection equipment. The inspection revealed that the completed roadway facility and structures are in excellent condition overall and exhibit minor wear consistent with the age of the facility. Current maintenance programs will ensure continued excellent serviceability.

## Engineering Geology

A geotechnical investigation was undertaken in conjunction with the design of the Project. Subsurface borings were made at locations along the alignment of the roadway to determine

how the surface conditions might affect the design and construction of the roadway, bridges and retaining walls. Laboratory testing of soil samples were made to determine the nature and characteristics of the materials to be encountered.

Geologically, the Project alignment is within the outcrop of the Austin Chalk Limestone Formation, which is generally overlain by residual soils. Localized ancient buried stream channels are also present. The Project site primarily consists of stiff to hard clay and silty clays and is classified as Site Class C (stable condition) for seismic site classification. The subsurface conditions along the proposed alignment have been divided into four principal geologic units which are fills, residual soils, Austin Formation-Tan Limestone and Austin Formation-Grey Limestone.

The geotechnical analysis indicates that, in general, no major stability or settlement problems are anticipated for embankment construction on the existing subsurface materials. Drilled shaft-type foundations are being used for all bridge structures.

## Design Standards

The design of the Project will conform to *A Policy on Geometric Design of Highways and Streets* published by the American Association of State Highway and Transportation Officials (AASHTO) and the *Roadway Design Manual and Bridge Design Guide* published by TxDOT. The Project will also be designed to comply with the technical requirements of FHWA and NTTA design guidelines.

## Roadway

The Project (existing and proposed sections) has been designed for a safe operating speed of 70 miles per hour. Wherever possible, desirable values for designs will be used to maximize safety. The entrance and exit ramps will be designed to provide a smooth and safe transition between the SH 121 main lanes and the service roads using 50-mph design criteria.

The Project will initially provide six traffic lanes, three in each direction. The median width varies from 28 feet to 52 feet throughout the length of the Project. A concrete median barrier will be placed between opposing directions of traffic over the entire length of the Project to prevent cross-over accidents. Should additional lane capacity be required in the future, the median will accommodate one additional standard 12-foot-wide lane in each direction, while maintaining a center median barrier.

The right (outside) shoulder will be 10 feet wide and the left (inside) shoulder will be 12 feet wide to allow a disabled vehicle to stop without interfering with the through traffic lanes. Both shoulders will be constructed of concrete and will match the adjoining pavement section. In sections with the paving grade below natural ground, a concrete shoulder with traffic-rail protection along retaining walls will be employed.

Ramps will typically be 14 feet in width with an eight-foot-wide outside shoulder and two-foot inside shoulder. In restricted areas, it may be necessary to reduce the width of the ramp pavement. However, in all ramp locations, adequate shoulder and ramp pavement width will be provided to allow traffic to pass a stalled vehicle.

The pavement lanes will be clearly marked. In addition, overhead lighting as well as direct message signs (DMS) will provide warning and direction to give drivers additional information about the upcoming roadway conditions.

Pages 2-3 in the appendix show existing and proposed typical cross sections of the Project. The positions of the service roads relative to the main lanes are shown on the typical sections. The existing typical sections vary from having no main lanes with two lane frontage roads in each direction to three main lanes and three frontage lanes in each direction.

### Pavement

The pavement for the Project will consist of 13-inch-thick, continuously reinforced Portland cement concrete placed on a four-

inch asphalt-stabilized base over 12 inches of the subgrade treated with lime for increased stability. This pavement cross section provides a suitably rigid pavement design for potential increases in truck traffic along the Project.

The shoulders will be constructed with the same thickness and materials as the main lanes. As stated previously, concrete traffic rails will be provided along the outside shoulders, where necessary, for added safety.

### Structures

All structures have been designed for HS 20 live loading and conform to AASHTO's *Standard Specifications for Highway Bridges*. Bridges will be steel-reinforced concrete construction. Retaining walls will be steel-reinforced concrete and reinforced-earth construction.

The eight-lane bridge structures will be consistent with the approaching roadways. Typically, the Project bridges will provide three, 12-foot traffic lanes in each direction with each directional roadway on a separate structure. The outside and inside shoulders will be 10 feet and 22 feet in width plus one foot for a traffic rail on each side, which creates a typical total bridge width of 70 feet in each direction.

### Drainage

The rapid and efficient removal of storm water from the pavement is an important consideration in the design process. Drainage for the Project will consist of a system of inlets and pipes along with the existing natural swales and artificial conduits.

For this Project, significant drainage areas were determined, culverts sized; and major drainage structures were identified. All drainage for the Project will be by gravity. All drainage designs conform to standard TxDOT, NTTA and local municipality practices and methods. The cost of constructing the drainage system for the Project is included in the Project Cost Estimates section of this report. All drainage for the existing Tollway sections were designed using the same design criteria and are in place and fully operational.

## System-Wide Design Guidelines

The NTTA has proposed to use its system-wide design guidelines and standards for Segments 3, 4 and 5, which include structural signing, bridges, retaining walls, ROW fencing, lighting, toll gantry and landscape elements to promote visual consistency on all NTTA facilities. These aesthetic elements are provided to enhance the NTTA customers' driving experience and maximize safety for the motorists. The proposed Segments 3, 4 and 5 guidelines will match the design guidelines used on the DNT extension at SH 121. Segments 1 and 2 will remain as built, except for modifications to the toll gantries, bridge fencing, ROW fencing, landscaping, logos and colors of the walls and bridge beams.

### Landscape

The NTTA will select key areas of the Project that serve as important interfaces with the surrounding communities for landscape planting. These focus areas would typically include five location types or structures; interchanges, mainlane gantries, underpasses, overpasses, and roadway medians. These focus areas will be carefully examined within the context of the whole system and prioritized for improvements. Plant materials will be carefully selected for specific characteristics such as low water requirement, native or adapted qualities, and seasonal interest.

### Illumination

Adequate illumination is essential on urban controlled-access projects to improve nighttime visibility and maximize safety. The design of the illumination system conforms to TxDOT's *Traffic Operations Manual, Highway Illumination, April 1995*. Illumination of main lane entry and exit points will consist of lighting standards located in accordance with design criteria. Additional illumination will be provided at the toll gantries to improve visibility and operations with special attention given to design in order to control light pollution.

### Signing

Signing is used extensively on high-volume roadways to inform, warn and control drivers. Therefore, it must be an integral part of the design process. Guide signs, which provide motorists information on routes, destinations and attractions, along with regulatory and warning signs, are included on the Project and conform to the Manual of Uniform Traffic Control Devices (MUTCD) and TxDOT guidelines.

Signs on the Project will be reflective to enhance visibility at night and also designed to withstand high wind loads. Roadside mounted signs and overhead signs will be utilized, as necessary, to ensure that the signs are clearly visible to the motorists. In addition to signs along the Project, trailblazer signs will be installed on major arterials in the vicinity of the Project to direct motorists to the nearest SH 121 access.

## Toll Collection

All toll collection systems on the Project will be 100-percent open road tolling (ORT), using an all electronic toll collection (ETC) system. There are no provisions for cash tolling collections. Vehicles that are equipped with a Toll Tag or TxTag transponders will be tolled electronically as they travel through the toll gantries. Any vehicles using the Project that do not have these transponders will be notified by mail of their tolls by NTTA and be requested to obtain a transponder. TxDOT currently is using video tolling as its method of toll collection on Segment 1. Segment 1 will be retrofitted to the NTTA's ORT system for uniformity in toll collection on the NTTA system.

Each of the 38 ramp connections to the Project will have an overhead gantry to allow for placement of ORT-Zone equipment. There are three main lane gantries located on the Project near Denton Tap Road (Segment 1), Main Street (Segment 2) and Alma Road (Segment 3). Each main lane ETC gantry will provide for eight toll collection lanes (four each direction) that will be equipped with both TollTag and TxTag collection capability. All toll collection lanes are dedicated, non-stop express lanes to expedite the flow of traffic through the gantries and provide for ease of maintenance.

All vehicles using the Project will be monitored with video-enforced toll collection systems. Vehicles which are not equipped with a TollTag or TxTag will be detected and will be billed monthly by linking their license plate data to their

registration information. A conceptual 3D rendering shows an overhead view of a typical SH 121 ETC gantry in Figure 2.

## Sound Mitigation

Where warranted in accordance with the TxDOT and NTTA Sound Mitigation Policy, the NTTA is building sound walls to mitigate sound levels which exceed acceptable FHWA Noise Abatement Criteria along the Project. Through the environmental review process, it was determined that only Segments 1 and 2 in Denton County met the requirements for traffic noise abatement.

## Right-Of-Way

The NTTA has the authority to acquire property and easements by purchase or condemnation for the construction, maintenance and operation of toll roads. Based on the proposed location of roadways, bridges and intersections, the ROW limits have been established. Based on the current plans for the Project, limited additional ROW and easement acquisition will be necessary. ROW for most of the Project was previously acquired by TxDOT, NTTA, Collin and Denton Counties, the cities of Allen, Frisco, Plano and McKinney. Additional ROW of 17.98 acres, a total of seven parcels, will be required at the proposed interchanges at SH 121/DNT and SH 121/US 75. TxDOT is in the process of acquiring this additional ROW, prior to construction of these segments at their expense.

**Figure 2 – Main lane ETC gantry 3D view**





## Utility Adjustments

The Project is located in an area with various utilities; and only a minor amount of utility relocation will be necessary. No major utility relocations are needed within the corridor. An estimate of NTTA costs for the utility adjustments that will be needed for the Project is included in the estimated Project cost. Approximately \$150,000 of the utility relocation cost for the Project must be paid by the NTTA due to previous easement rights or impact due to value engineering revisions.

## Public Hearing

A public hearing for Segments 3 and 4 was held on February 26, 2007 to provide the public an opportunity to comment on the proposed design and environmental re-evaluation required for the Conceptual Toll Plan (CTP) for the Project. The Project received support from the affected governmental agencies and favorable comments from the public. Final documentation has been approved by the FHWA.

## Environmental Considerations

The design and construction of the Project are compliant with the National Environmental Policy Act (NEPA) and adhere to environmental commitments contained in the approved environmental documents.

An environmental assessment (EA) and a finding of no significant impact (FONSI) Re-evaluation were developed by HNTB Corporation to determine the social, economic and environmental effects of tolling Segments 1 and 2 of the Project. Both of the environmental documents were cleared by the FHWA on April 14, 2006. Additionally, an environmental re-evaluation was prepared by HNTB Corporation for Segments 3 and 4 of the Project for TxDOT and has received NEPA approval. Final documentation has been forwarded to the FHWA for review and approval. Segment 5 of the Project is currently in development. A Categorical Exclusion for Segment 5 was sent to the Environmental Affairs Division on March 29, 2007.

Based on the investigations conducted, the Project will have no significant impacts on the quality of the human environment and have no serious effects on the factors that were evaluated. Implementation of the proposed tolling of SH 121 would not appreciably increase the potential for impacts beyond those considered in previous environmental documents and subsequent/anticipated approvals. No further environmental documentation beyond the documents mentioned above would be required.

The commercial and residential development that results from the construction of SH 121 will have a positive economic impact. Improving the mobility in the area will make the parcels of land adjacent to the proposed corridor more attractive and increase their land value. In addition, the commercial development will increase the tax base in the area and provide additional jobs. The corridor will also have a positive economic effect on the properties in the surrounding area due to the improved mobility and access. The proposed alignment for the SH 121 Corridor will not separate or isolate any existing neighborhoods and will improve residents' access to other areas of the Dallas-Fort Worth region.

This Project meets all air and water quality requirements. An air-quality analysis was conducted by modeling the anticipated carbon monoxide (CO) levels resulting from the Project. It was determined that the Project would not adversely impact CO levels. The Project will not hinder the Texas State Implementation Plan to meet National Ambient Air Quality Standards (NAAQS). In addition, no long-term water quality impacts are expected from the Project. Control measures will be taken during the construction process to minimize water pollution. These measures include preserving existing vegetation, limiting the amount of disturbed earth and utilizing temporary erosion control practices.

The Project should not have a significant impact on exterior noise levels according to the Noise Abatement Criteria for the Design Year 2010 as defined by the *Guidelines for Analysis and Abatement of Highway Traffic Noise*.

## Commitments and Permits

All permits for Segments 1 and 2 have been obtained and require no further action. Section 404 permits for the proposed construction of the SH 121 main lanes from east of Hillcrest to US 75 and the interchange of SH 121 and US 75 would need to be acquired by NTTA prior to construction. Formal coordination with the USACE would be required prior to any Nationwide Permit (NWP) being issued. Unregulated upland habitat mitigation of 11 acres of trees is to be planted at Lake Lavon. Coordination with the Lake Lavon Manager for the time and location of the plantings would be required. Additionally, 11.4 acres of regulated habitat mitigation is required for riparian impacts within Segment 4.

## Project Cost Estimates

Quantities of major construction items were estimated based on construction plans at the 90-percent completion level. Major items include grading, drainage, paving, bridges, retaining walls and construction-related items. The estimated quantities and the unit prices for construction items on similar projects in the Dallas area were used to estimate the total construction cost. The estimated unit prices expected to be received through the

competitive bidding process in the first quarter of 2008 was used to establish project costs.

Table 2 shows a summary of the estimated project costs for the Project. The total Project costs include engineering, legal and administrative, material testing and utility relocation costs that are NTTA's responsibility. The estimated Project cost for the three lane section currently being designed is \$638,810,715, while the Project cost for the future fourth lane capacity improvements is \$59,309,300. The total Project cost including the future capacity improvements is \$698,120,000.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages and changes in economic conditions, can significantly affect (escalate or reduce) construction costs. The estimated Project cost reflects our professional judgment of the current construction industry and with future adjustment for inflation, it is our belief that the various sections of the Project can be constructed within the limits described for the estimated cost given herein. However, due to the nature of the construction industry, we cannot and will not guarantee that the actual Project costs will not vary from the estimated cost.

## Operation and Maintenance

Estimated costs of operations and maintenance of the Dallas North Tollway (DNT) system, including increases in operating costs associated with the Project, have been prepared.

Estimates are based on the NTTA's current system operations and maintenance model for the DNT system. In addition, the estimates also assume that NTTA will continue to operate under the administration and management that currently exists as well as continuing to operate in a manner that will fulfill the commitments as set forth in agreements with TxDOT.

The costs of administration, management, maintenance of roadways and structures, electronic toll collection, contract maintenance activity and miscellaneous other costs associated with the operation of system are included in the estimates. The estimated annual Operations and Maintenance Fund (OMF) and Reserve Maintenance Fund (RMF) expenses for the Project are as given in Table 3 on page 10.

**TABLE 2: ESTIMATED COST SUMMARY**

No.	Description	Cost
1	Segments 1, 2	\$14,163,718
2	Segments 3W, 3E	\$130,427,785
3	Segment 4 (SH 121/ US 75 Interchange)	\$155,085,553
4	Segment 5 (SH 121/DNT Interchange)	\$92,843,188
5	Toll Gantries, Equipment	\$17,626,759
6	Construction Management	\$33,138,619
7	Miscellaneous Construction*	\$21,172,723
<b>Subtotal (1-7) Construction</b>		<b>\$464,458,346</b>
8	Plans, Specifications, and Estimates (PS&E)	\$37,213,460
9	PS&E Administrative	\$11,437,618
10	Other Agency Costs	\$150,000
<b>Subtotal (8-10) Engineering</b>		<b>\$48,801,078</b>
11	Project Contingencies	\$125,551,288
<b>Project Total (1-12)</b>		<b>\$638,810,700</b>

\*The estimated miscellaneous construction cost includes the costs of construction material testing, utility relocations, proposed right-of-way and easements, landscape and ITS equipment installation. The estimated Project Total cost to construct future fourth lane capacity improvements is \$59,309,300.



**TABLE 3: ESTIMATE OF ANNUAL OPERATIONS AND MAINTENANCE EXPENSE**

Year	Existing DNT System	SH 121	Proposed DNT System, Including SH 121	Reserve Maintenance Fund Estimate for SH 121
2008	90,877,700	3,486,000	94,363,700	-
2009	89,270,337	10,745,000	100,015,337	-
2010	86,803,137	21,630,000	108,433,137	-
2011	89,193,284	22,225,000	111,418,284	-
2012	91,650,004	22,836,000	114,486,004	415,000
2013	94,174,074	23,463,000	117,637,074	3,861,000
2014	96,767,318	24,109,000	120,876,318	397,000
2015	99,432,612	24,772,000	124,204,612	6,881,000
2016	102,170,882	25,454,000	127,624,882	5,029,000
2017	104,985,106	26,153,000	131,138,106	1,361,000
2018	107,876,319	26,872,000	134,748,319	10,716,000
2019	110,847,610	27,611,000	138,458,610	155,000
2020	113,900,127	28,370,000	142,270,127	14,481,000
2021	117,037,075	29,151,000	146,188,075	-
2022	120,260,722	29,952,000	150,212,722	3,768,000
2023	123,573,397	30,776,000	154,349,397	7,712,000
2024	126,976,493	31,622,000	158,598,493	3,950,000
2025	130,473,469	32,492,000	162,965,469	11,416,000
2026	134,066,852	33,386,000	167,452,852	14,905,000
2027	137,759,238	34,303,000	172,062,238	2,123,000
2028	141,553,295	35,245,000	176,798,295	123,712,000
2029	145,451,763	36,215,000	181,666,763	-
2030	149,457,459	37,211,000	186,668,459	112,056,000
2031	153,574,276	38,234,000	191,808,276	1,401,000
2032	157,804,189	39,286,000	197,090,189	42,950,000
2033	162,150,252	40,367,000	202,517,252	9,379,000
2034	166,616,603	41,477,000	208,093,603	8,511,000
2035	171,205,470	42,617,000	213,822,470	191,061,000
2036	175,921,165	43,789,000	219,710,165	4,380,000
2037	180,767,095	44,993,000	225,760,095	134,137,000
2038	185,745,758	46,230,000	231,975,758	8,256,000
2039	190,861,748	47,501,000	238,362,748	56,489,000
2040	196,118,762	48,807,000	244,925,762	25,148,000
2041	201,520,592	50,149,000	251,669,592	6,032,000
2042	207,071,141	51,529,000	258,600,141	235,029,000
2043	212,774,415	52,947,000	265,721,415	4,610,000
2044	218,635,532	54,404,000	273,039,532	188,453,000
2045	224,657,721	55,901,000	280,558,721	8,929,000
2046	230,845,331	57,438,000	288,283,331	93,753,000
2047	237,203,828	59,017,000	296,220,828	16,081,000
2048	243,737,800	60,640,000	304,377,800	13,220,000
2049	250,451,965	62,308,000	312,759,965	299,024,000
2050	257,350,166	64,022,000	321,372,166	16,202,000
2051	264,438,383	65,783,000	330,221,383	4,383,000
2052	271,722,732	67,593,000	339,315,732	11,535,000
2053	279,207,467	69,452,000	348,659,467	3,373,000
2054	286,897,989	71,363,000	358,260,989	9,695,000
2055	294,800,849	73,326,000	368,126,849	-
2056	302,921,748	75,344,000	378,265,748	15,746,000
2057	311,265,543	77,416,000	388,681,543	-
2058	319,839,256	79,546,000	399,385,256	1,353,000

NOTE: To determine operation and maintenance cost for the proposed project, an estimate of the personnel and expenses required to operate each department was developed. The sum of these expenses comprises the SH 121 O&M cost estimate in 2007 dollars. This estimate was then escalated by a rate of 3.0% per year.

# President George Bush Turnpike

## Eastern Extension Engineering Report



August 2008

Prepared by

**HNTB**

**NTTA**  
NORTH TEXAS TOLLWAY AUTHORITY

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**HNTB**

Dr. Jorge Figueredo  
Executive Director  
North Texas Tollway Authority  
P.O. Box 260729  
Plano, Texas 75026

August 20, 2008

Dear Dr. Figueredo:

As required per the North Texas Tollway Authority's Trust Agreement, the General Engineering Consultant has prepared and is pleased to present the attached report describing the engineering features of the President George Bush Turnpike Eastern Extension Project as proposed for construction by the Authority. The report includes an estimate of the Project construction costs and a layout plan of the proposed construction upon which the estimated cost is based.

The conclusions of the engineering, planning and studies indicate that the Project can be constructed at an estimated cost of \$1,039,751,554 exclusive of interest and financing costs. It is also estimated that construction of the Project can be completed in approximately 40 months and can be opened to traffic in late 2011.

We wish to acknowledge the cooperation, advice and assistance of the staff, legal counsel, traffic engineers, the financial advisors of the North Texas Tollway Authority, the Texas Department of Transportation and in particular Dallas County and the cities of Garland, Rowlett, Sachse and Dallas for their dedicated efforts in the development of the Project.

Respectfully Submitted,

*Stephanie Halliday*

Stephanie Halliday, P.E.  
General Engineering Consultant Project Director

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## Executive Summary

### Introduction

The North Texas Tollway Authority (NTTA) is a regional tollway authority and a political subdivision of the state of Texas created in accordance with Chapter 366 of the Texas Transportation Code. The NTTA is authorized to acquire, design, construct, maintain, repair and operate turnpike projects; to raise capital for construction projects through issuance of turnpike revenue obligations; and to collect tolls to operate, maintain and pay debt services on those projects in Collin, Dallas, Denton and Tarrant counties in Texas. Each of these four counties appoints two representatives to the Board of Directors, and the governor of Texas appoints one member from a county adjacent to the NTTA's four-county service area. The NTTA is dedicated to fulfilling its mission, which is to provide a fiscally sound system of innovative toll facilities, services and solutions that improves the mobility, quality of life and economy of the North Texas region.

This report describes the location, engineering design features, construction cost estimates and estimates of operation and maintenance costs of the proposed President George Bush Turnpike (PGBT) Eastern Extension Toll Project (the "Project") in Dallas County from State Highway (SH) 78 to Interstate Highway (IH) 30, a distance of approximately 9.9 miles. In addition, this report includes the engineering design standards, typical sections and project plan and profile for the Project.

### Project Description

The PGBT Eastern Extension Toll Project extends the existing 30-mile, in-service turnpike approximately 9.9 additional miles to the south and east. The Project extends from the current terminus at SH 78 through the cities of Garland, Sachse, Rowlett and Dallas to IH 30 in Dallas County. The Project, which creates a direct link from the existing terminus of PGBT to IH 30, serves as a primary relief route to IH 635 in a corridor that continues to experience significant growth in commercial, retail and residential development. The Project is divided into five sections for pur-

poses of managing and expediting the design and construction. The purpose of the Project described in this report is to meet the growing traffic demands in northeast Dallas County.

Section 28, the most northwesterly portion of the Project, extends east for more than two miles from SH 78 to just west of Miles Road. The NTTA is responsible for constructing main lane and ramp pavement, bridge and drainage structures, retaining and sound walls, illumination, signing, pavement markings, traffic signals, landscaping, intelligent transportation system (ITS) infrastructure and six ramp toll gantries for all-electronic tolling collection (ETC). This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

Section 29 extends east and southeast for more than two miles from just west of Miles Road to north of the future Merritt Road (the future Merritt/Liberty Grove Connector). The NTTA is responsible for constructing main lane, ramp, and frontage road pavement; bridge and drainage structures; retaining walls; illumination; signing; pavement markings; traffic signals; landscaping; ITS infrastructure; and one main lane gantry for ETC. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

Section 30, the most complex section of the NTTA Project sections, extends south for nearly three miles from north of the future Merritt Road to south of Main Street, and includes an underpass of a future Dallas Area Rapid Transit (DART) rail line. The NTTA is responsible for constructing main lane, ramp, and frontage road pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement markings; traffic signals; landscaping; ITS infrastructure; and two ramp toll gantries for ETC. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

# President George Bush Turnpike

## PGBT Eastern Extension Engineering Report

Section 31, the southernmost portion of the NTTA Project sections, extends south for nearly two miles from south of Main Street to the north bank of Lake Ray Hubbard. The NTTA is responsible for constructing main lane, ramp, and frontage road pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement markings; traffic signals; landscaping; ITS infrastructure; and four ramp toll gantries for ETC. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

Section 32, the southernmost section of the overall Project, extends south for more than one mile from the north bank of Lake Ray Hubbard to IH 30. The Texas Department of Transportation (TxDOT) is responsible for constructing the bridge over Lake Ray Hubbard and a multi-level interchange with direct connecting ramps to IH 30, main lane and ramp pavement, bridge and drainage structures, retaining walls, illumination, signing, pavement markings, traffic signals, landscaping and ITS infrastructure. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011. TxDOT has committed, through the Two-Party Agreement (2PA) between NTTA and TxDOT, to complete the construction of this section by no later than January 1, 2012.

A total of 12 ramp connections to the Project will have an overhead gantry to allow for placement of ETC equipment that has the ability to read transponders issued by NTTA (TollTag) and TxDOT (TxTag) and the ability to read license plates of vehicles without transponders. One main lane gantry is located near the middle of the Project (Section 29) and will provide for six toll collection lanes (three each direction with provision for future widening) equipped with TollTag (NTTA), TxTag (TxDOT) and license plate collection capability. All toll collection lanes are dedicated, non-stop express lanes to expedite the flow of traffic through the gantries and provide for ease of maintenance.

### Project Costs

The current estimated total Project cost (Sections 28-32) is \$1,039,751,554 (adjusted for inflation) to be shared with the NTTA, TxDOT, and the cities of Garland, Sachse, and Rowlett. This estimated cost includes design, construction, utility relocation, and right-of-way (ROW) acquisition. Per the 2PA, TxDOT is providing the design, construction, and construction management of Section 32 (approximately \$254 million) as well as a Toll Equity Grant in the amount of \$160 million to be used for right-of-way acquisition, utility relocations, or any other items for the Project agreed to mutually between NTTA and TxDOT. In addition, the NTTA has executed interlocal agreements with the Cities of Garland, Rowlett, and Sachse; the combined contributions from these cities are approximately \$16 million. Therefore, the NTTA is responsible for approximately \$610 million of the total Project cost.

Design of the Project is essentially complete. The competitive bid opening for Section 30 was in April 2008. The remaining Project sections are scheduled for competitive bid openings in August (Section 28 and Section 32), September (Section 29) and November (Section 31) of 2008. Quantities of the major construction items were developed from construction plans and include pavement, grading, drainage, bridges, retaining and sound walls, gantries, ETC and ITS equipment and other related elements of construction. The estimated quantities and the unit prices for similar NTTA and TxDOT construction in the Dallas area were used to estimate the total construction cost. The unit prices are based on costs expected to be received through the competitive bidding process in 2008.

Factors including unforeseen escalation of prices and wages, labor or material shortages and changes in economic conditions can significantly affect (escalate or reduce) construction costs. Appropriate contingencies are added to the Project cost to cover the unforeseen escalations. The estimated Project cost reflects our professional judgment of the construction industry, and it is our belief that the Project can be constructed within the limits described for the estimated cost given herein. However, due to the nature of the construction industry, we cannot and will not guarantee that the actual Project cost will not vary from the estimated cost.

### Environmental Considerations

An Environmental Impact Statement (EIS) was developed for the Federal Highway Administration (FHWA), TxDOT and the NTTA to determine the Project's social, economic and environmental effects as required by the National Environmental Policy Act (NEPA) of 1969. This environmental document was cleared and a Record of Decision (ROD) was issued by the FHWA in January 2005. However, design modifications (per executed interlocal agreements with participating cities) including new overpass structures, a new frontage road segment, implementation of all-ETC facilities, additional turn lanes, bridge widening and modifications to the IH 30 interchange required an environmental re-evaluation. The revised re-evaluation document was approved by FHWA and TxDOT Environmental Affairs Division in July 2008.

Under Section 404 of the Clean Waters Act, the U.S. Army Corps of Engineers (USACE) regulates the discharge of dredged or fill material into waters of the United States, including wetlands. Therefore, authorization by the USACE in the form of a nationwide permit is required for the Project for the discharge of dredged or fill materials and for construction of box culverts and/or bridges in waters of the United States that exist on the Project site. An Individual Section 404 Permit application was submitted and approved in April 2008.

Other environmental considerations for the project are an archaeological site located in Section 28 and a historic home (Coyle House) within the existing ROW in Section 30 of the project. Based on conditions of the environmental re-evaluation approval, work may not begin in a limited area of this section until required archaeological surveys have been completed, which are scheduled for completion by August 2009. The future site of the Coyle House has been determined, preliminary site development is underway, and the house is scheduled for relocation by March 2009.

### Schedule

Project design began in August 2005 and is essentially complete. Section 30 was the first portion of the Project scheduled for competitive bidding (April 2008) because it has the longest construction duration (approximately 40 months) of all Project sections. Other Project sections are scheduled for competitive bidding through November 2008. Since the environmental re-evaluation has been approved, the USACE permit has been obtained, and interlocal agreements with TxDOT, DART, and the Cities of Garland, Rowlett, Sachse, and Dallas have been executed, construction is scheduled to begin in August 2008. The Project construction is scheduled to be completed and the corridor opened to traffic by late 2011. Refer to Table 2, page 10, for milestone schedule dates.

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## Introduction

The Project, located entirely in Dallas County, begins at the current terminus of the President George Bush Turnpike (PGBT) at State Highway (SH) 78 in the city of Garland and extends east through the city of Sachse, then south through the cities of Rowlett and Dallas and terminates at Interstate Highway (IH) 30 in Garland, which is located just east of Dallas. The PGBT is currently in service (approximately 30 miles) from west of Belt Line Road in Irving to SH 78 in Garland, the majority of which is parallel to Interstate Highway 635 (LBJ Freeway) in the far north Dallas area. The purpose of the Project described in this report is to extend the existing PGBT and create a direct link from SH 78 to IH 30 to meet the growing traffic demand in northeast Dallas County. That area has experienced rapid growth from residential, retail and commercial development, and the PGBT will serve as a primary relief route to the LBJ Freeway. The Project is divided into five sections for purposes of managing and expediting the design and construction (refer to the Project map on page 2). Four sections will be designed and constructed by the North Texas Tollway Authority (NTTA). The fifth will be designed and constructed by the Texas Department of Transportation (TxDOT). In late 2005, the NTTA completed construction of the frontage roads from SH 78 to Firewheel Parkway in Garland and opened them to traffic in advance of the opening of Firewheel Mall, located adjacent to the beginning of the Project.

## Description of Project

### PGBT Corridor

The PGBT (originally designated as SH 190) was conceived to relieve traffic congestion along the LBJ freeway in the far north Dallas area. The PGBT corridor was also planned to serve the anticipated population growth in the northeastern section of the Metroplex by providing an alternative route for travel around the city of Dallas and through its northern suburbs. Segments 1–5 of the PGBT, west of Belt Line Road in Irving (west of Dallas) to SH 78 in Garland (northeast of Dallas),

are currently open to traffic and provide access to and from the highly developed commercial, retail and residential areas of the far north Dallas area and the cities of Irving, Farmers Branch, Carrollton, Plano, Richardson and Garland.

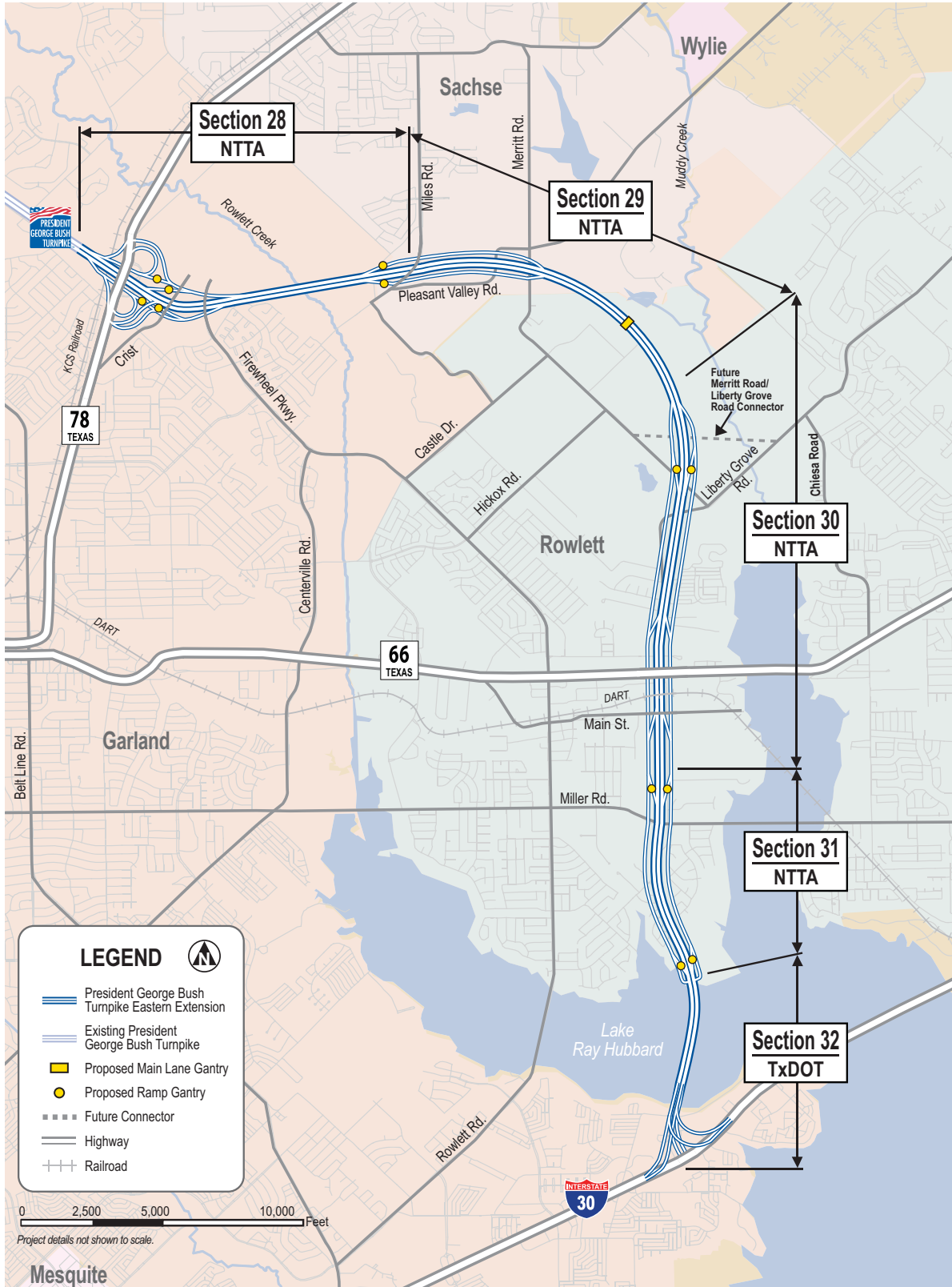
To expedite and facilitate convenient design and construction, the Project was divided into five sections. The typical main lane section for the entire Project will match the existing PGBT typical section, which utilizes three main lanes in each direction separated by a 48-foot-wide median and a continuous concrete traffic barrier for improved safety and traffic flow (see Appendix pages 16-17). The six-lane facility has remaining space in the median for additional capacity improvements and accommodates expansion to an ultimate eight-lane condition, with the additional lane in each direction to be added as traffic volumes warrant. Parallel two- or three-lane frontage roads in each direction will be included in various sections of the Project to provide access to local areas.

### Section 28

Section 28 begins at SH 78 in Garland, the current terminus of the PGBT, and extends east to just west of Miles Road in Sachse. It includes three main lanes in each direction for more than two miles. Construction of this section consists of main lane and ramp pavement, bridge and drainage structures (including a one-mile bridge over Rowlett Creek), retaining and sound walls, illumination, signing, pavement markings, traffic signals, landscaping and intelligent transportation systems (ITS) infrastructure. Gantries for all-electronic tolling collection (ETC) will be provided at six ramp locations to allow access to and from the frontage roads at Crist Road, Firewheel Parkway and Miles Road. Ramps will also be provided to and from SH 78. In late 2005, the NTTA completed construction of the frontage roads from SH 78 to Firewheel Parkway and opened them to traffic before the opening of Firewheel Mall on the north side of the Project. The remaining construction for this section of the Project is scheduled to open to traffic along with the remainder of the corridor by late 2011. The Section 28 plan and profile are shown on Plates 1 through 5 in the Appendix.



Figure 1 – President George Bush Turnpike Eastern Extension Corridor Location and Sections



### Section 29

Section 29 begins just west of Miles Road in Sachse and extends east and southeast for more than two miles to north of the future Merritt Road in Rowlett. Construction of this section includes pavement for three main lanes in each direction, two-lane frontage roads between Miles and Merritt Roads, ramps to and from Merritt Road, bridge and drainage structures, retaining walls, illumination, signing, pavement markings, traffic signals, landscaping and ITS infrastructure. A main lane toll gantry will be located near the east end of the section for all-ETC toll collection of all main lanes. This section of the Project is scheduled to open to traffic along with the remainder of the corridor by late 2011. The Section 29 plan and profile are shown on Plates 5 through 8 in the Appendix.

### Section 30

Section 30, the most complex of the NTTA Project sections, extends south for nearly three miles from north of the future Merritt Road to south of Main Street in Rowlett and includes three main lanes in each direction. Construction of this section consists of main lane, frontage-road and ramp pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement markings; traffic signals; landscaping; and ITS infrastructure. Gantries for all-ETC toll collection will be provided at two ramp locations to allow access to and from the frontage roads, which begin at the future Merritt Road and extend south for the entire Project through the Liberty Grove, SH 66 (Lakeview Parkway), and Main Street intersections. The majority of this section is depressed below the existing grade and has conflicts with various major utilities. This section is constrained on both sides from recent commercial development and includes an underpass with an existing railroad which is anticipated to be a future Dallas Area Rapid Transit (DART) rail line. This section of the Project is scheduled to open to traffic along with the remainder of the corridor by late 2011. The Section 30 plan and profile are shown on Plates 8 through 12 in the Appendix.

### Section 31

Section 31, the southernmost NTTA section of the Project, extends south for almost two miles from south of Main Street to the north bank of Lake Ray Hubbard in Rowlett and includes three main lanes in each direction. Construction of this section consists of main lane, frontage-road and ramp pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement markings; traffic signals; landscaping; and ITS infrastructure. Gantries for all-ETC toll collection will be provided at four ramp locations to allow access to and from the frontage roads at SH 66, Main Street, and Miller Road. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011. The Section 31 plan and profile are shown on Plates 12 through 14 in the Appendix.

### Section 32

Section 32, the southernmost section of the Project, extends south for more than one mile from the north bank of Lake Ray Hubbard in Rowlett and terminates at IH 30 in Garland. This section of the Project was designed and will be constructed and construction management will be performed by TxDOT. This section includes a one-mile bridge over Lake Ray Hubbard and a multi-level interchange with direct connecting ramps to and from IH 30, a TxDOT facility. The direct connecting ramps will provide direct access from southbound PGBT to eastbound and westbound IH 30 and from eastbound and westbound IH 30 to northbound PGBT. Construction of this section includes main lane (PGBT and IH 30), frontage-road (IH 30) and ramp pavement; bridge and drainage structures (including a drainage containment system on the lake bridge per the interlocal agreement with the City of Dallas); retaining walls; illumination; signing; pavement markings; landscaping; and ITS infrastructure. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011. Per the NTTA-TxDOT Two-Party Agreement (2PA), TxDOT has committed to complete the construction of this section by January 1, 2012 at the latest. The Section 32 plan and profile are shown on Plates 14 through 19 in the Appendix.

## Future Improvements

The NTTA will construct additional lanes in the future as traffic volumes warrant. The proposed six-lane typical section for the initial construction will include 12-foot inside shoulders and adequate space in the median to accommodate an eight-lane facility. This expansion, which will not require any additional right of way (ROW), will be accomplished by constructing additional 10-foot wide shoulders (one each direction) in this inside median. All main lane and overpass structures will be initially constructed to accommodate the ultimate eight-lane condition, but will be striped off until a future date when the roadway shoulders are constructed.

## Engineering Geology

A geotechnical investigation was completed along with the design of the Project. Sub-surface borings were made at locations along the roadway alignment to determine how the geological conditions might affect the design and construction of the roadway, bridges and retaining walls. Laboratory tests were performed on collected soil samples to determine their composition, characteristics and engineering properties.

The Project alignment extends across two geologic formations. The Austin Chalk Formation is the uppermost formation west of Rowlett Creek (most of Section 28), while the Ozan "Lower Taylor Marl" Formation is the uppermost formation east of Rowlett Creek (eastern sliver of Section 28 and Sections 29 – 32). Soils along Section 28 predominantly consist of sandy and silty low plasticity clay deposits. Soils along the far east end of Section 28 and Sections 29–32 predominantly consist of high-plasticity residual clay. Groundwater was encountered above and near proposed grade in some borings.

The geotechnical investigation determined that subsurface conditions are relatively compatible with proposed Project features. Adverse conditions requiring mitigation to improve stability and reduce settlement of certain embankments and retaining walls were only encountered at a few locations. The shale of the Taylor Marl and the limestone of the Austin Chalk are suitable for support of the drilled shaft foundations to

be used at all bridge structures. The most significant geologic concern is the highly expansive nature of the high plasticity clay soils encountered along the alignment. Wherever it is used as pavement subgrade, the shrink-swell behavior of high plasticity clay must be controlled and is addressed in more detail in the pavement section on page 5.

## Design Standards

The design proposed for the Project incorporates and conforms to geometric design criteria that are consistent with the current standards and practices of the American Association of State Highway and Transportation Officials (AASHTO) and TxDOT. The Project is also designed to comply with the technical requirements of the Federal Highway Administration (FHWA) and NTTA design guidelines.

### Roadway

The Project has been designed for safe operation at speeds consistent with the existing operating PGBT. Designs were based on a desirable speed of 70 miles per hour (mph) for main lanes (minimum 60 mph), 35 mph minimum to 50 mph (desirable) for ramps, and 45 mph for frontage roads. Desirable values for designs were used when possible to maximize safety. These design speeds provide safety in terms of vertical alignment and stopping sight distance without significantly increasing project costs. All interchange ramps are designed to provide a smooth and safe transition between the PGBT main lanes and frontage roads and intersecting streets.

The initial construction of the Project will consist of six traffic lanes, three in each direction, with provision for widening to eight lanes in the future as traffic volumes warrant. PGBT main lanes will be 12 feet wide throughout the Project; the right (outside) shoulder will be 10 feet wide and the left (inside) shoulder will be 12 feet wide to allow a disabled vehicle to stop without interfering with the through traffic lanes. Both shoulders will be constructed of concrete and will match the adjoining pavement section. In sections with the paving grade below natural ground, a concrete shoulder with traffic-rail protection along retaining walls will be employed. A 48-foot-wide planted median with a concrete median barrier between opposing directions

of traffic will be provided over the entire Project to prevent vehicles from crossing through the median. If additional lane capacity is required in the future, the median will accommodate one additional standard 12-foot lane and 10-foot shoulder in each direction while maintaining an adequate center median for safety.

Frontage roads are provided for local traffic circulation along much of the project. In general, these one-way frontage roads have two or three 12-foot lanes in each direction parallel to the main lane alignment. Many of the cross streets will have Texas U-turns to enhance traffic circulation. As stated previously, concrete traffic rails or guard fence will be provided along the outside shoulders, where necessary, for added safety.

Typical ramps are 14 feet in width with an eight-foot outside shoulder and a two-foot inside shoulder. In restricted areas, it may be necessary to reduce the width of the ramp pavement. However in all ramp locations, adequate shoulder and ramp pavement width will be provided to allow traffic to pass a stalled vehicle.

The pavement lanes will be clearly marked. In addition, to aid in the safety of traffic operations, overhead safety lighting (not continuous), warning signs and dynamic message signs (DMS) will be provided to inform motorists of upcoming roadway conditions.

Typical sections for the PGBT lanes are shown on pages 16-17 of the Appendix. The frontage roads are also shown, indicating their relative position to the PGBT main lanes.

### **Pavement**

Two separate pavement design methodologies were used for the Project, the application of which depends on the party responsible for the long-term maintenance. The main lanes and ramps will be maintained by the NTTA, while TxDOT will be responsible for maintaining the frontage roads. The pavement for main lanes and ramps consists of 13 inches of continuously reinforced portland cement concrete (CRCP) supported by 1-1/2 inch thick asphalt bond breaker, 6 inches of cement

stabilized base and 12 inches of either lime stabilized subgrade or cement stabilized subgrade (CSS). Below these layers will be one to nine feet of moisture treated subgrade as needed to control the shrink-swell behavior of subgrade materials. The shoulders will be constructed with the same thickness and materials as the main lanes. The frontage road pavement section consists of 11 inches of CRCP over four inches of asphaltic concrete pavement and 12 inches of CSS. Nine to 27 inches of subgrade below this frontage road pavement section will be a material with limited expansion potential. Both pavement sections were designed to handle the potential for increases in truck traffic along the Project.

### **Structures**

All main lane overpass and underpass structures have been designed for HL-93 loading in accordance with the latest edition of AASHTO's *2004 LRFD Bridge Design Specifications*. The DART railroad underpass bridge has been designed for the appropriate railroad loading in accordance with the requirements of the railroad company. Bridges will be steel-reinforced concrete construction for standard spans and steel plate or tub girders for long and highly curved spans. Retaining walls will be steel-reinforced concrete and reinforced-earth construction. Drilled-shaft or soil-nail retaining walls will be used where required by geometric and/or staging restrictions (such as when excavating next to an open roadway) and where soil bearing capacity limitations prohibit the use of mechanically stabilized earth (MSE) walls. In general, MSE walls will be used wherever drilled-shaft or soil-nail walls are not required.

The PGBT main lane structures will be constructed for the ultimate eight-lane condition, with each directional roadway on a separate structure, and will provide three 12-foot traffic lanes in each direction. The outside and inside shoulders will be 10 feet and 22 feet in width, respectively, plus one foot for a traffic rail on each side, which creates a typical total bridge width of 70 feet in each direction. Cross-street bridges consist of a varying number of 12-foot traffic lanes and sidewalks, with no shoulders provided. Ramp and direct connector bridges are 24 to 26 feet in width, with 2 to 4 foot (inside) and 8 foot (outside) shoulders and a 14 foot travel lane.

## Drainage

As with any limited access facility of this nature, it is important to provide a drainage system that will remove storm water from the pavement in a rapid and efficient manner. The collection and disposal of all surface water will be accomplished by a system of ditches, inlets and pipes along the PGBT and the use of existing natural swales and artificial conduits.

For this Project, significant drainage areas, sizes of culverts and number and location of inlets were determined and major drainage structures were identified. All drainage for the Project will be by gravity. The cost of constructing, relocating, and modifying the drainage system for the Project is included in the Project Cost Estimates section of this report.

All drainage designs conform to standard TxDOT and NTTA specifications with such modifications as required to comply with local municipality practices and methods. All drainage for the existing PGBT sections was designed using the same design criteria and is in place and fully operational.

## System-Wide Design Guidelines

The NTTA has proposed to use its system-wide design guidelines and standards for all sections of the Project, with the exception of specific items in Section 30 (at SH 66) and 32 (along IH 30) that will be maintained by TxDOT. All sections include structural signing, bridges, retaining walls, ROW fencing, lighting, toll gantry and landscape elements to promote visual consistency on all NTTA facilities. These aesthetic elements are provided to enhance the NTTA customers' driving experience and maximize safety for the motorists. The proposed guidelines will match the design guidelines used on the existing frontage roads from SH 78 to Firewheel Parkway. Textured or natural gray concrete will be used for nearly all concrete finishes; paint will only be used for accent color.

## Landscape

The NTTA will plant landscaping in key areas of the Project that serve as important focus areas with the surrounding communities. These focus areas typically fall into one of five categories: Interchanges, main lane gantries, underpasses, overpasses and roadway medians. These focus areas will be carefully examined within the context of the whole system and prioritized for improvements. Plant materials will be carefully selected for specific characteristics such as low water requirement, native or adapted qualities and seasonal interest.

## Illumination

Safety illumination on an urban, controlled-access facility is essential to improve nighttime visibility and maximize safety. The design of the illumination system conforms to TxDOT's *Traffic Operations Manual, Highway Illumination*, April 1995. Illumination of toll gantries and the main lane entry and exit points will provide safety and improve visibility, operations and security.

## Signing

Signing is used extensively on high-volume roadways to inform, warn and control drivers. Therefore, it must be an integral part of the design process. Guide signs, which provide motorists information on routes and destinations along with regulatory and warning signs are included on the Project and conform to the *Manual of Uniform Traffic Control Devices* and NTTA and TxDOT guidelines.

Signs on the Project will be reflective to enhance nighttime visibility and will be designed to withstand appropriate wind loads for the given area. Roadside mounted signs and overhead signs will be utilized, as necessary, to ensure that the signs are clearly visible to the motorists. In addition to signs along the Project, trailblazer signs will be installed on major arterials in the vicinity of the Project to direct motorists to the nearest PGBT access.



## Toll Collection

All toll-collection systems on the Project will be 100-percent open road tolling using an all electronic toll collection (ETC) system. Vehicles that are equipped with a TollTag or TxTag transponders will be tolled electronically as they travel through the toll gantries. Vehicles using the Project that do not have these transponders will have photos taken of their license plate and will be notified by mail of their tolls and be requested to obtain a transponder. All vehicles using the Project will be monitored with video-enforced toll collection systems.

A total of 12 ramp connections to or from the Project will have an overhead gantry to allow for placement of toll collection equipment. One main lane ETC gantry, located in Section 29 east of Merritt Road in Rowlett, will provide for six toll collection lanes (three each direction with provision for expansion to eight lanes) equipped with both TollTag and TxTag collection capability. All toll collection lanes are dedicated, non-stop express lanes to expedite the flow of traffic through the gantries, improve traffic safety and air quality, and provide for ease of maintenance.

## Sound Mitigation

Where warranted in accordance with the TxDOT and NTTA sound mitigation policy, the NTTA is constructing sound walls to mitigate sound levels which exceed acceptable FHWA Noise Abatement Criteria along the Project. Through the environmental review process, it was determined that Sections 28, 30 and 31 required sound walls, while Sections 29 and 32 met the requirements for traffic noise abatement and do not require soundwalls.

## Right of Way

The NTTA has the authority to acquire property, easements, and other interests in land by purchase or condemnation, as may be necessary for the construction, operation and maintenance of toll roads.

Based on the proposed location of roadways, bridges, toll gantries and intersections, the ROW limits have been established. These limits will permit proper

maintenance of the PGBT. Based on the current plans for the Project, ROW and easement acquisition will be necessary for the entire corridor, including the displacement of approximately 26 residences, two apartment complexes and a historic structure (Coyle House). Approximately 463 acres of ROW, 395 displacements and a total of 154 parcels will be required. However, much of the corridor ROW width is through woodland areas or has been purposely undeveloped by the cities to accommodate the future roadway.

ROW estimates, as summarized in the cost estimates, reflect anticipated land values as determined by the NTTA staff and by Post, Buckley, Schuh & Jernigan, Inc. (PBS&J), the ROW acquisition team for the Project. These estimates were based on review of trends of previous acquisitions by the NTTA and TxDOT and average values that can be expected for the balance of required ROW acquisition. The cost estimates will be continually monitored until just prior to bond sale to ensure land values are properly budgeted. Prior to determining final ROW costs, a thorough review by PBS&J's and the NTTA's appraisers will be required. The estimated expenses for legal and court fees that are usually necessary in condemnation proceedings are included in the cost estimates. All ROW acquisition costs will be funded by a Toll Equity Grant (TEG) from TxDOT in the amount of \$160 million.

## Utility Adjustments

The Project is located in an area with various utilities. For most of the Project, a minor amount of utility relocation will be necessary. However, portions of Section 30 and 32 are heavily congested with various existing overhead and underground utilities that require relocation. It is anticipated that these adjustments will be made by the utility companies with the cost thereof reimbursed by the NTTA, with the exception of a few specific areas where the relocation may be included as part of the Project construction contract. All utility construction within the ROW will be subject to the inspection and approval of the NTTA's engineers. An estimate of NTTA costs for the utility adjustments required for the Project is included in the estimated Project cost and will be funded by the TxDOT TEG.

## Public Involvement

Several public meetings and a public hearing were held as part of the initial environmental study for the corridor. A Record of Decision (ROD) from FHWA was received in January 2005 that considered public input. However, revisions to the Project in a few areas during the design process required an environmental re-evaluation. To meet the requirements of the re-evaluation process, a public meeting was held on January 29, 2008 to discuss the modifications to the project since the ROD was issued and provide the public an opportunity to comment on the proposed design and environmental re-evaluation. The Project received support from the affected governmental agencies and favorable comments from the public. Final documentation was submitted to TxDOT and FHWA and was approved in July 2008.

## Environmental Considerations

An Environmental Impact Statement (EIS) was developed to determine the social, economic and environmental effects of the Project on the environment as required by the National Environmental Policy Act (NEPA) of 1969. This environmental document was cleared by the FHWA on January 24, 2005. As a result of revisions to the project per executed interlocal agreements with participating cities, including the change from optional cash tolling to all-ETC, the addition of the Merritt/Liberty Grove Connector interchange in Rowlett, the re-alignment of IH 30 and acquisition of additional ROW and easements, among other changes, an environmental re-evaluation was prepared for sections of the project impacted by these revisions and approved by the TxDOT Environmental Affairs Division and FHWA in July 2008.

Based on the investigations conducted, the Project will have no significant impacts on the quality of the human environment and have no serious effects on the factors that were evaluated. Implementation of the proposed all-ETC tolling of the Project would not appreciably increase the potential for impacts beyond those considered in previous environmental documents and subsequent/anticipated approvals. No further environmental documentation beyond the aforementioned documents would be required. The design and construction of the Project will be compliant

with NEPA and adhere to environmental commitments contained in the approved environmental documents.

The commercial and residential development that results from the construction of the Project is expected to have a positive economic impact. Improving the mobility in the area is anticipated to make the parcels of land adjacent to the proposed corridor more attractive, resulting in increased land value. In addition, the commercial development should increase the tax base in the area and provide additional jobs. The corridor is expected to also have a positive economic effect on the properties in the surrounding area due to the improved mobility and access. The proposed Project alignment will improve residents' access to other areas of the Dallas-Fort Worth region.

This Project meets all air- and water-quality requirements, even considering the revisions to the Project's original schematic. An air-quality analysis was conducted by modeling the anticipated carbon monoxide (CO) levels resulting from the Project. It was determined that the Project would not adversely impact CO levels. The Project will not hinder the Texas State Implementation Plan to meet national ambient air-quality standards. In addition, no long-term water-quality impacts are expected from the Project. Control measures will be taken during the construction process to minimize water pollution. These measures include preserving existing vegetation, limiting the amount of disturbed earth and utilizing temporary erosion control practices.

Re-evaluation of noise impacts was performed based on revisions to the project and revised traffic projections. With the addition of sound walls in certain areas, the Project should not have a significant impact on exterior noise levels according to the Noise Abatement Criteria for the Design Year 2030 as defined by the *Guidelines for Analysis and Abatement of Highway Traffic Noise*.

Other environmental considerations for the project are an archaeological site located in Section 28 and a historic home (Coyle House) within the existing ROW in Section 30 of the project. Based on conditions of the environmental re-evaluation



approval, work may not begin in a limited area of this section until archaeological surveys have been completed, which are scheduled for completion by August 2009. The future site of the Coyle House has been determined based on a five-party mitigation agreement between the NTTA, TxDOT, FHWA, the City of Rowlett, and the Texas Historic Commission. Preliminary site development is underway and the house is scheduled for relocation by March 2009.

## Commitments and Permits

A Section 404 individual permit for the proposed construction of the Project from SH 78 to IH 30 must be acquired by NTTA prior to construction. Formal coordination with the United States Army Corps of Engineers (USACE) has been ongoing and is required prior to any nationwide permit being issued. Environmental permits, issues and commitment sheets have been prepared for each section of the project, as required by TxDOT, that document the commitments made in the Final Environmental Impact Statement (FEIS) and ROD for contractor compliance during construction. The 404 permit was acquired in April 2008.

## Project Cost Estimates

Quantities of major construction items were estimated based on construction plans at the 100-percent completion level. Major items include grading, drainage, paving, bridges, retaining walls and other construction-related items. The estimated quantities and the unit prices for construction items on similar NTTA and TxDOT projects in the Dallas area were used to estimate the total construction cost. The estimated unit prices expected to be received through the competitive bidding process in the year 2008 were used to establish project costs.

Table 1 shows a summary of the estimated project costs for the Project. The total Project costs include engineering, design, construction, ROW, legal, administrative, material-testing and utility-relocation costs that are NTTA's responsibility. The estimated total cost for the proposed Project is \$1,039,751,554 (adjusted for inflation)

to be funded by the NTTA, TxDOT, and participating cities. Per the 2PA, TxDOT is providing for the design, construction, and construction support of Section 32 (approximately \$254 million) as well as a TEG in the amount of \$160 million to be used for right-of-way acquisition, utility relocations, or any other items for the Project agreed to mutually between NTTA and TxDOT. In addition, the NTTA has executed interlocal agreements with the Cities of Garland, Rowlett, and Sachse; the combined contributions from these cities are approximately \$16 million. Therefore, the NTTA is responsible for approximately \$610 million of the total Project cost.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages and changes in economic conditions, can significantly affect (escalate or reduce)

construction costs. The estimated Project cost reflects the professional judgment of the current construction industry and with future adjustment for inflation, it is our belief that the various sections of the Project can be constructed within the limits described for the estimated cost given herein. However, due to the nature of the construction industry, we are unable to and will not guarantee that the actual Project costs will not vary from the estimated cost.

No.	Description	Cost
1	Section 28	\$115,290,480
2	Section 29	\$74,852,452
3	Section 30	\$152,596,887
4	Section 31	\$60,133,710
5	Section 32	\$187,779,718
6	Toll Gantries, Equipment	\$31,249,709
7	Construction Management	\$51,300,198
8	Construction Contingency	\$83,580,853
9	Miscellaneous Construction*	\$22,317,593
<b>Subtotal (1-9) Construction</b>		<b>\$779,101,600</b>
10	Plans, Specifications and Estimates and Administrative Costs	\$48,614,277
11	ROW Acquisition	\$140,200,000
12	Utility Relocations	\$26,644,730
13	Other Agency Costs	\$11,095,916
14	Agency Cost Contingency	\$34,095,032
<b>Subtotal (10-14) Agency Costs</b>		<b>\$260,649,955</b>
<b>Project Total (1-14)</b>		<b>\$1,039,751,554</b>

\*Miscellaneous construction cost includes landscape, ITS equipment and other special features.

## Construction Schedule

Since the environmental re-evaluation has been approved, the USACE permit has been obtained, and interlocal agreements with TxDOT, DART, and the Cities of Garland, Rowlett, Sachse, and Dallas have been executed, construction of the Project is expected to begin in August 2008 and is anticipated to be open to traffic by late 2011.

Designs of the Project sections, including Section 32 by TxDOT, have been completed or have been submitted to TxDOT for final review and approval. The NTTA will modify, as necessary, the designs of those sections remaining to be approved based on review comments from TxDOT, which are expected to be minor in nature. The review, modification, and completion of the design plans and specifications are an essential element in maintaining the construction schedule and open to traffic date. These plans will also have to be coordinated with utility relocations to aid in providing a clear ROW for the Project construction, as many utilities will need to be relocated prior to construction. Each of the five sections of the Project has varying construction start times and durations, which are shown in Table 2.

**TABLE 2: CONSTRUCTION SCHEDULE**

Section	Construction Start	Construction Duration	Construction Complete <sup>1</sup>	Open to Traffic
28	October 2008	38 months	December 2011 <sup>2</sup>	Late 2011
29	December 2008	24 months	January 2011	Late 2011
30	August 2008	40 months	December 2011	Late 2011
31	February 2009	24-30 months	August 2011	Late 2011
32	October 2008	36 months	October 2011	Late 2011

<sup>1</sup>Sections 28, 29, 31 and 32 are not able to open to traffic until Section 30 is complete due to traffic control and capacity issues on ramps and adjacent side streets.

<sup>2</sup>The main lanes will be complete and open to traffic in late 2011 with the rest of the corridor. For traffic control purposes, the Crist Road ramps will not be constructed until the entire corridor is open to traffic. This construction extends approximately 3 months beyond the open to traffic date.

Based on experience with similar projects and because of the usually favorable construction weather prevailing in the Dallas region, such a schedule appears realistic. However, the schedule set forth in this report could vary depending upon ROW availability, utility clearances, unforeseen geologic conditions, adverse weather, experience of contractors and their personnel, force majeure events and other factors not within the control of the NTTA.

## Operation and Maintenance

Estimated costs of operations and maintenance of the NTTA system, including increases in operating costs associated with the Project, have been prepared.

Estimates are based on the NTTA's current system operations and maintenance model. In addition, the estimates also assume that NTTA will continue to operate under the administration and management that currently exists and will continue to operate in a manner that will fulfill the commitments as set forth in agreements with TxDOT. For this project, the NTTA will operate the entire project and will maintain the main lanes and ramps, while TxDOT is responsible for maintaining the frontage roads. According to the executed Two-Party Agreement between TxDOT and the NTTA, the NTTA will reimburse TxDOT for their frontage road operating expenses in the amount of \$10,000 per lane mile per year.

The total costs of administration, management, maintenance of roadways and structures, electronic toll collection, contract maintenance activity and miscellaneous other costs associated with the operation of the system are included in the estimates. These estimates are escalated 2.75% per year beginning one year after the open to traffic date. The estimated annual Operations and Maintenance Fund and Reserve Maintenance Fund expenses for the Project are as given in Table 3 on page 11.

# Operation and Maintenance

**TABLE 3: ESTIMATE OF ANNUAL OPERATIONS AND MAINTENANCE EXPENSE**

Year	Existing NTTA System	PGBT EE	Proposed NTTA System Including PGBT EE	Reserve Maintenance Fund Estimate for PGBT EE	Year	Existing NTTA System	PGBT EE	Proposed NTTA System Including PGBT EE	Reserve Maintenance Fund Estimate for PGBT EE
2011	111,418,284	1,187,736	112,606,020	0	2037	225,760,095	19,008,493	244,768,588	706,745
2012	114,486,004	8,666,785	123,152,789	221,247	2038	231,975,758	19,598,237	251,573,995	65,185,674
2013	117,637,074	9,041,439	126,678,513	301,515	2039	238,362,748	20,201,934	258,564,682	4,492,224
2014	120,876,318	9,407,342	130,283,660	237,006	2040	244,925,762	20,853,304	265,779,066	616,443
2015	124,204,612	9,969,171	134,173,783	630,084	2041	251,669,592	21,500,064	273,169,657	10,789,526
2016	127,624,882	10,441,952	138,066,833	3,703,439	2042	258,600,141	22,166,859	280,767,001	3,626,018
2017	131,138,106	10,491,664	141,629,770	344,659	2043	265,721,415	22,852,057	288,573,472	6,789,371
2018	134,748,319	10,517,762	145,266,080	2,257,552	2044	273,039,532	23,561,009	296,600,541	707,383
2019	138,458,610	10,520,952	148,979,562	2,291,119	2045	280,558,721	24,325,125	304,883,846	83,127,094
2020	142,270,127	10,505,048	152,775,175	309,803	2046	288,283,331	25,049,606	313,332,937	9,497,228
2021	146,188,075	10,876,752	157,064,827	7,801,892	2047	296,220,828	25,800,942	322,021,770	2,504,520
2022	150,212,722	11,262,231	161,474,953	331,869	2048	304,377,800	26,571,944	330,949,744	811,738
2023	154,349,397	11,662,394	166,011,791	1,342,033	2049	312,759,965	27,366,299	340,126,264	4,831,267
2024	158,598,493	12,079,008	170,677,501	355,506	2050	321,372,166	28,222,452	349,594,618	6,727,382
2025	162,965,469	12,927,403	175,892,873	2,830,469	2051	330,221,383	29,068,411	359,289,794	15,307,857
2026	167,452,852	13,345,990	180,798,842	5,224,066	2052	339,315,732	29,939,683	369,255,415	105,515,693
2027	172,062,238	13,792,977	185,855,215	2,421,837	2053	348,659,467	30,837,021	379,496,487	6,297,704
2028	176,798,295	14,240,946	191,039,241	407,952	2054	358,260,989	31,758,280	390,019,269	997,833
2029	181,666,763	14,707,201	196,373,963	1,148,799	2055	368,126,849	32,758,636	400,885,485	3,290,374
2030	186,668,459	15,203,790	201,872,248	437,008	2056	378,265,748	33,743,125	412,008,872	12,262,621
2031	191,808,276	15,700,175	207,508,451	59,467,914	2057	388,681,543	34,753,579	423,435,122	8,838,096
2032	197,090,189	16,214,766	213,304,954	3,345,846	2058	399,385,256	35,798,214	435,183,469	1,145,036
2033	202,517,252	16,746,454	219,263,706	617,890	2059	410,382,070	36,870,435	447,252,505	136,831,921
2034	208,093,603	17,297,837	225,391,440	3,879,721	2060	421,683,342	38,036,129	459,719,471	7,377,490
2035	213,822,470	17,887,963	231,710,433	3,994,601	2061	433,294,601	39,174,439	472,469,040	14,243,628
2036	219,710,165	18,438,628	238,148,793	3,750,202					

Note: To determine operation and maintenance cost for the proposed project, an estimate of the personnel and expenses required to operate each department was developed. The sum of these expenses comprises the PGBT EE cost estimate in 2007 dollars. This estimate was then escalated by a rate of 2.75% per year.

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# Appendix



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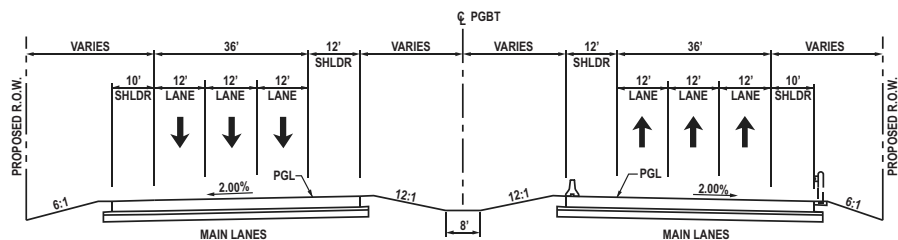
## Appendix Table of Contents

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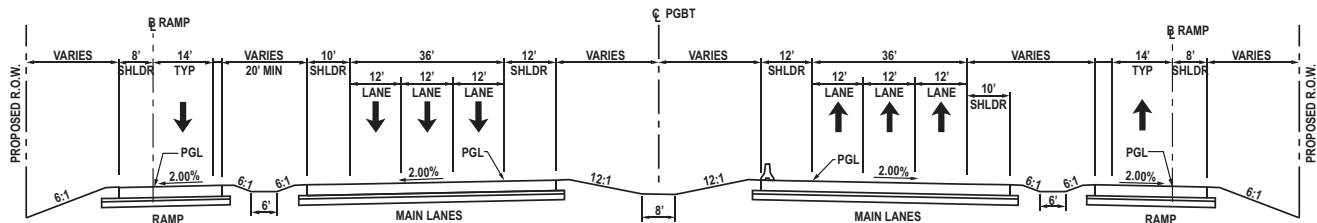


# President George Bush Turnpike PGBT Eastern Extension Engineering Report

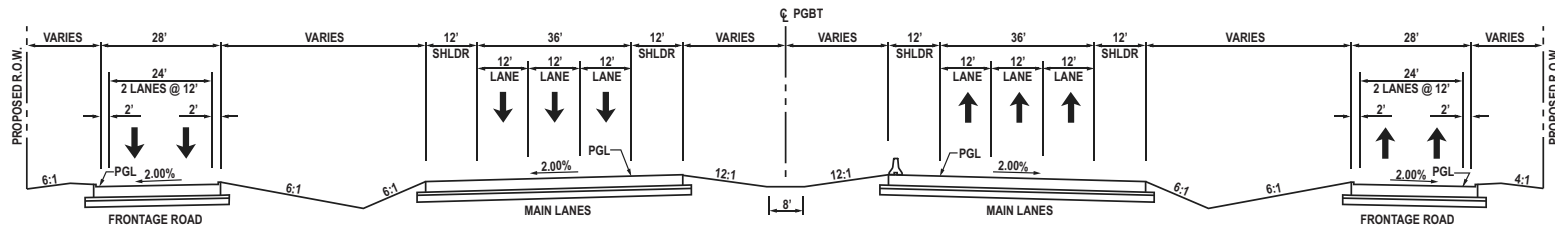
## Typical Sections



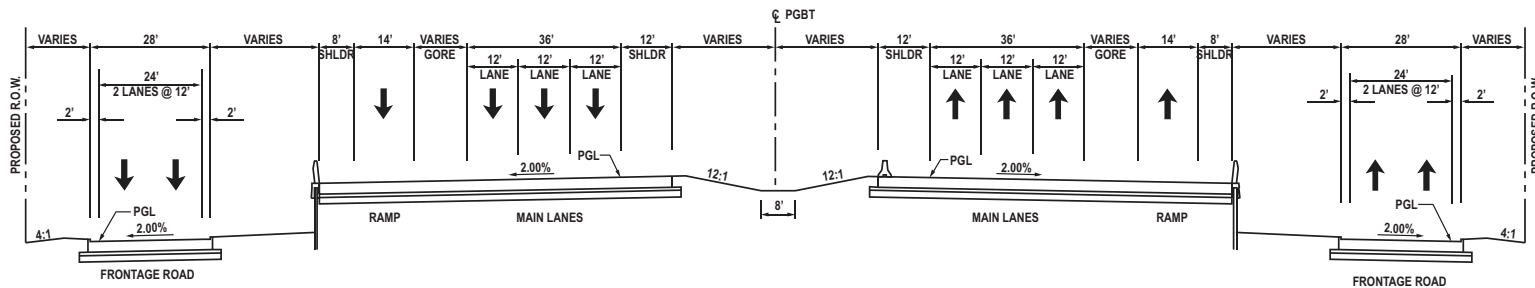
**PGBT Eastern Extension – Typical Section, Main Lanes Only**



**PGBT Eastern Extension – Typical Section, Main Lanes with Ramps**



**PGBT Eastern Extension – Typical Section, Main Lanes with Frontage Roads**



**PGBT Eastern Extension – Typical Section, Main Lanes with Ramps and Frontage Roads**

# President George Bush Turnpike

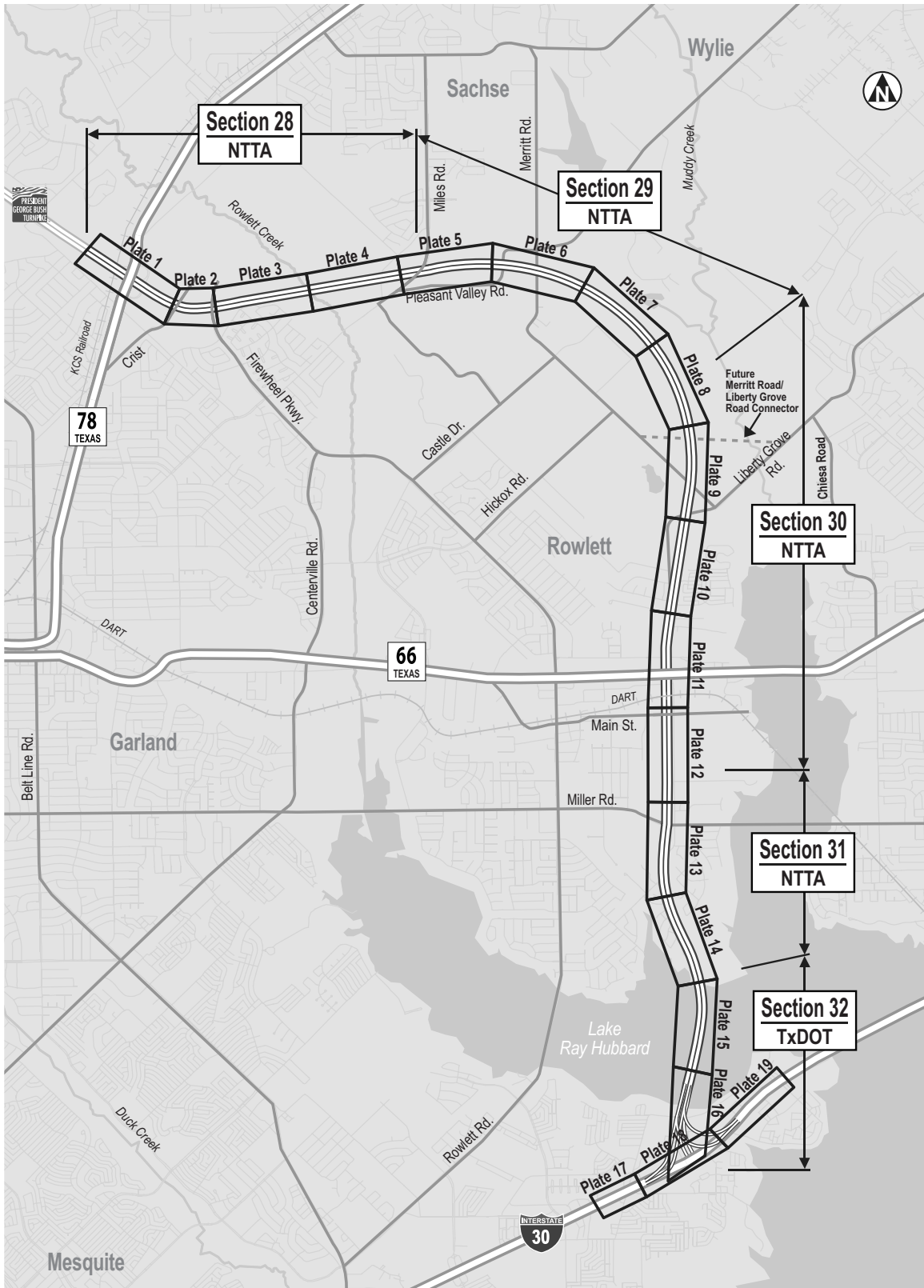
## PGBT Eastern Extension Engineering Report

### Acronym Definitions

**TABLE 4: ACRONYM DEFINITIONS**

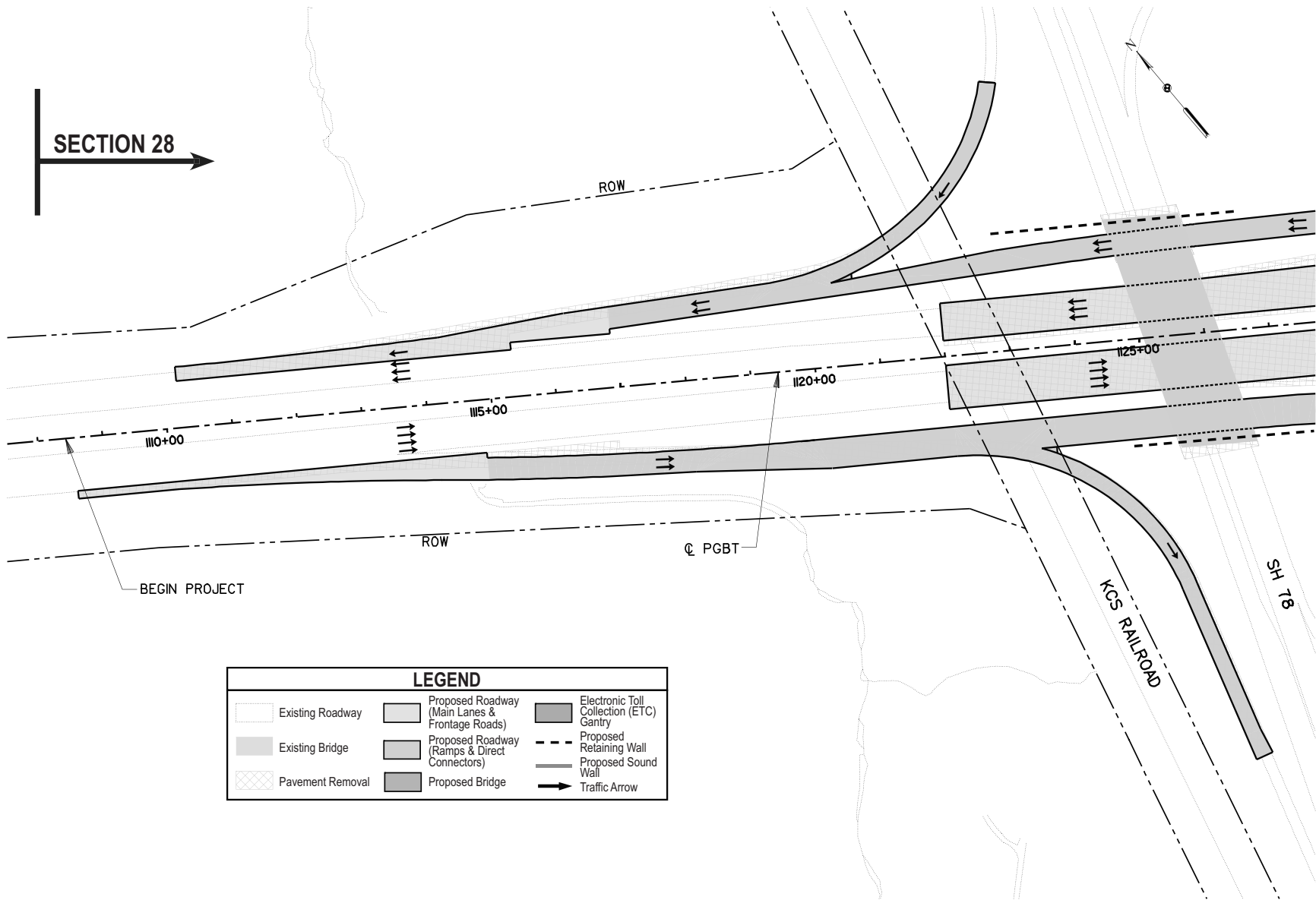
Acronym	Definition	Acronym	Definition
AASHTO	American Association of State Highway and Transportation Officials	MSE walls	mechanically stabilized earth walls
B	base line	NB	north bound
C	center line	NEPA	National Environmental Policy Act
CO	carbon monoxide	NTTA	North Texas Tollway Authority
CRCP	continuously reinforced portland cement concrete	O&M	Operation and Maintenance
CSS	cement stabilized subgrade	PBS&J	Post, Buckley, Schuh & Jernigan, Inc.
DART	Dallas Area Rapid Transit	PGBT	President George Bush Turnpike
DMS	dynamic message signs	PGBT EE	President George Bush Turnpike Eastern Extension
EB	east bound	ROD	record of decision
EIS	environmental impact statement	ROW	right of way
ETC	electronic toll collection	RR	railroad
FEIS	final environmental impact statement	SB	south bound
FHWA	Federal Highway Administration	SH	state highway
IH	interstate highway	TxDOT	Texas Department of Transportation
ITS	Intelligent Transportation System	USACE	United States Army Corps of Engineers
KCS	Kansas City Southern	WB	west bound
mph	miles per hour		

# Index Map



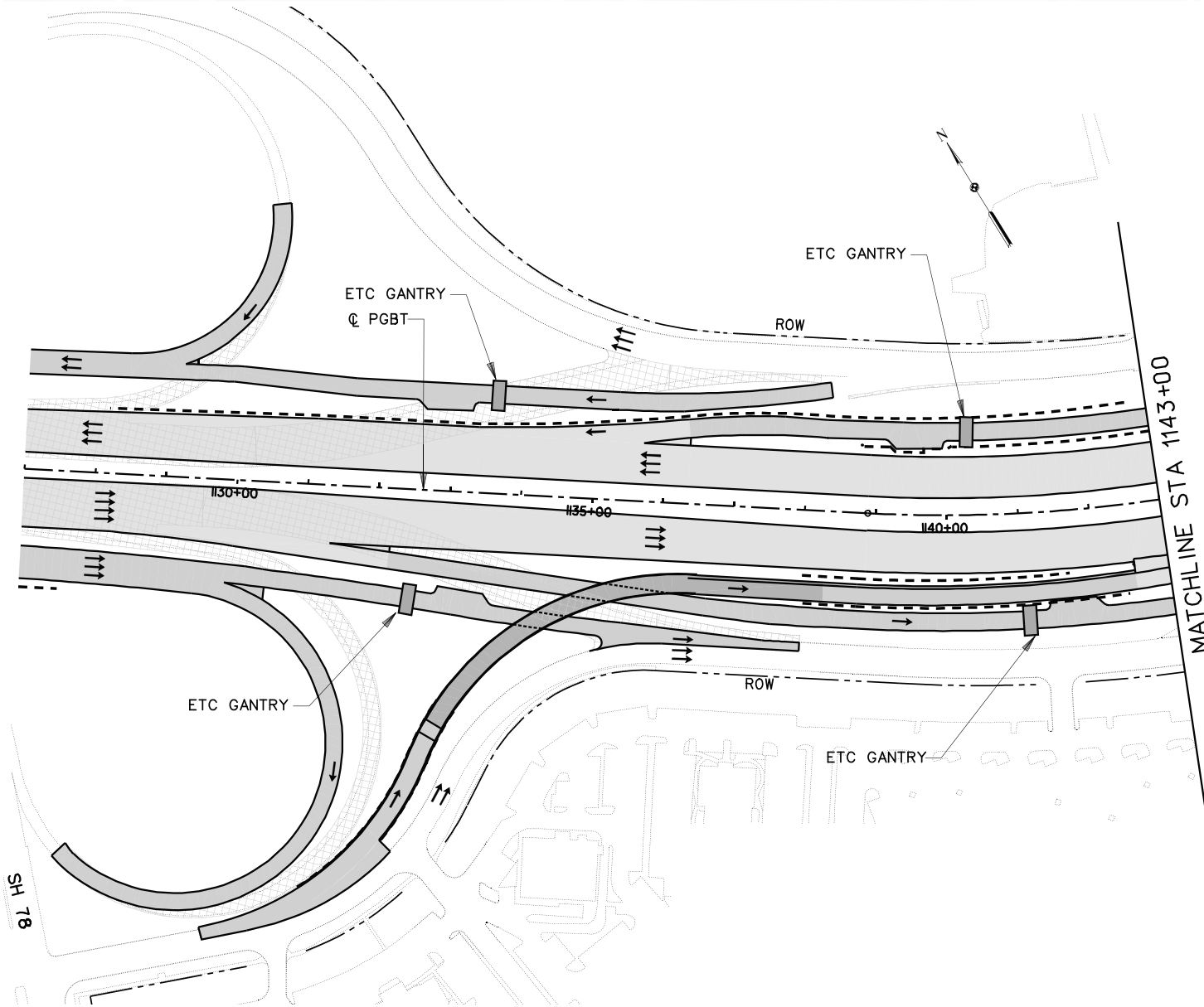
# President George Bush Turnpike

## PGBT Eastern Extension Engineering Report



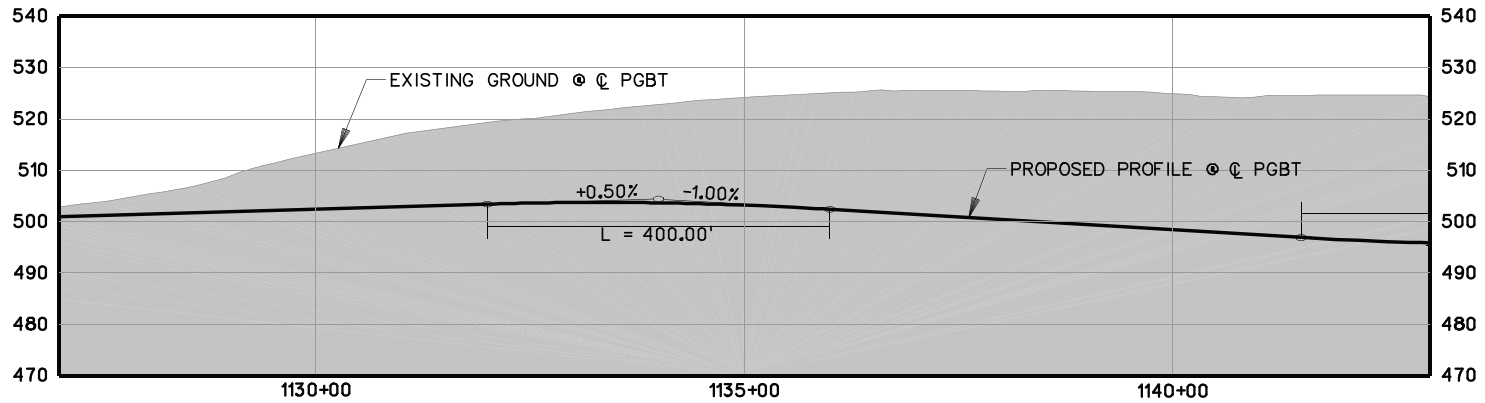
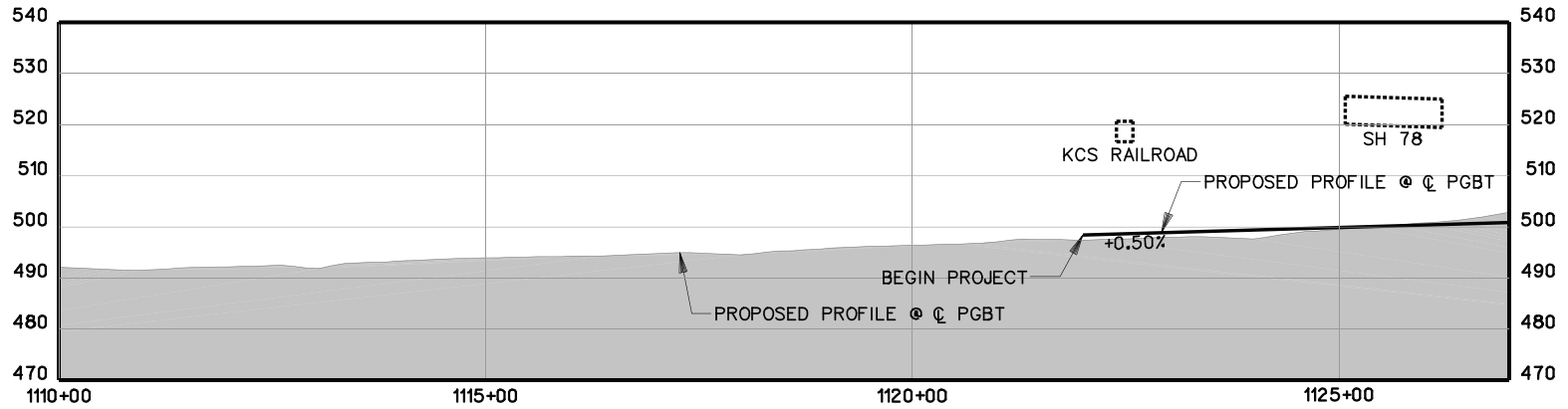
**SECTION 28** →

LEGEND			
	Existing Roadway		Proposed Roadway (Main Lanes & Frontage Roads)
	Existing Bridge		Proposed Roadway (Ramps & Direct Connectors)
	Pavement Removal		Proposed Bridge
	Electronic Toll Collection (ETC) Gantry		Proposed Retaining Wall
	Proposed Sound Wall		Traffic Arrow

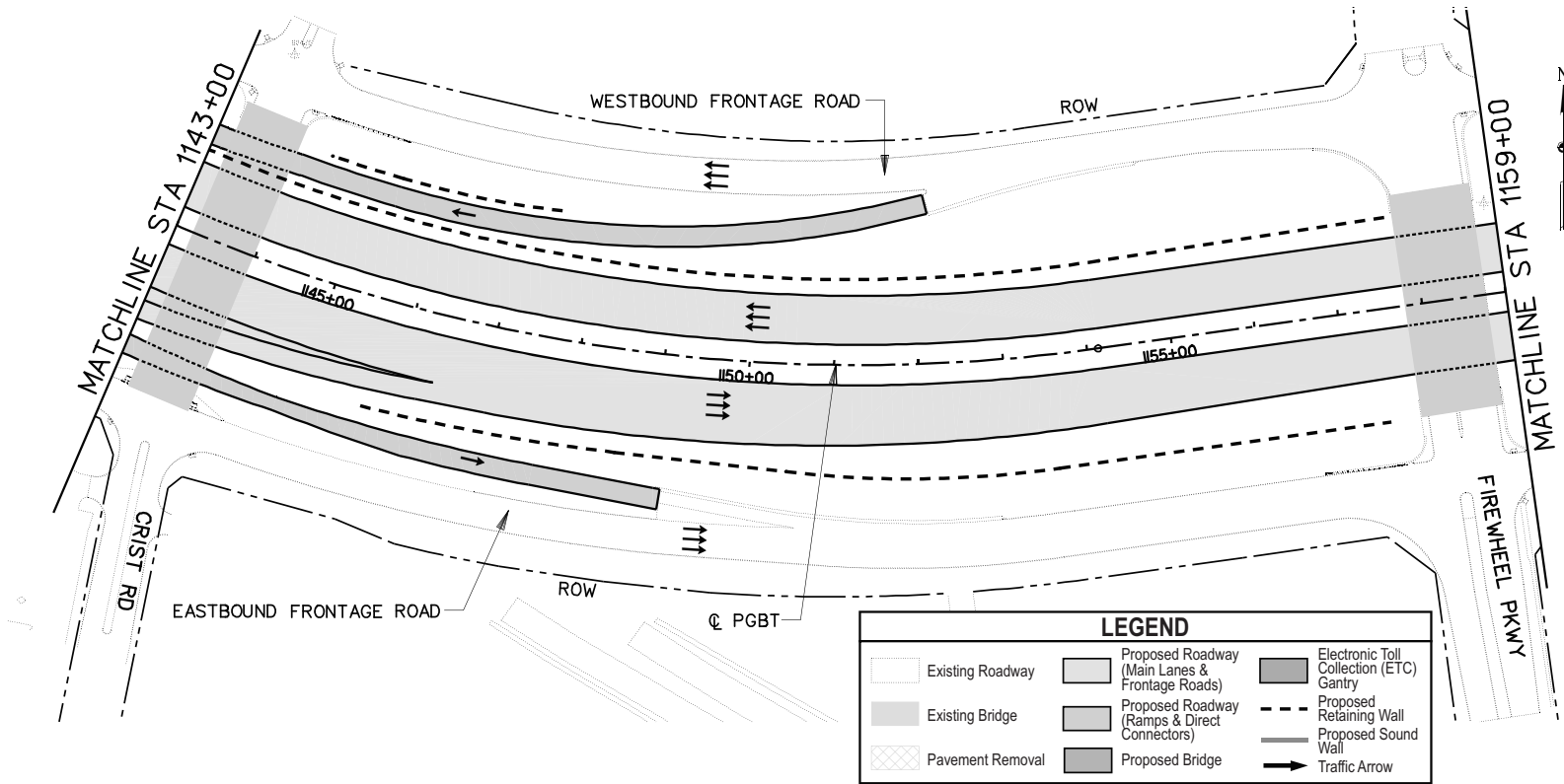


# President George Bush Turnpike PGBT Eastern Extension Engineering Report

Plate 1 Profiles

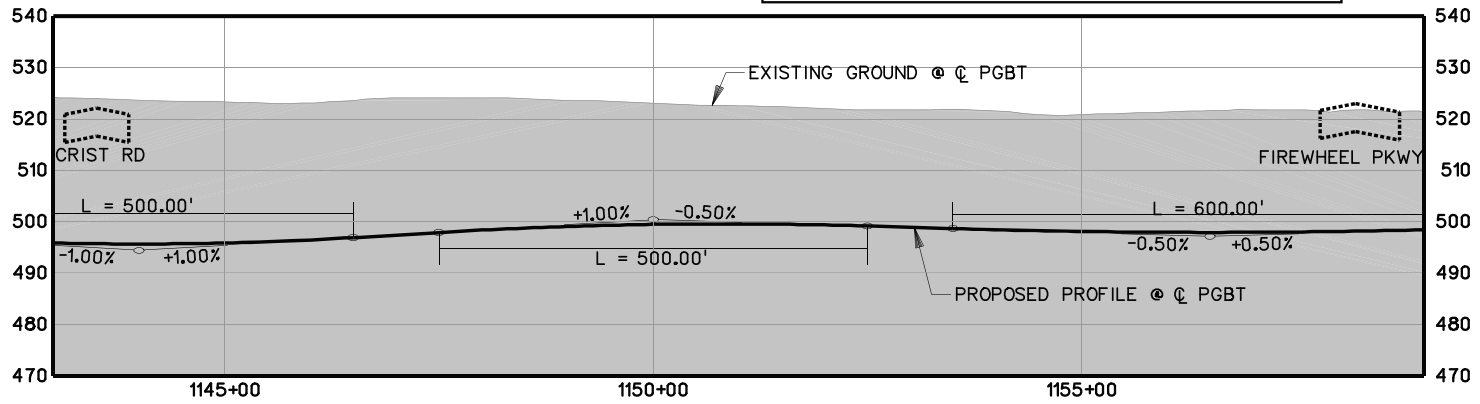




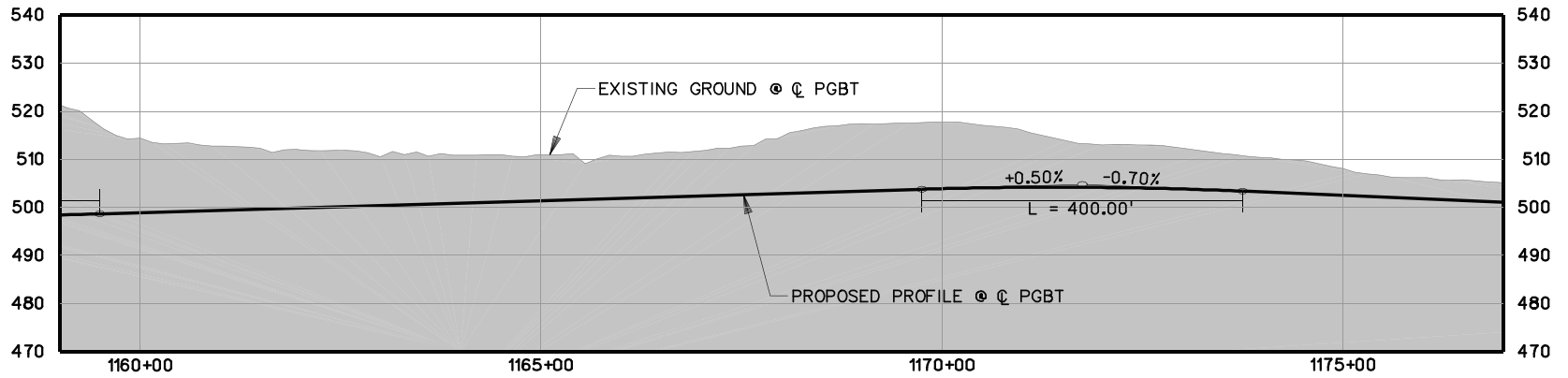
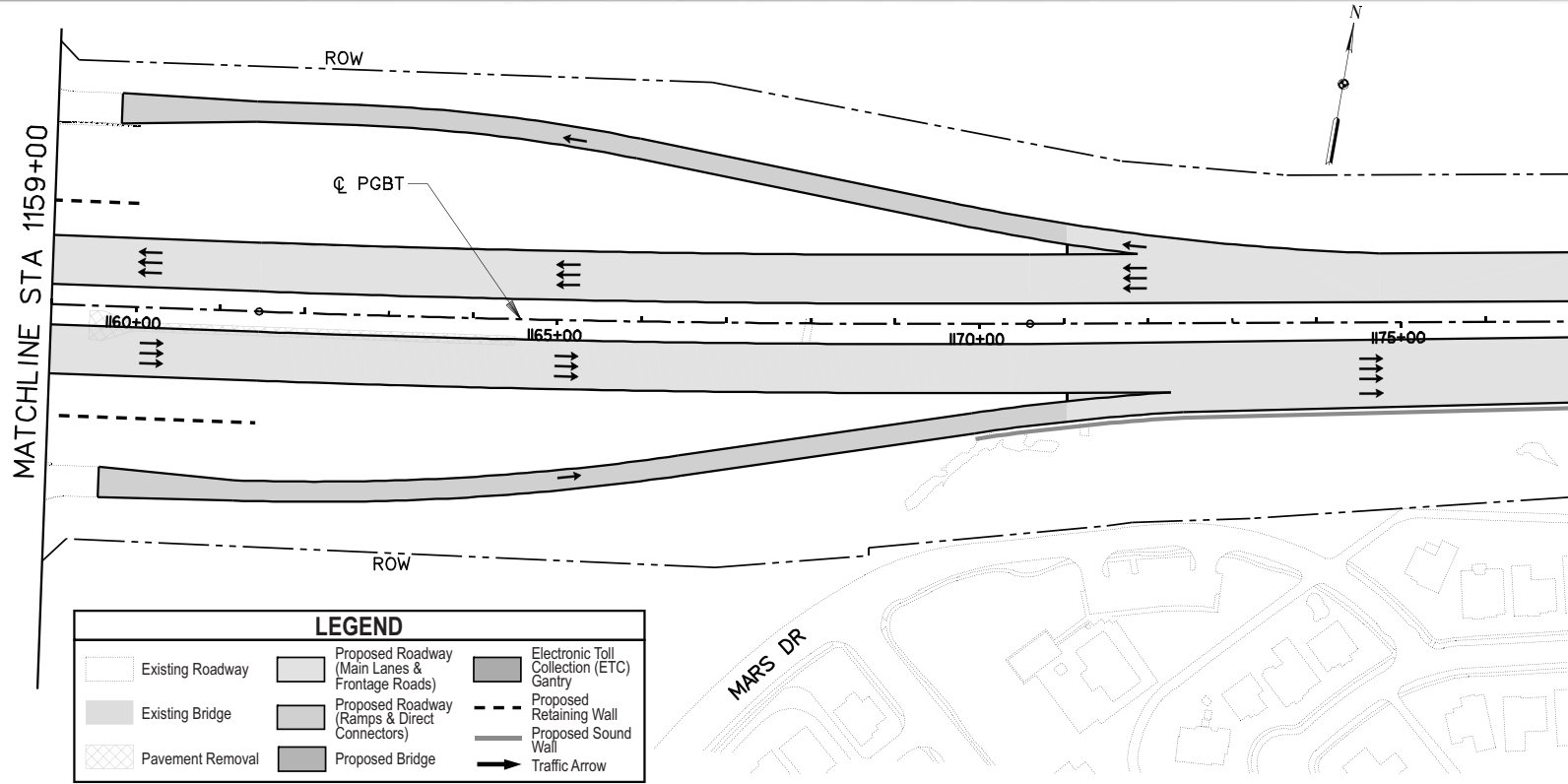


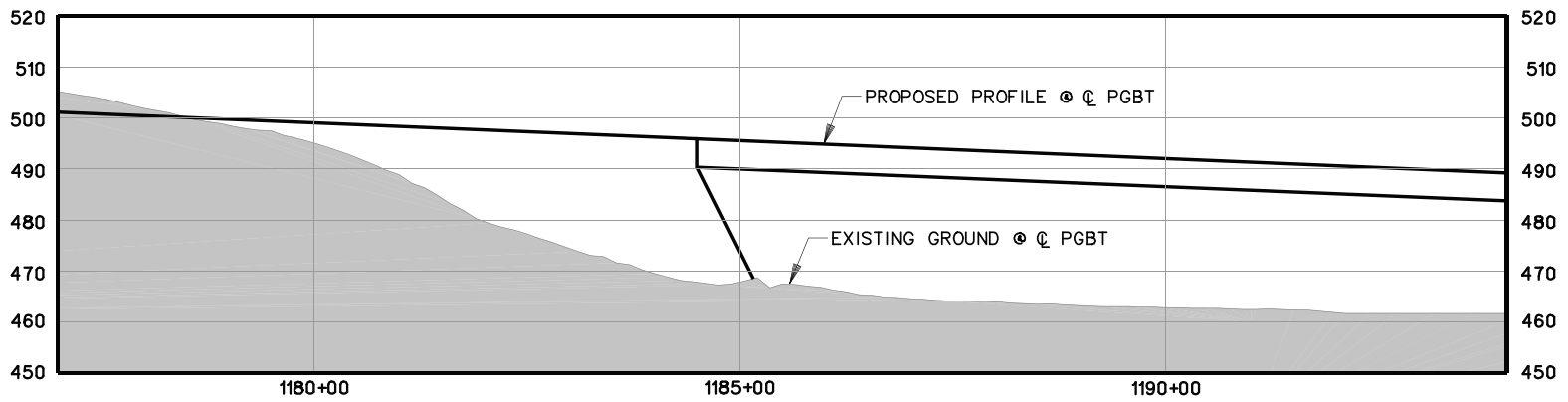
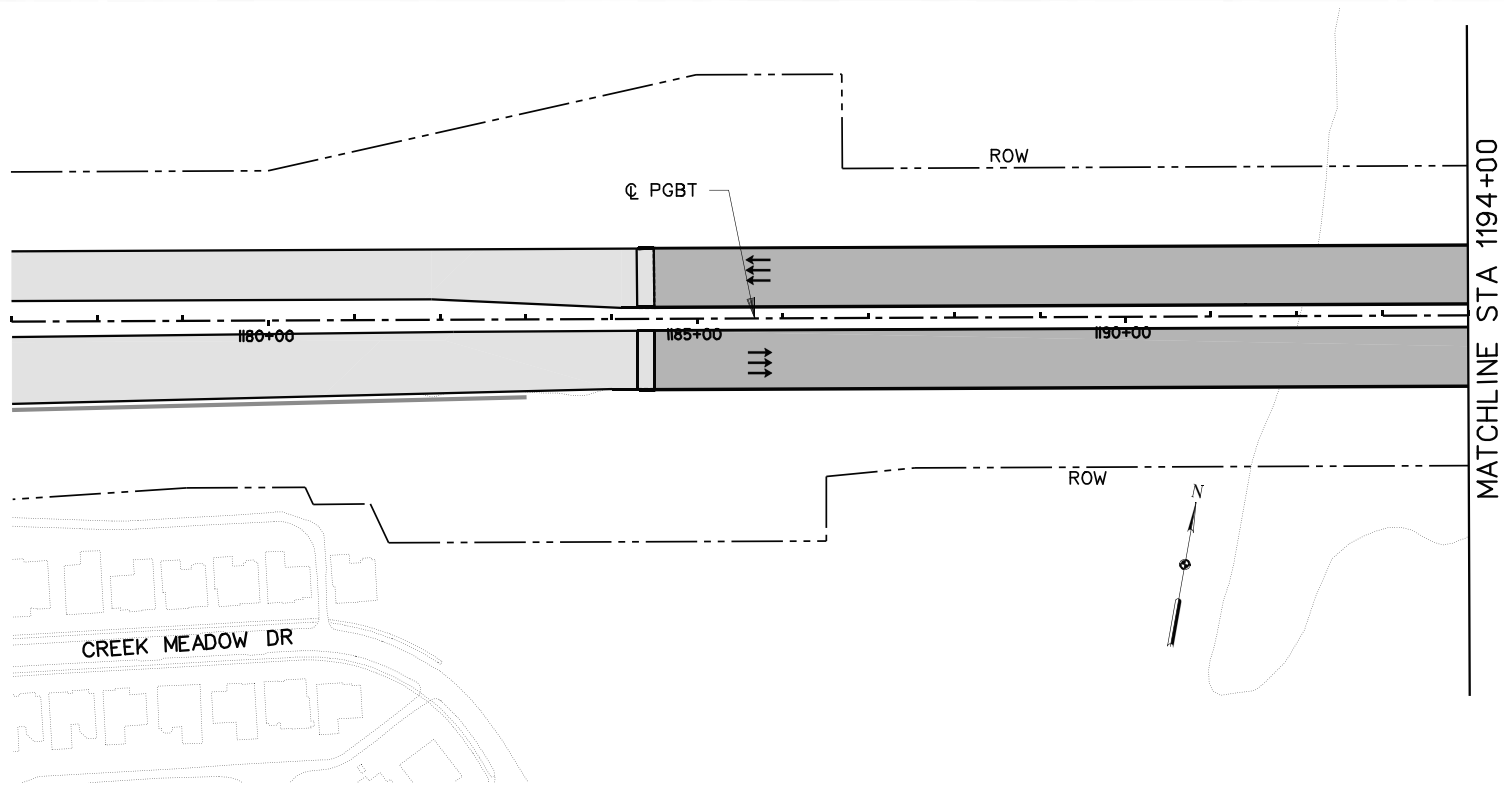
**LEGEND**

Existing Roadway	Proposed Roadway (Main Lanes & Frontage Roads)	Electronic Toll Collection (ETC) Gantry
Existing Bridge	Proposed Roadway (Ramps & Direct Connectors)	Proposed Retaining Wall
Pavement Removal	Proposed Bridge	Proposed Sound Wall
		Traffic Arrow



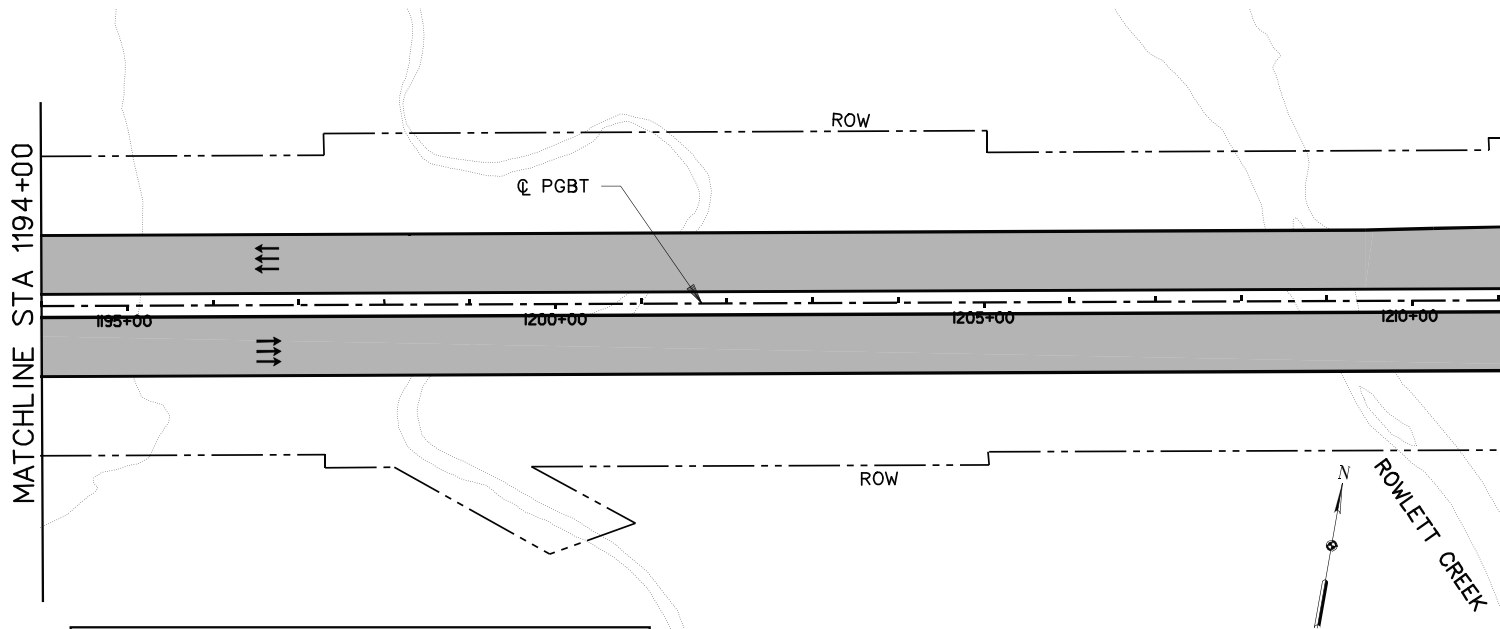
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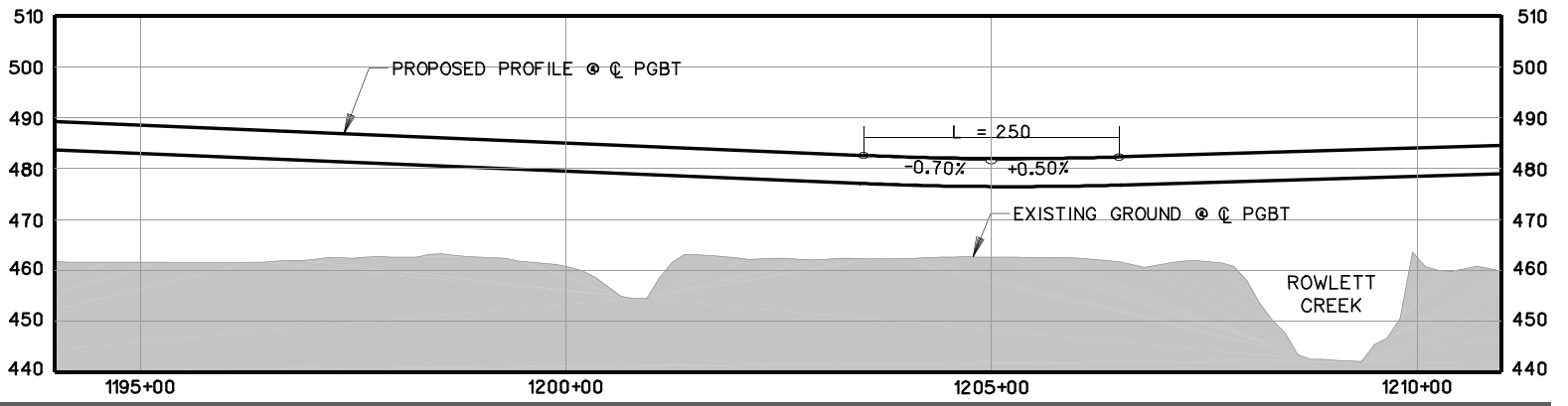


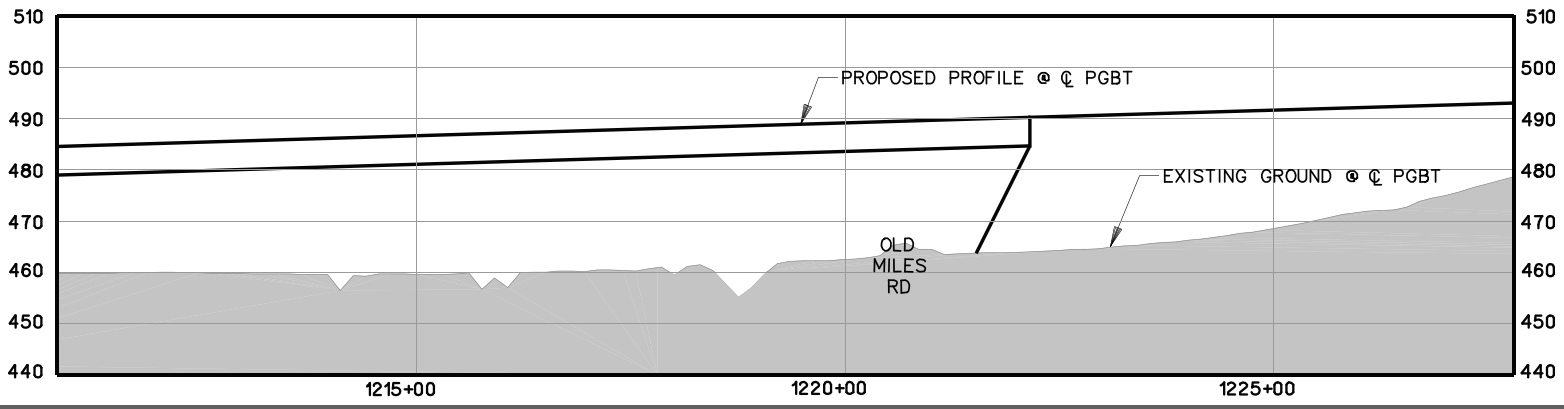
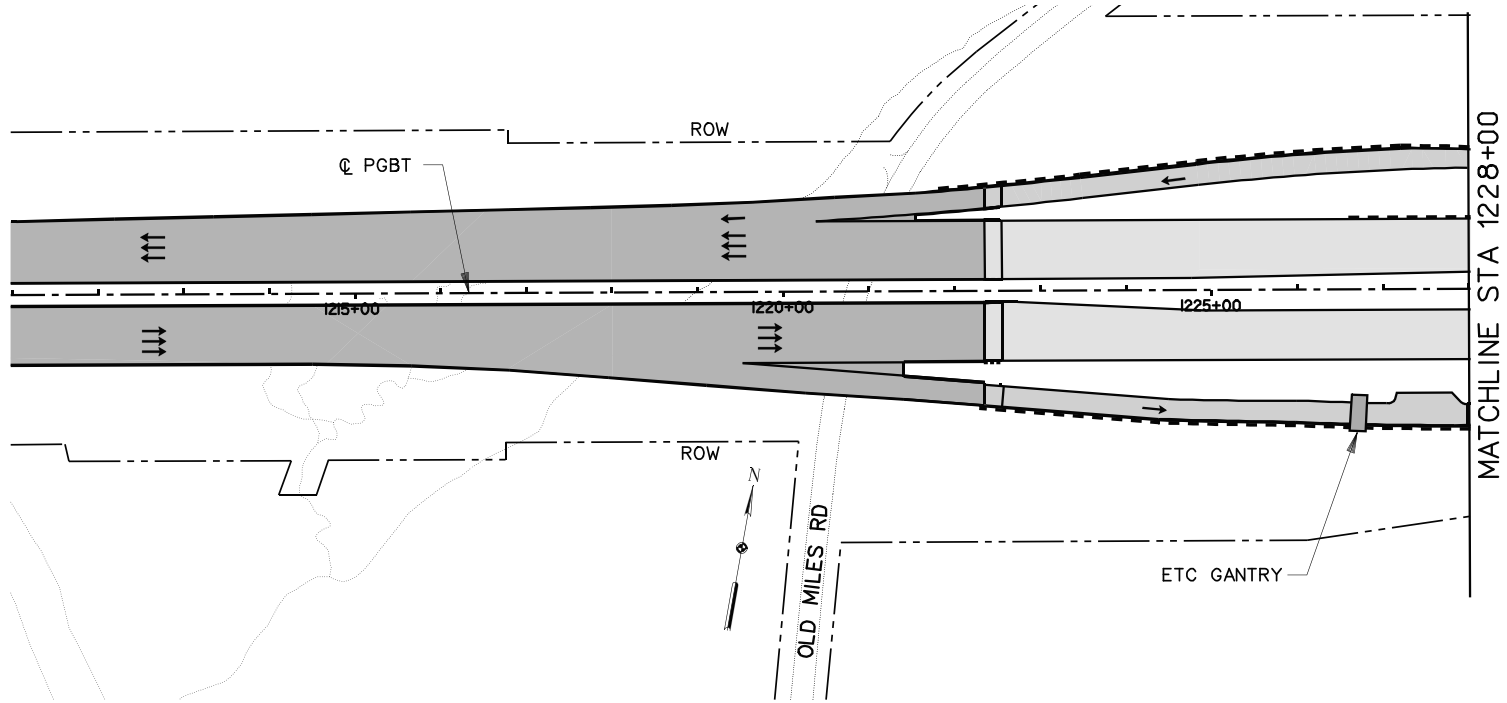
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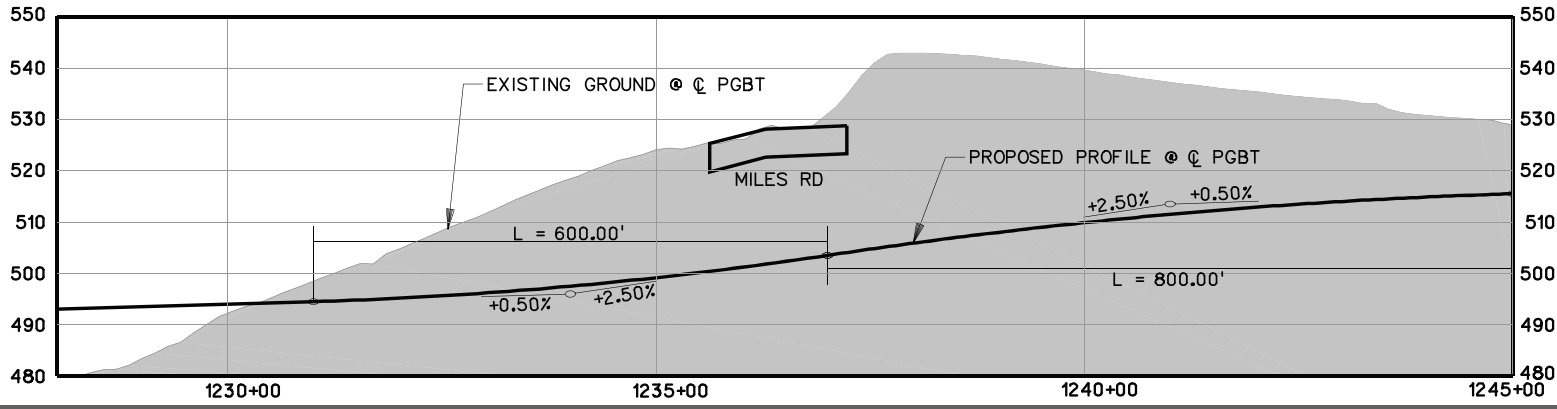
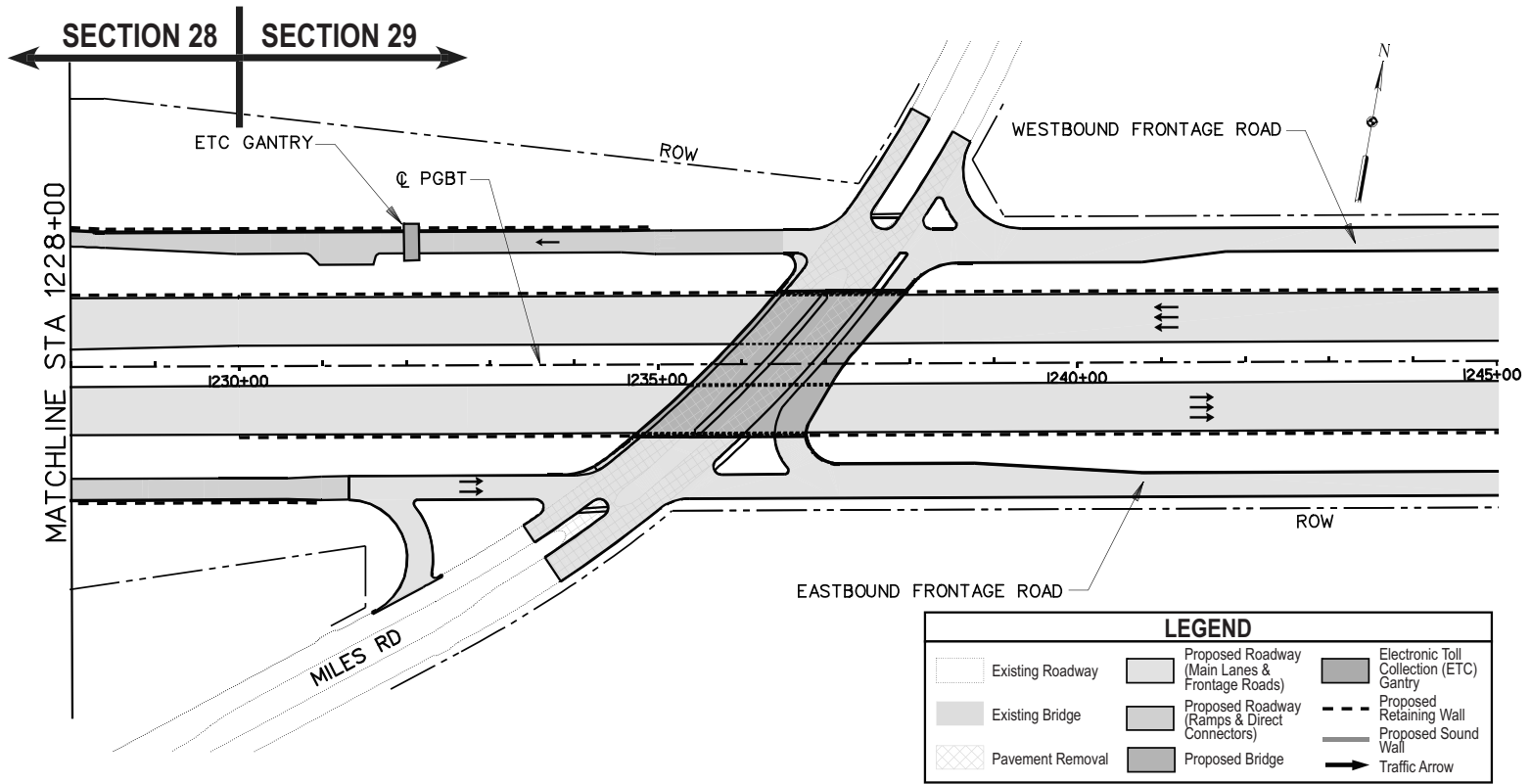


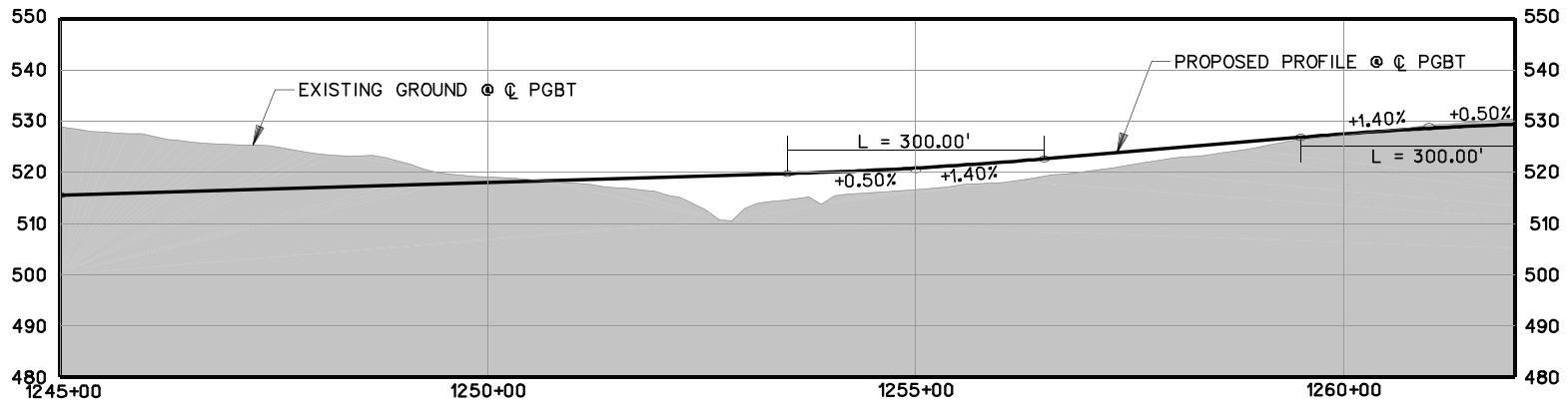
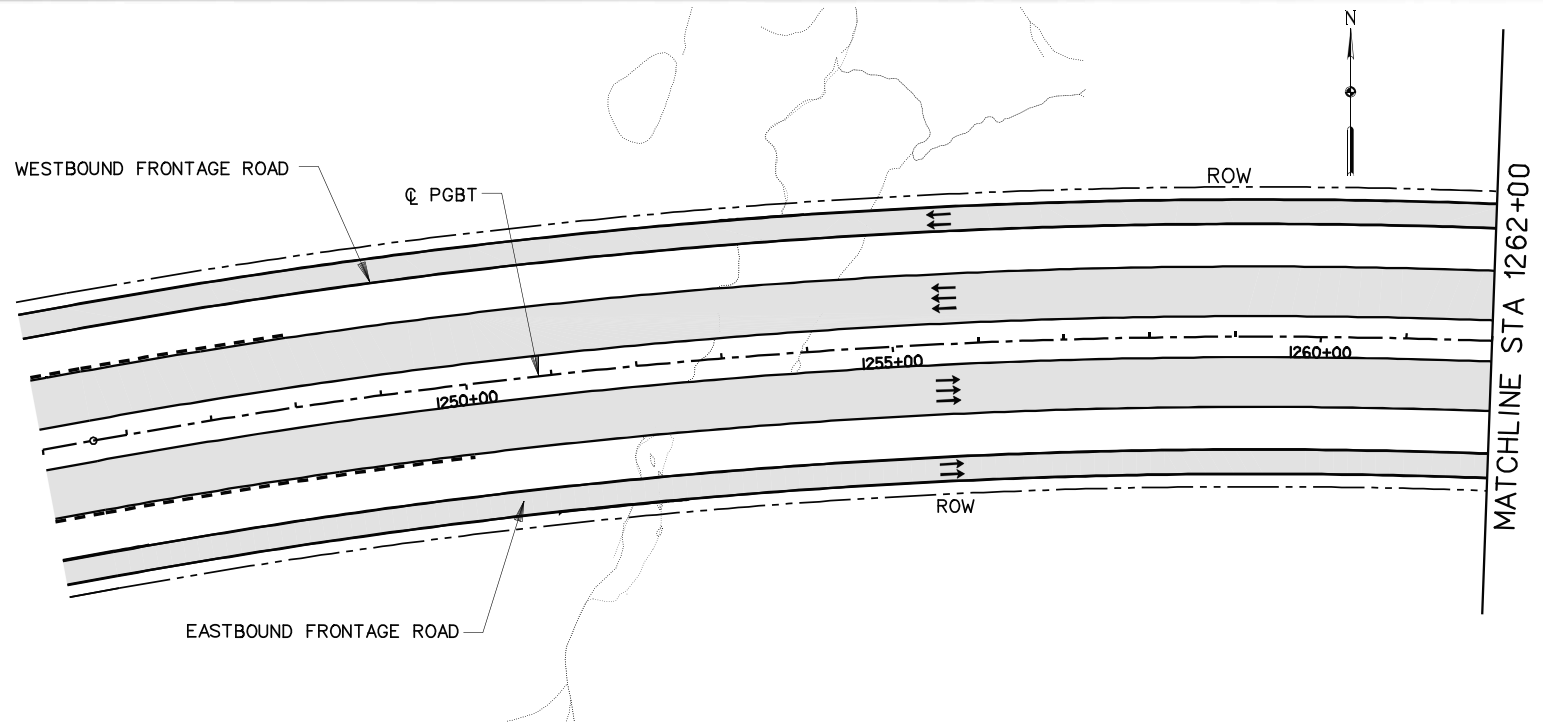
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	Existing Bridge		Proposed Roadway (Ramps & Direct Connectors)
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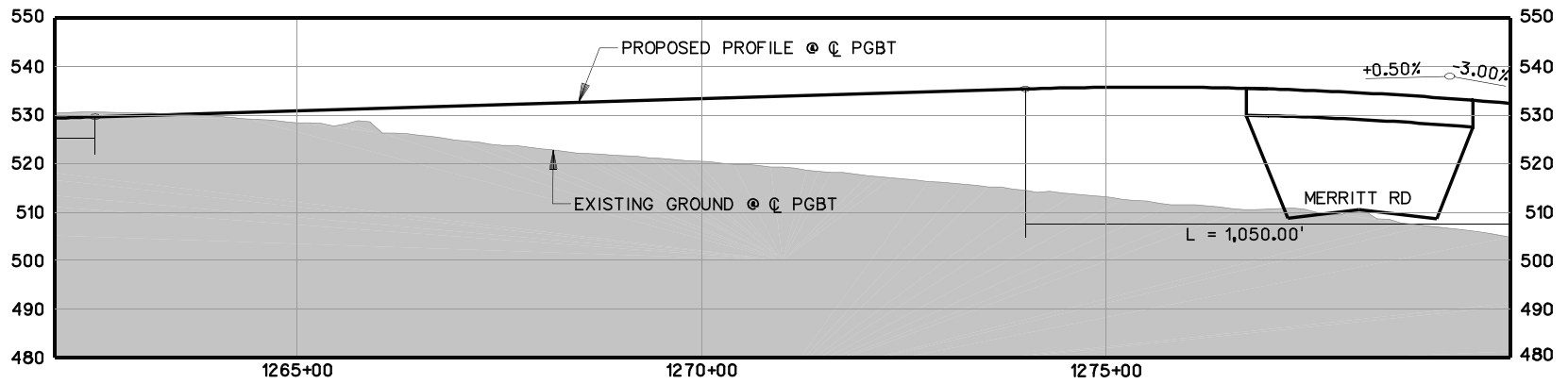
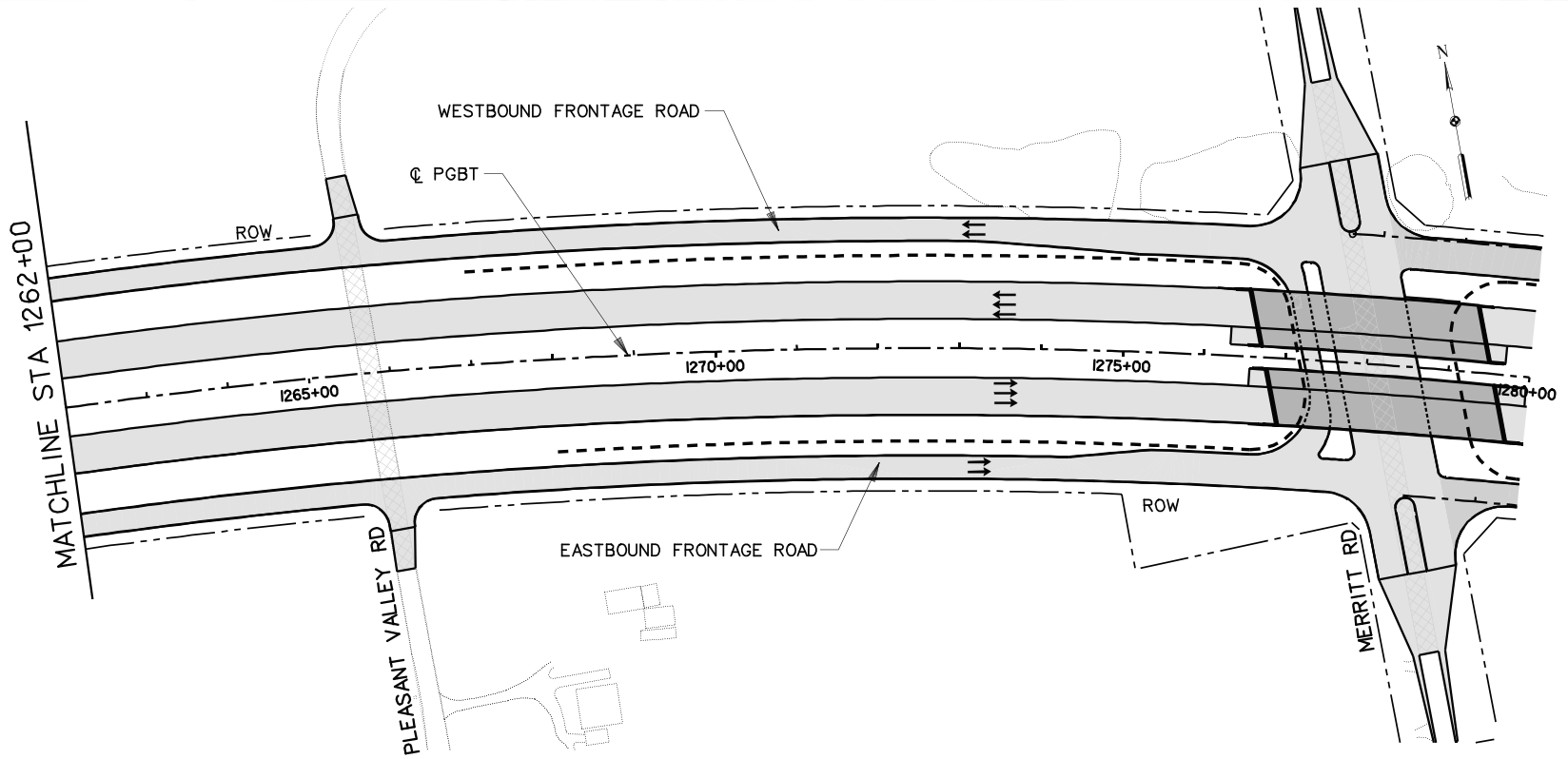
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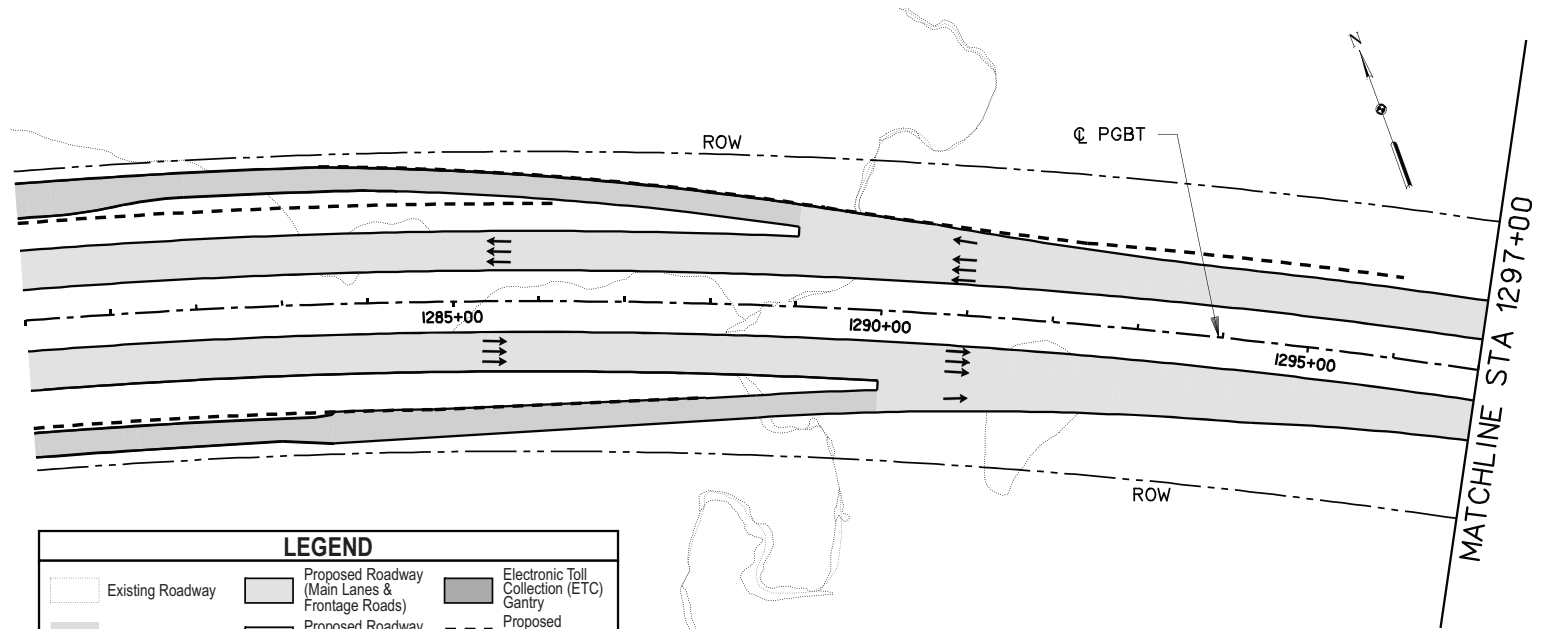




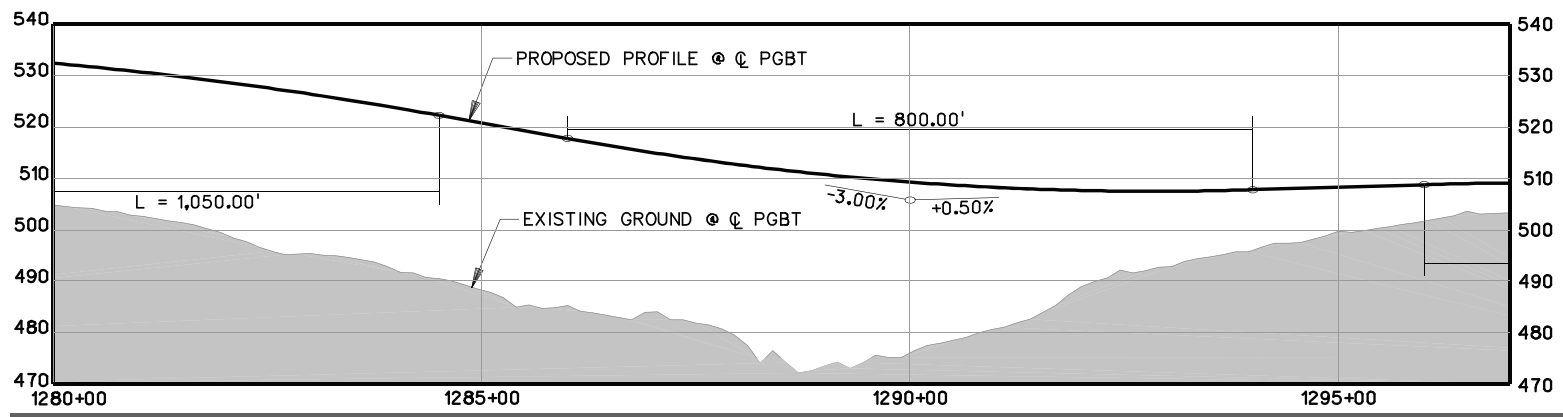


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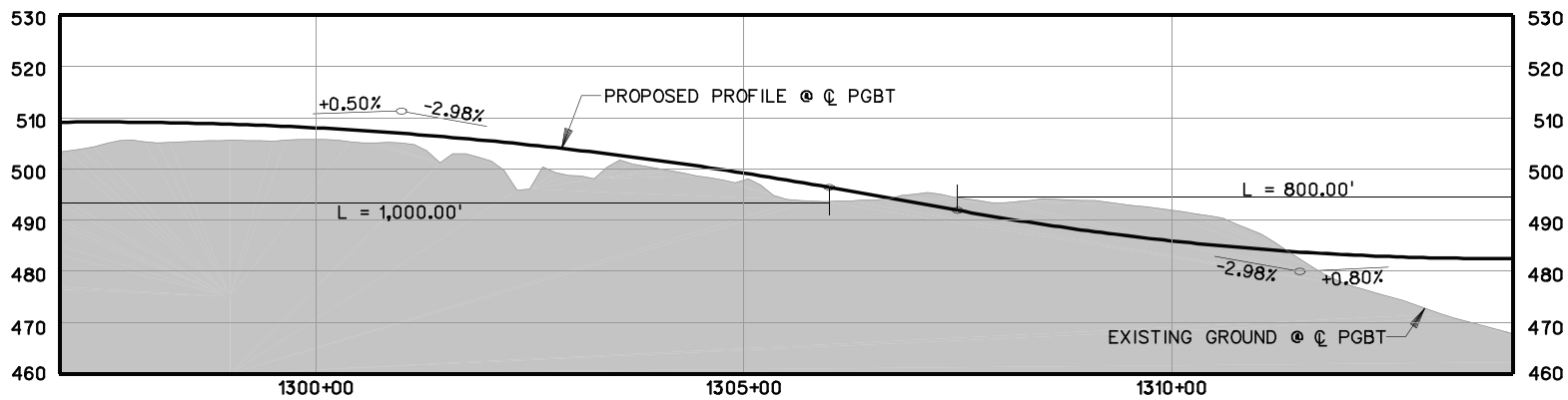
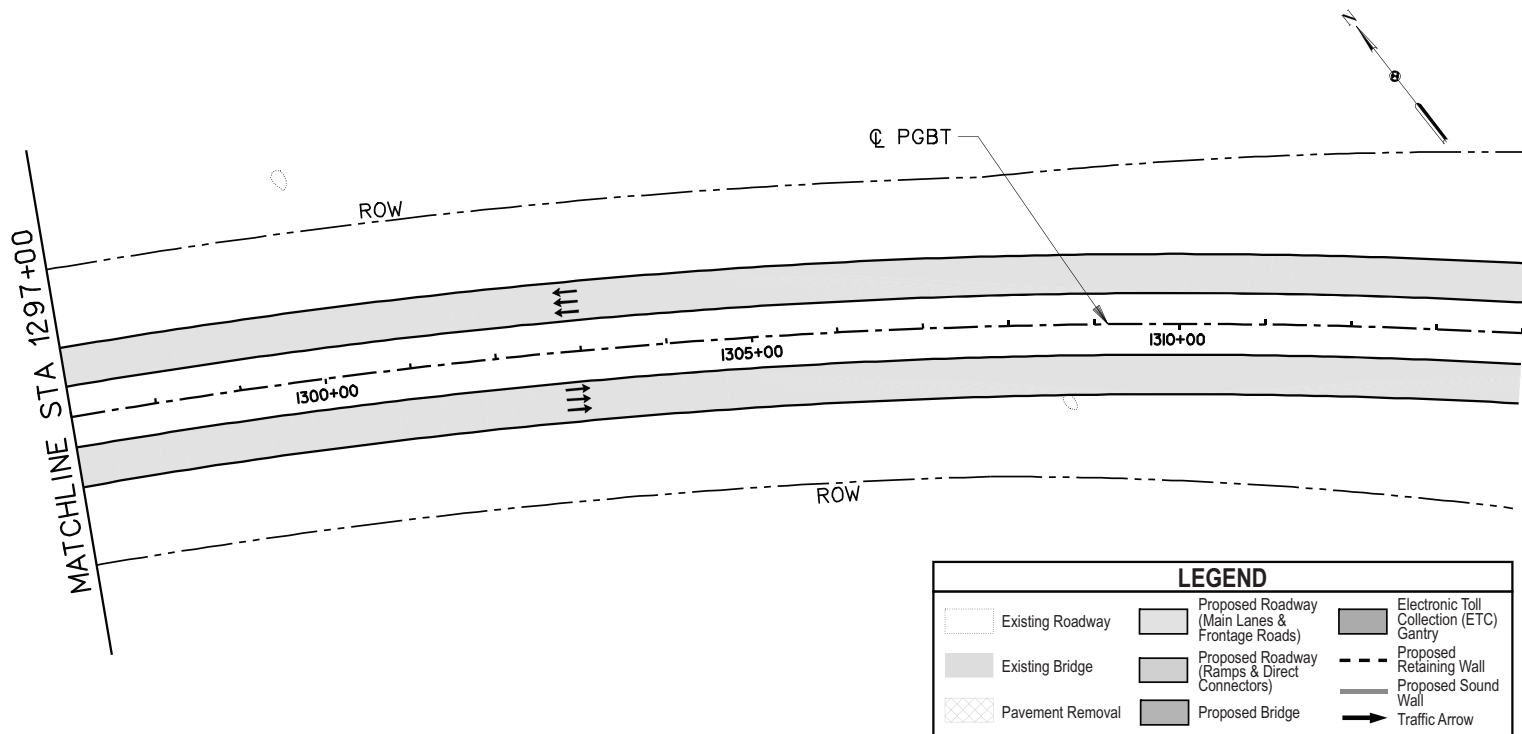


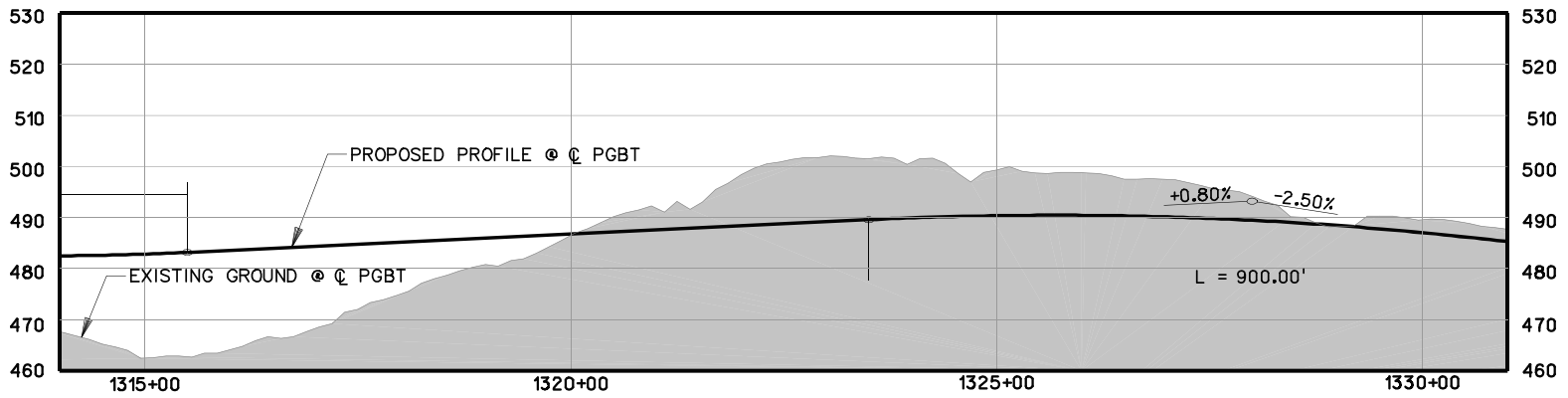
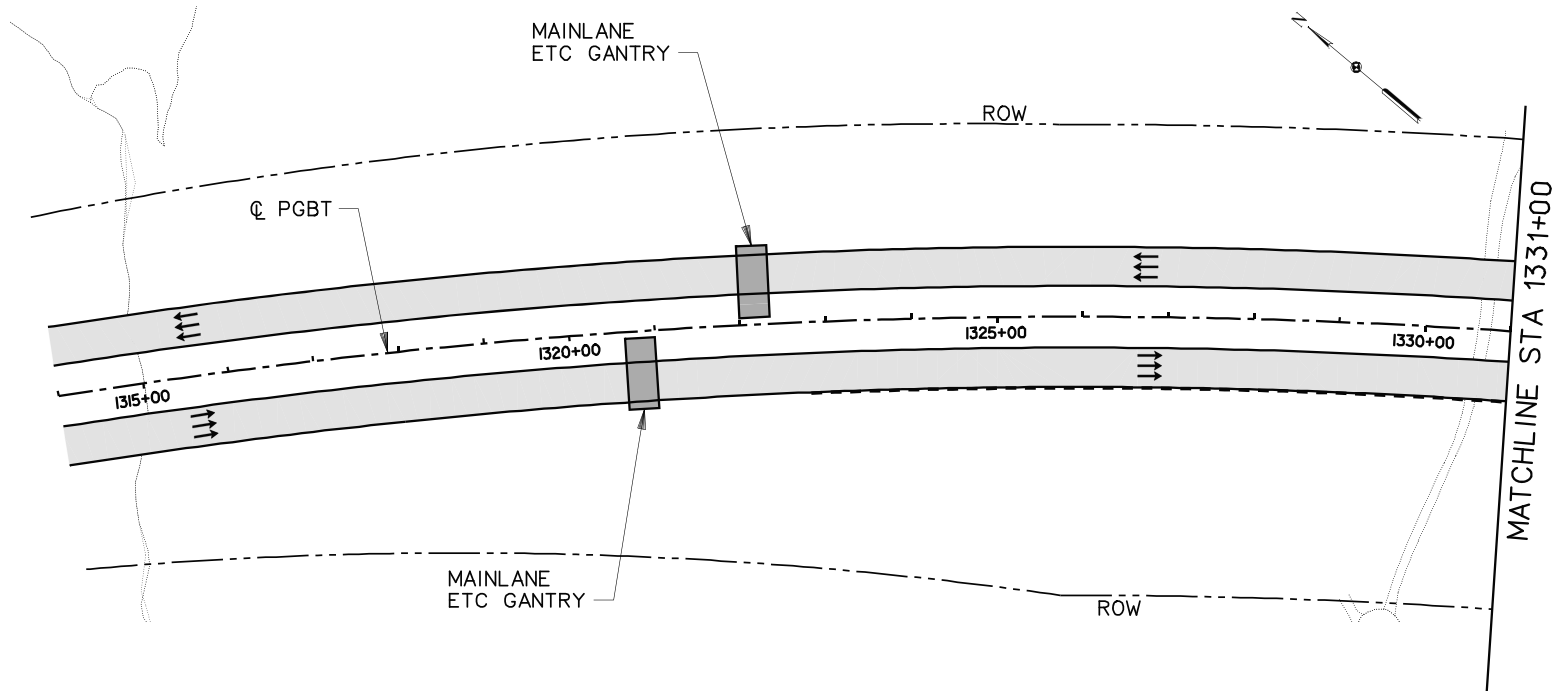
LEGEND					
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	Existing Bridge		Proposed Roadway (Ramps & Direct Connectors)		Proposed Retaining Wall
	Pavement Removal		Proposed Bridge		Proposed Sound Wall
					Traffic Arrow



# President George Bush Turnpike

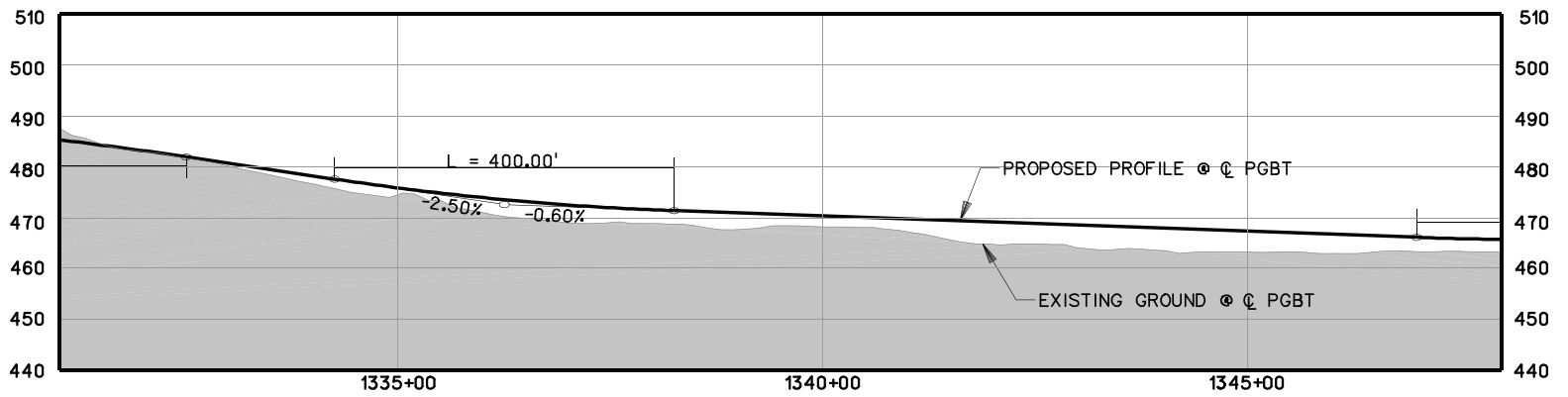
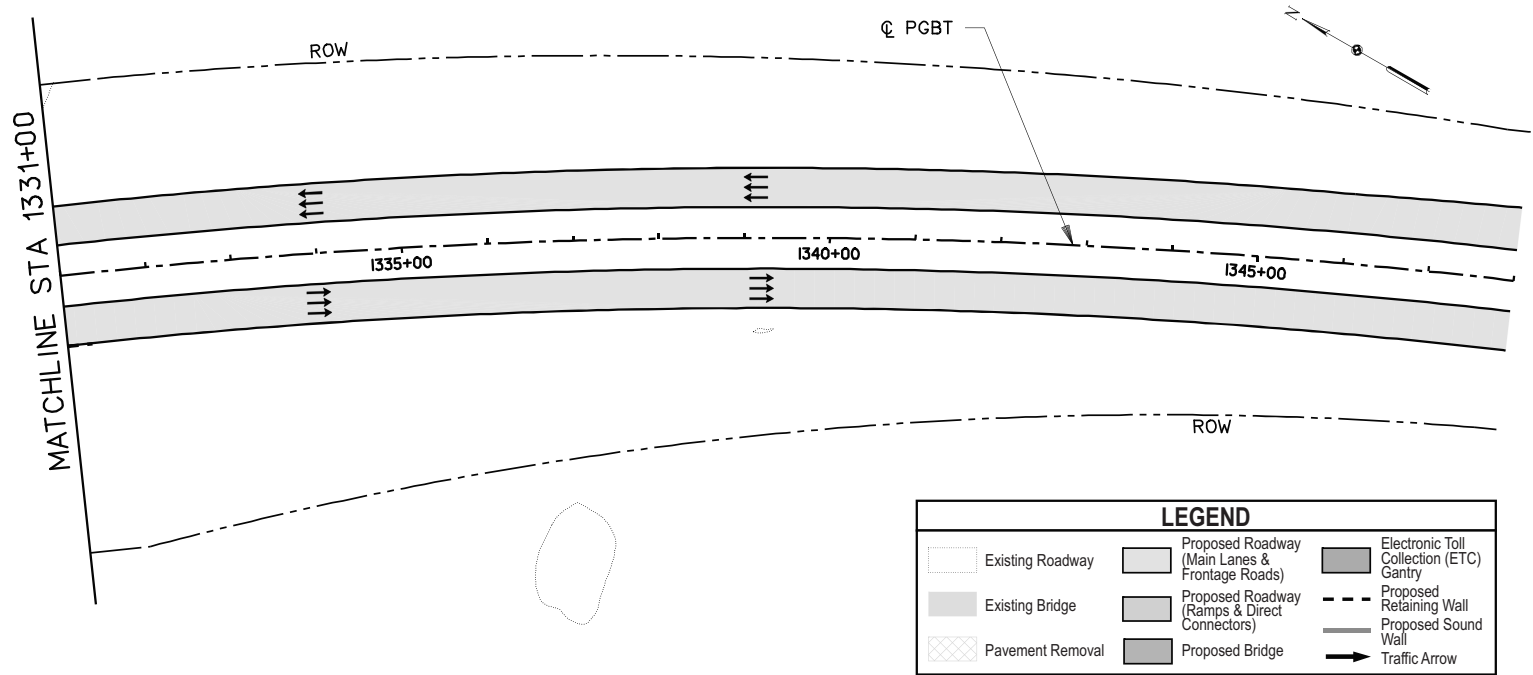
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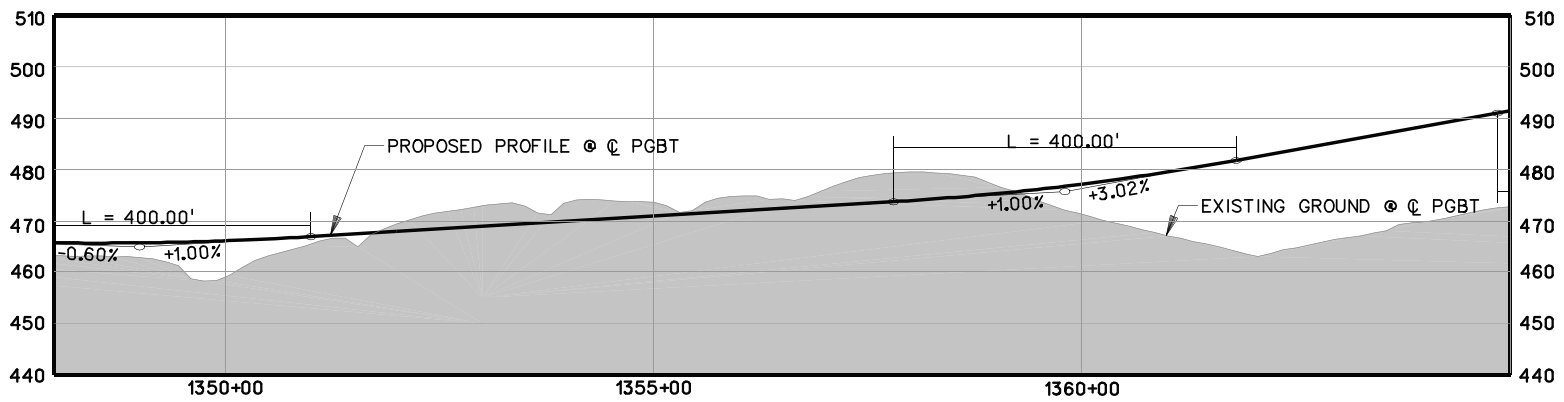
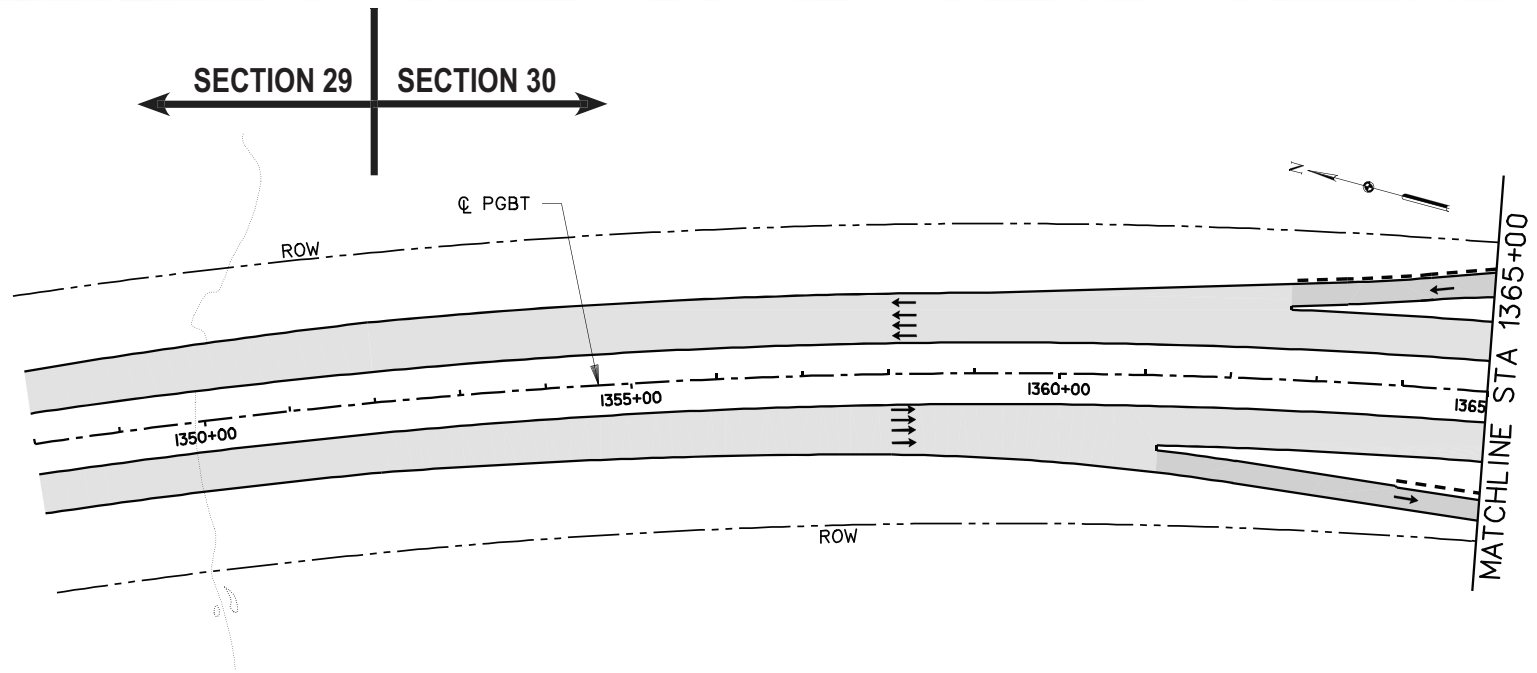




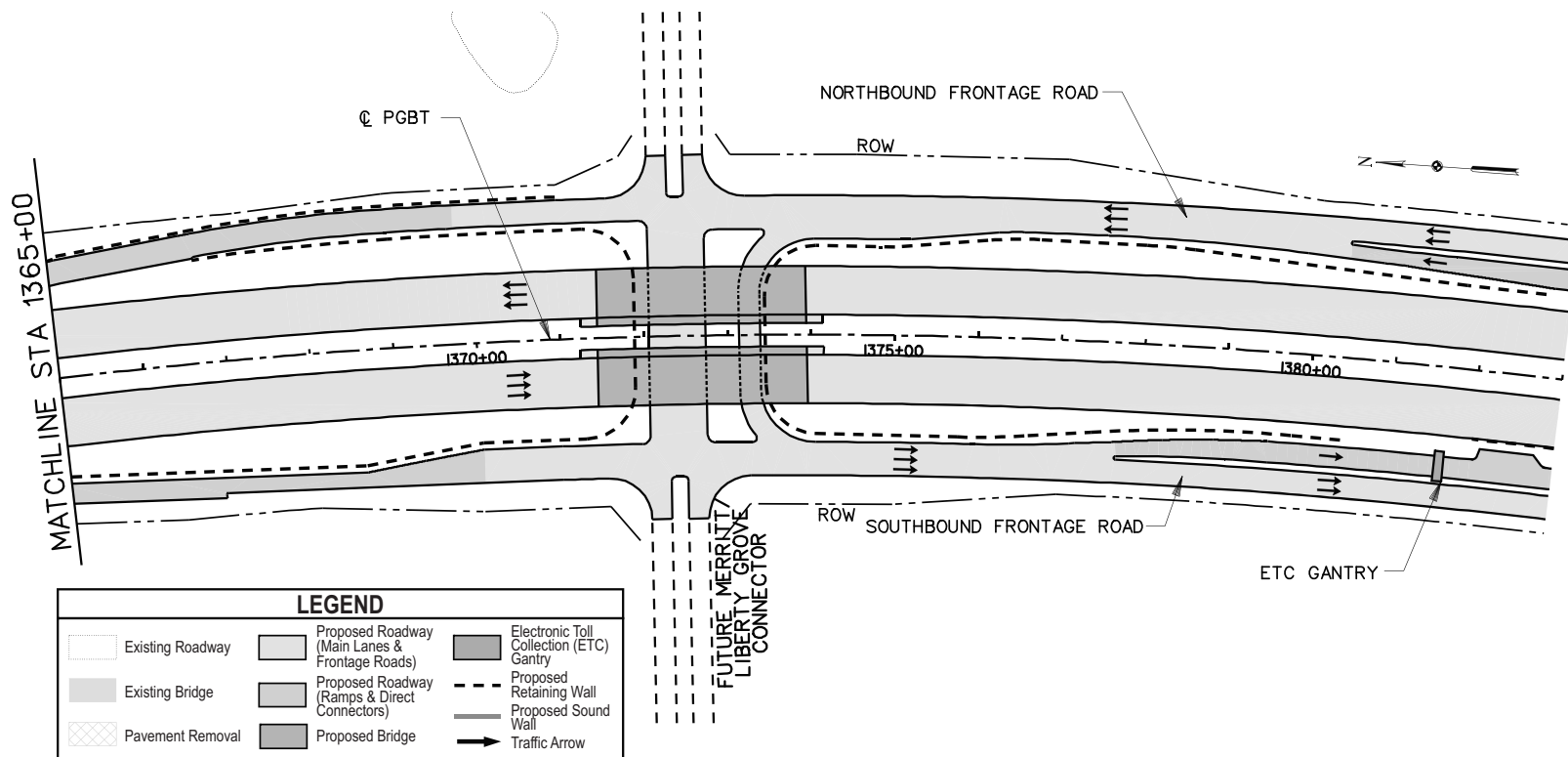
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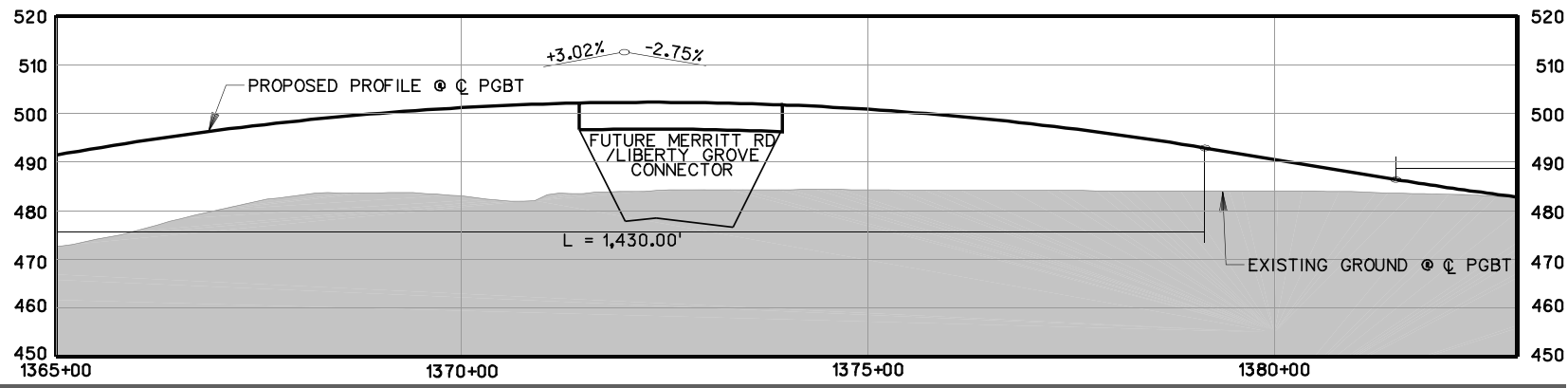




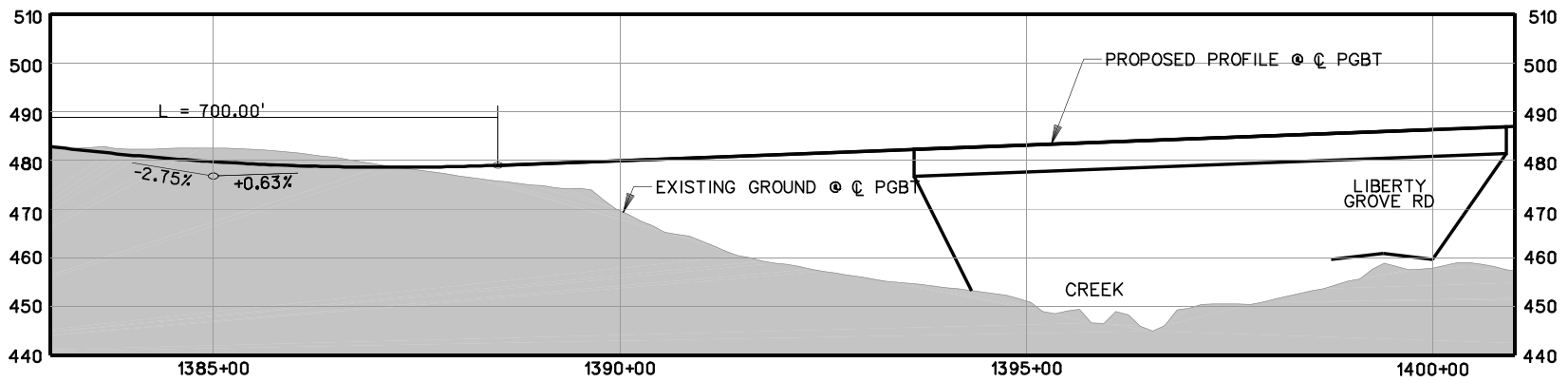
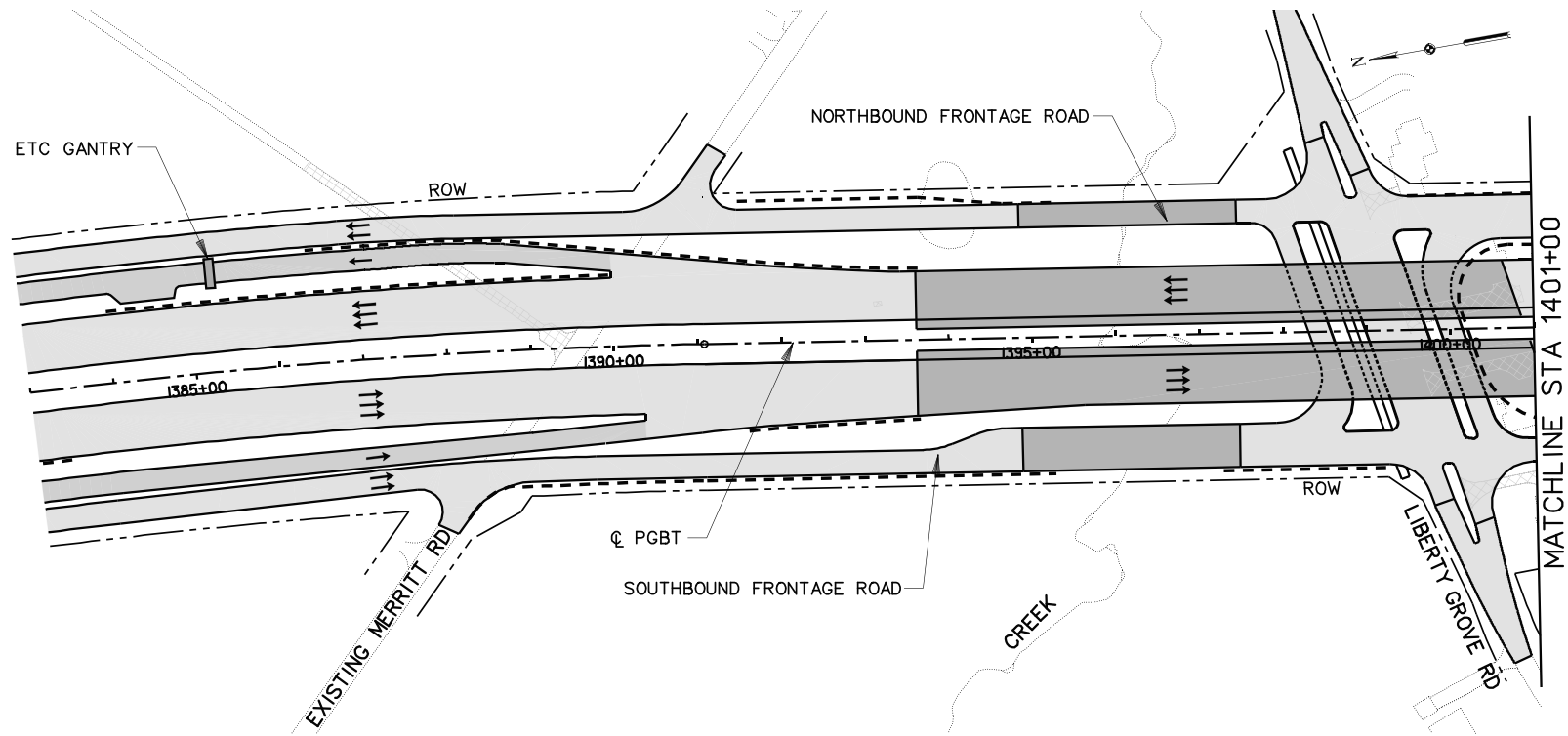
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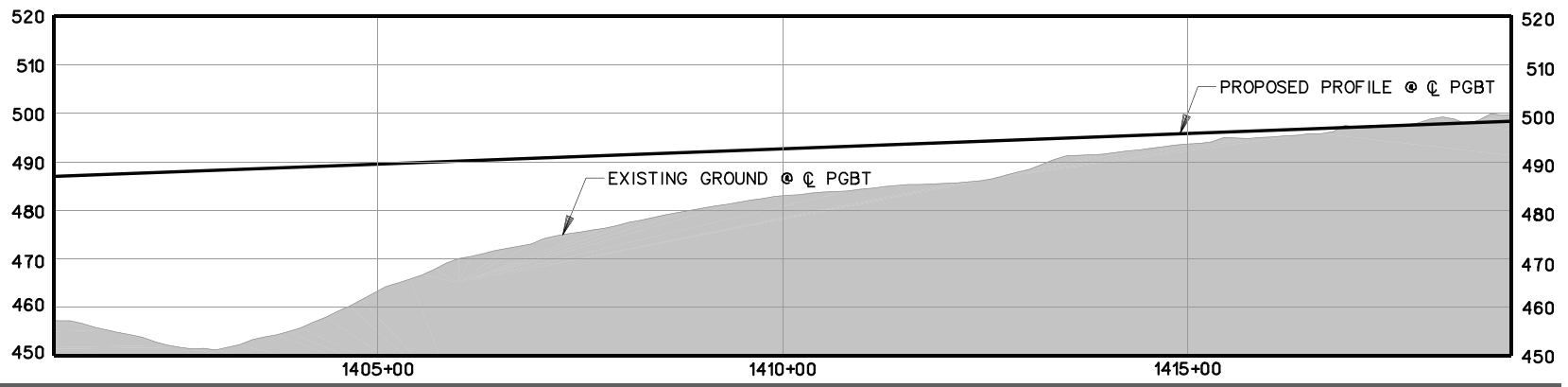
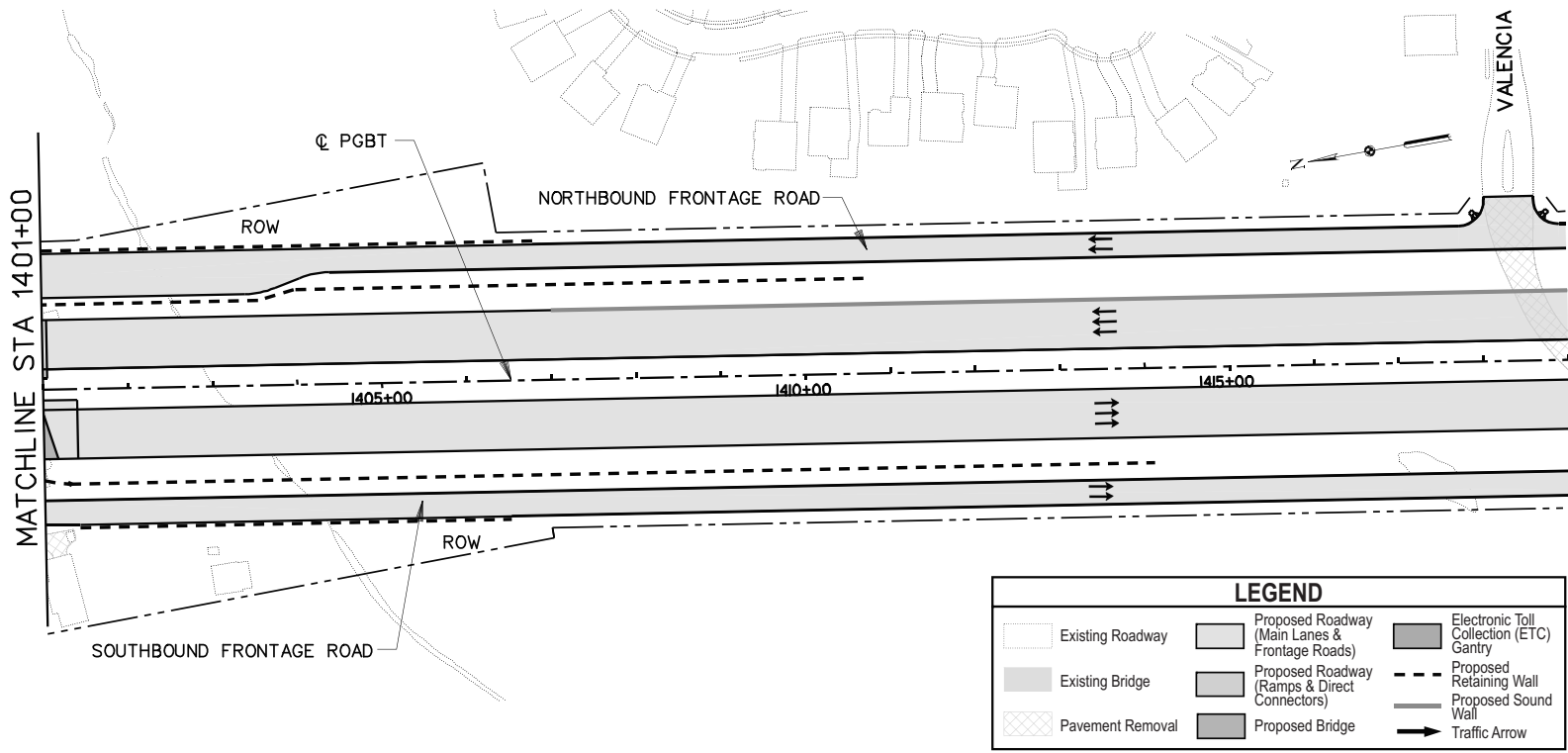
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			Traffic Arrow

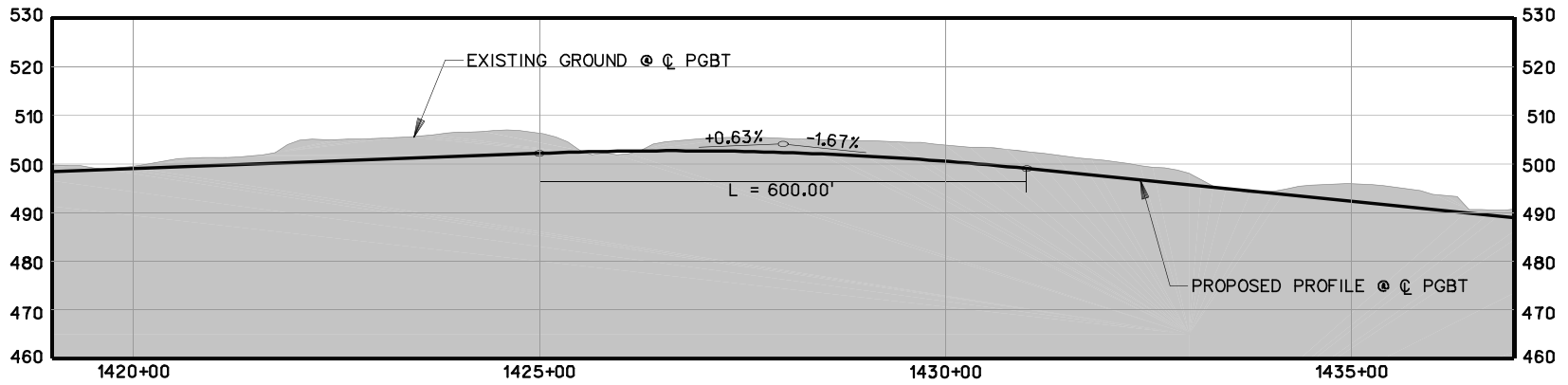
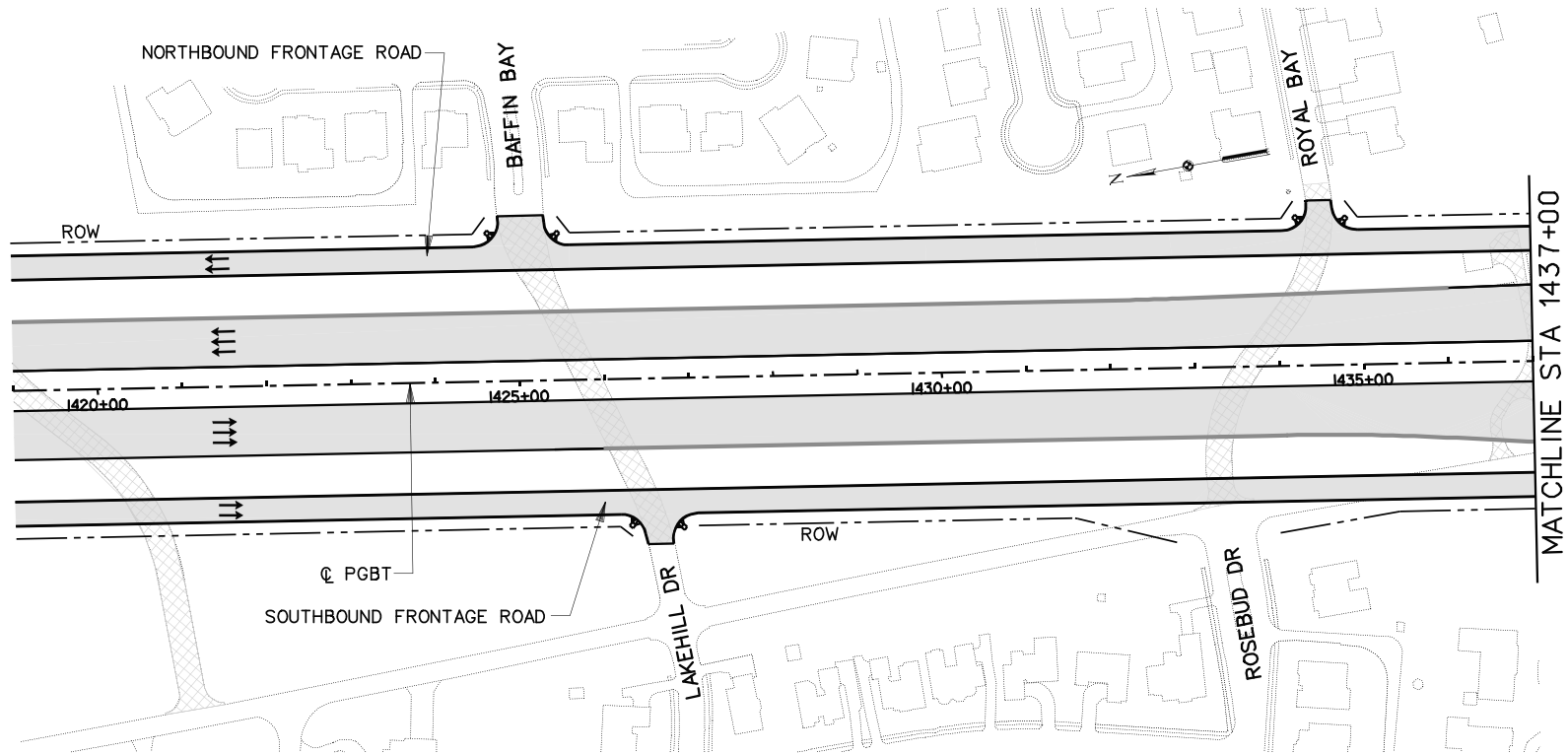




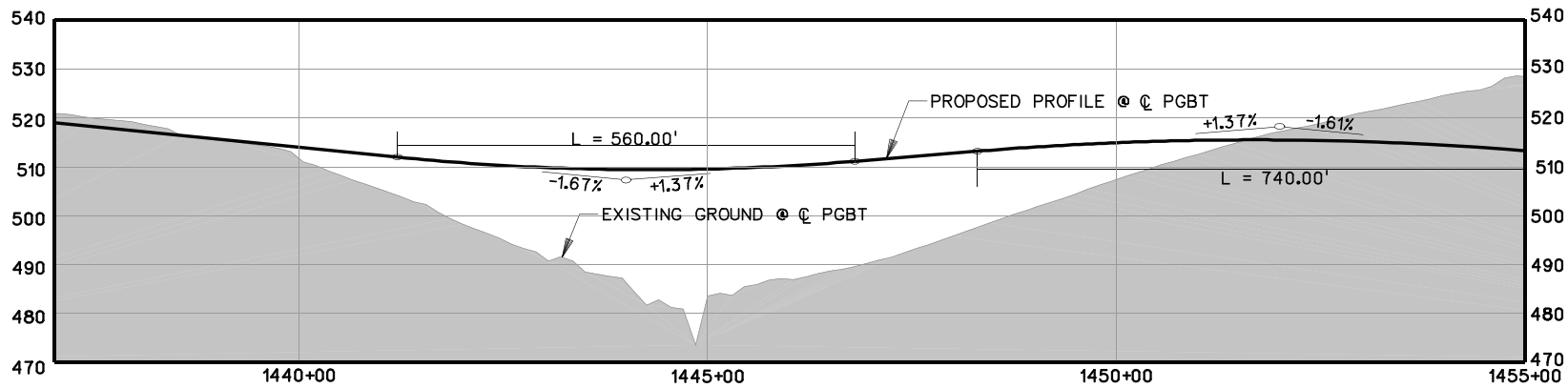
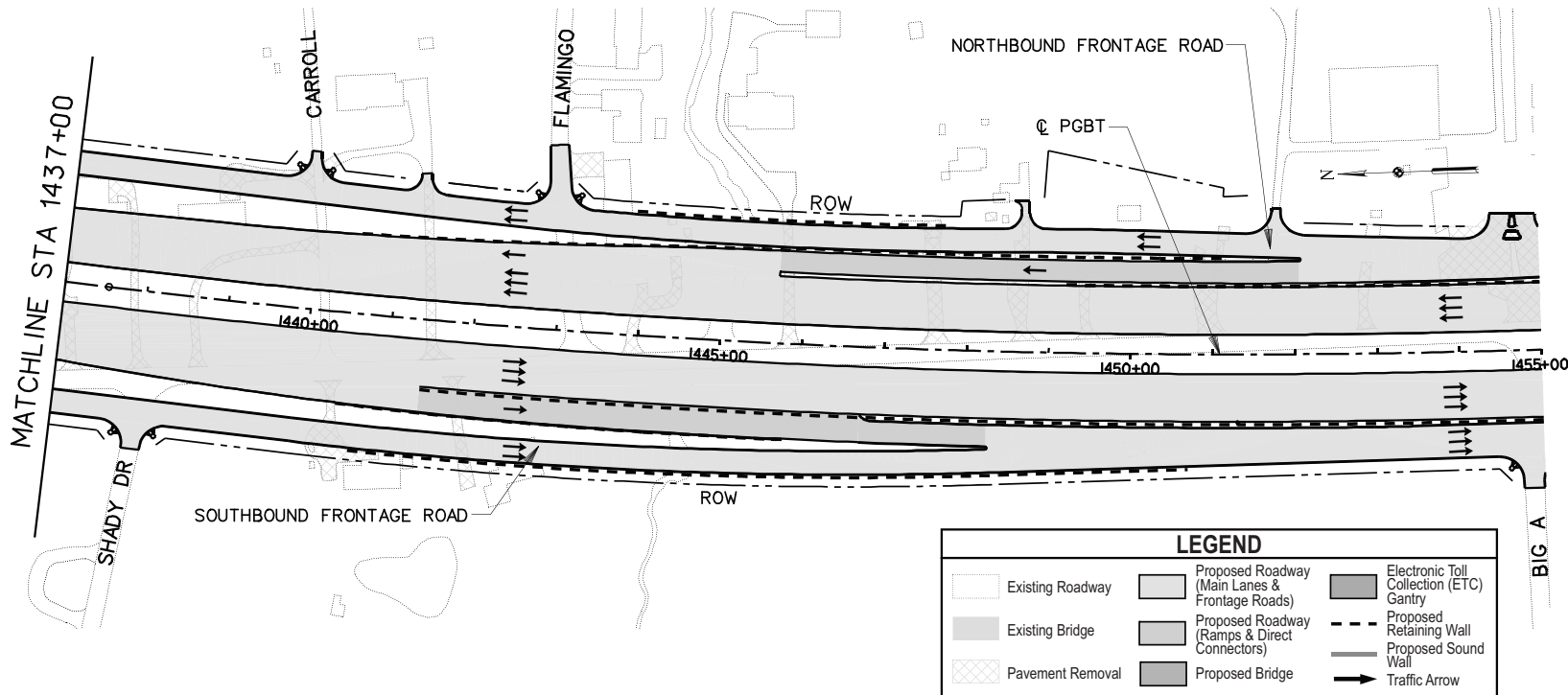


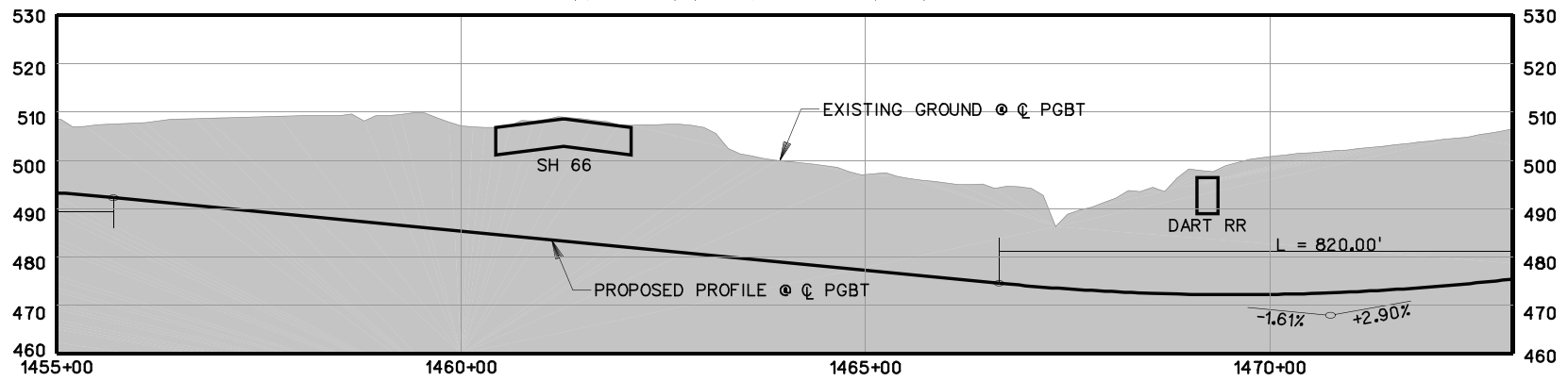
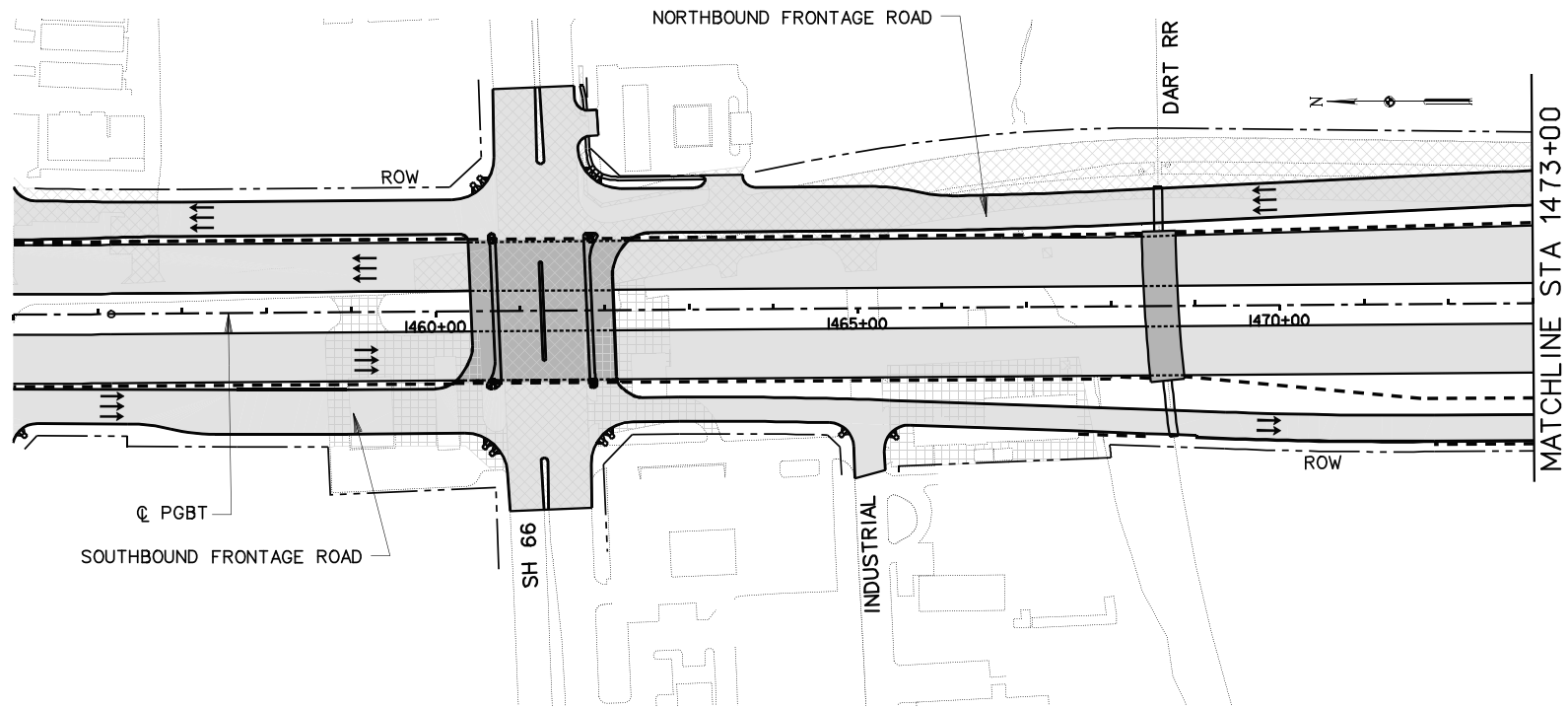
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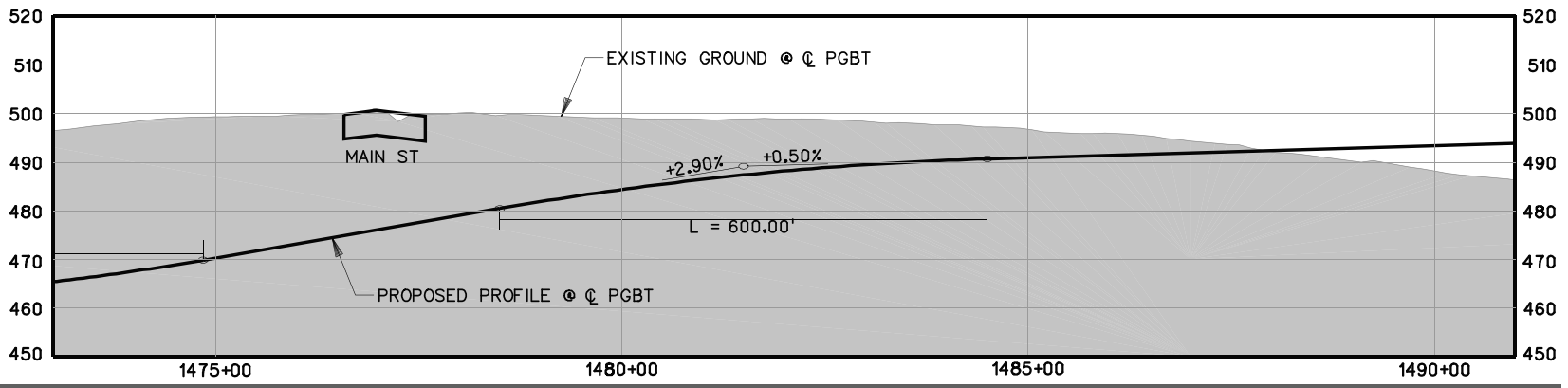
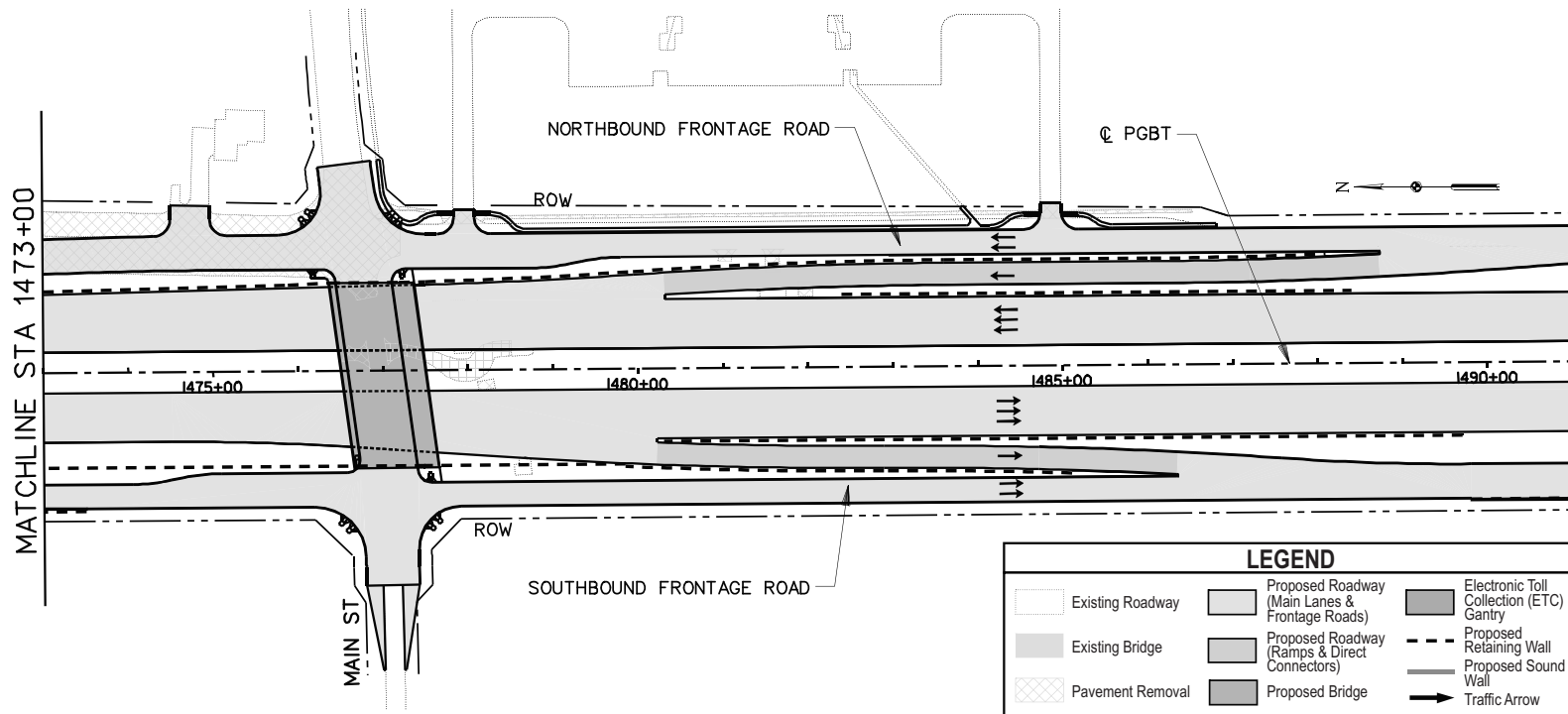


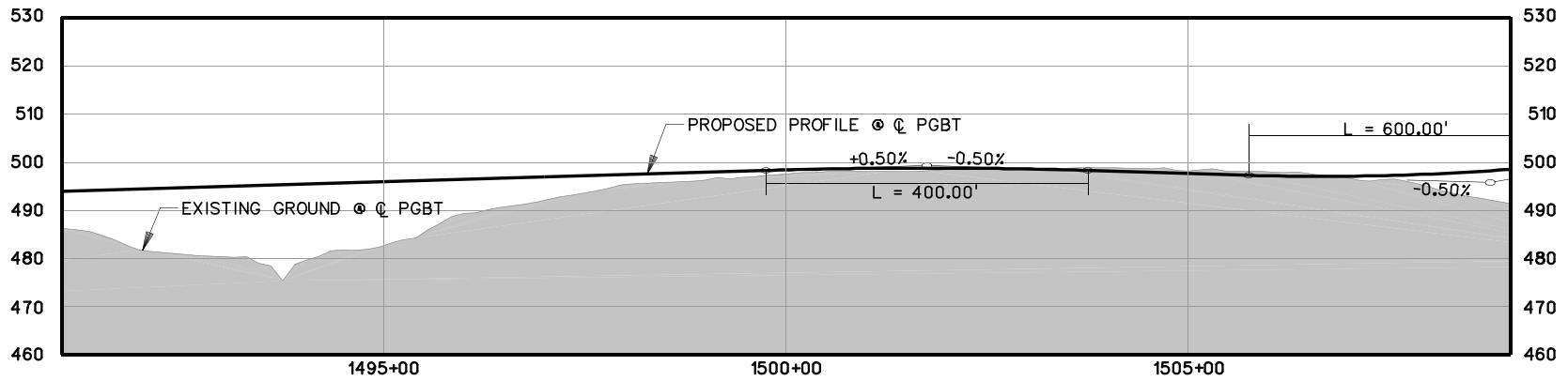
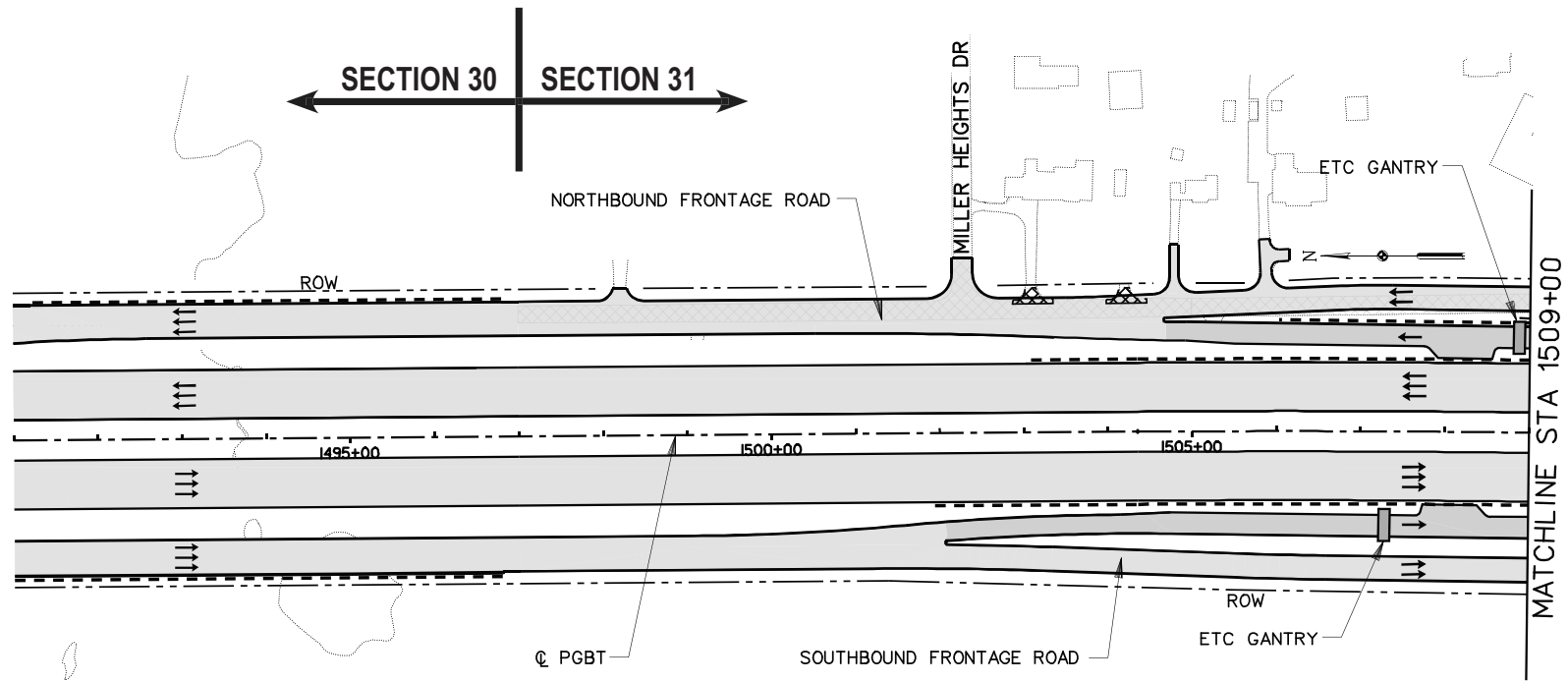
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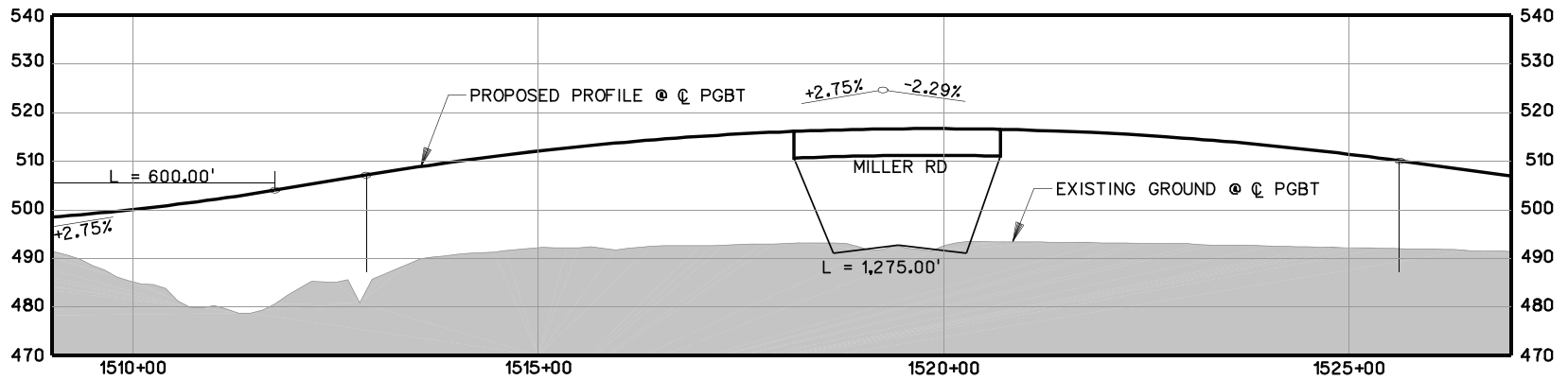
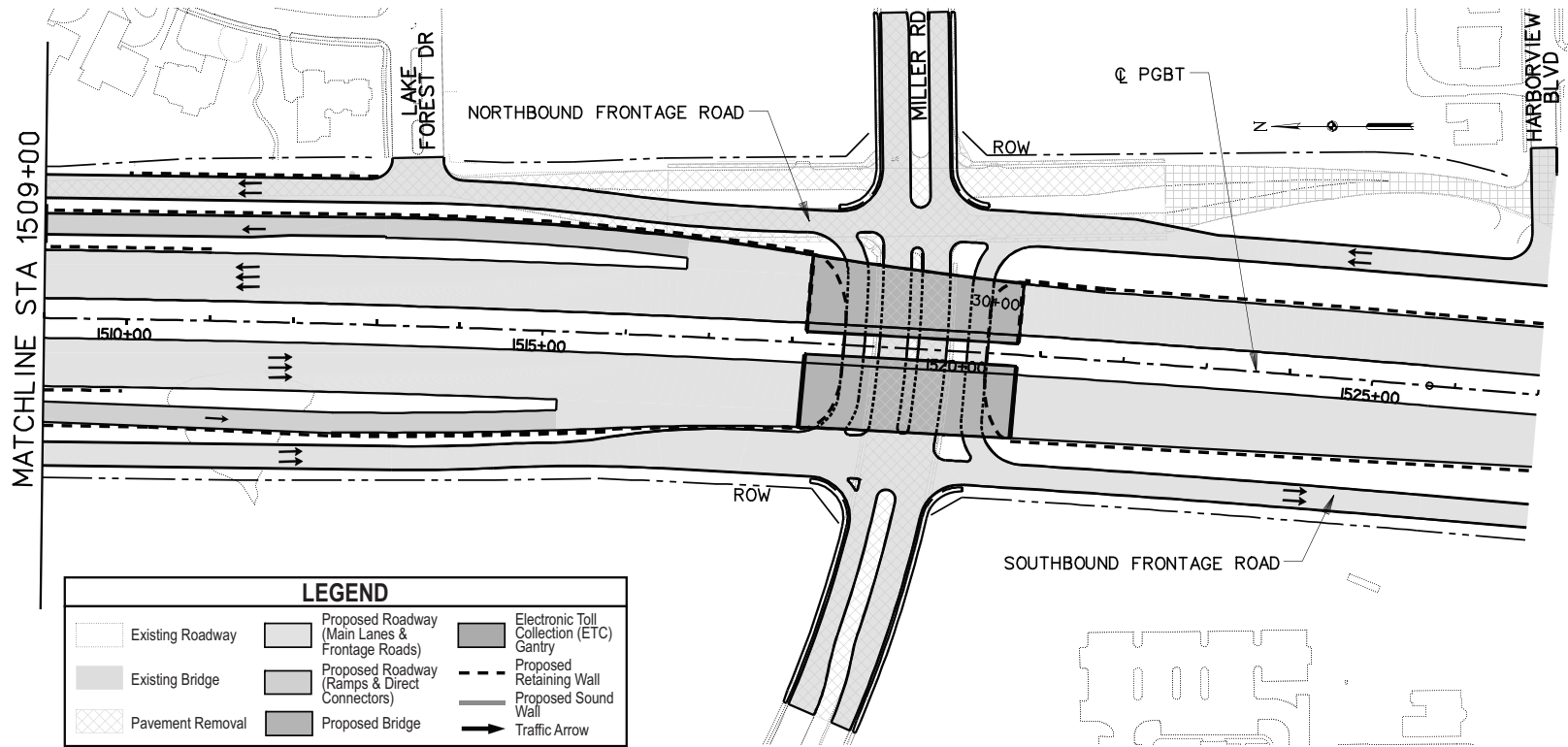
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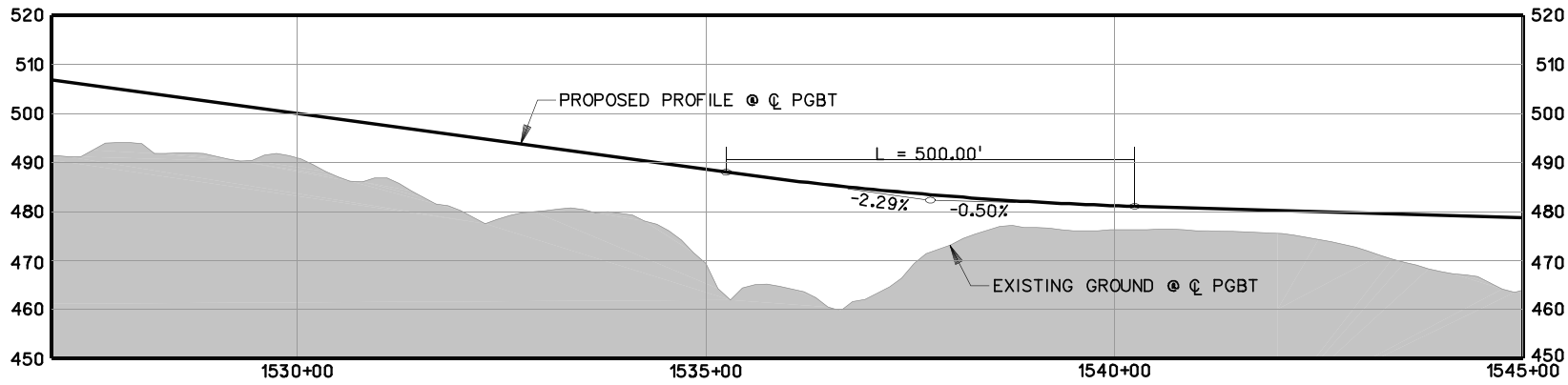
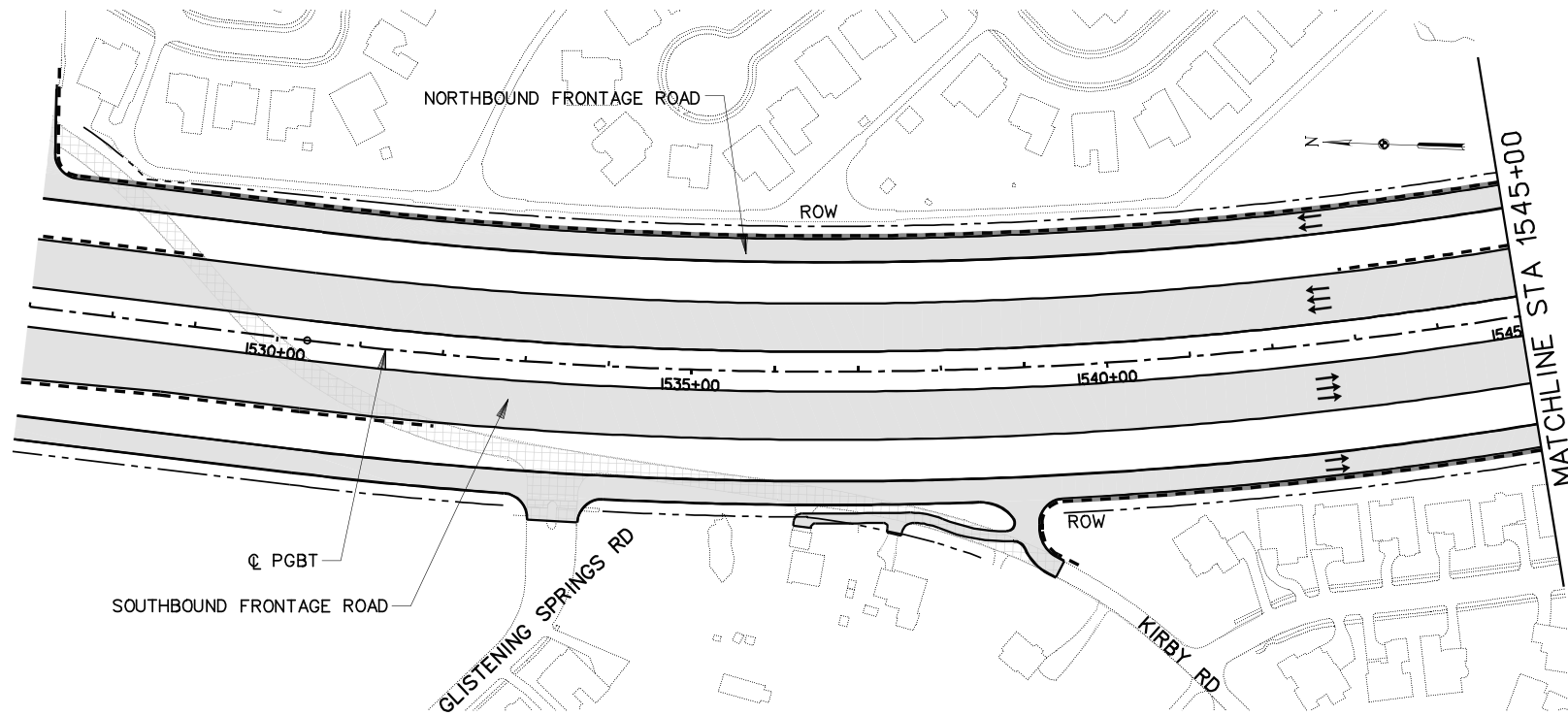




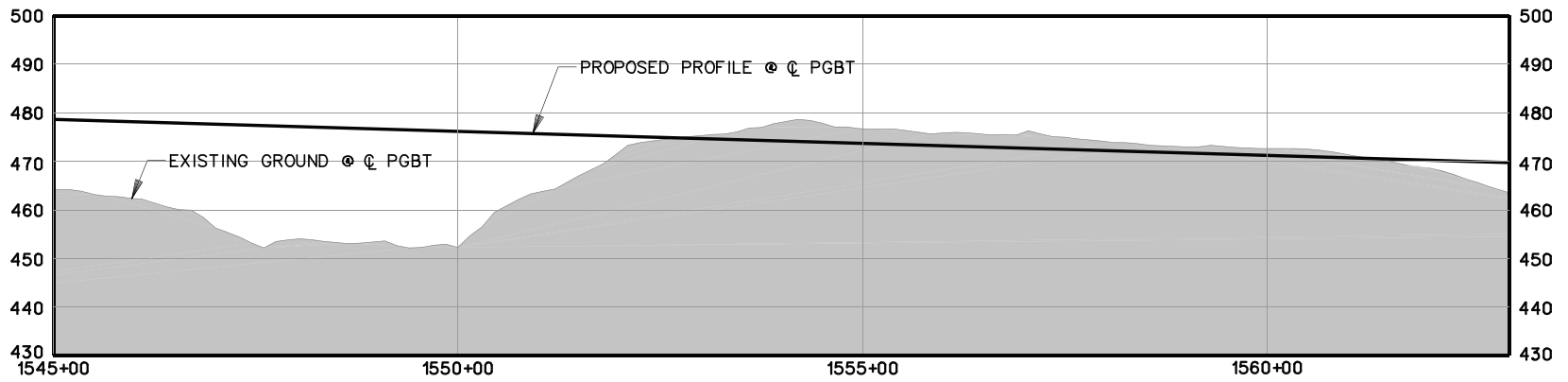
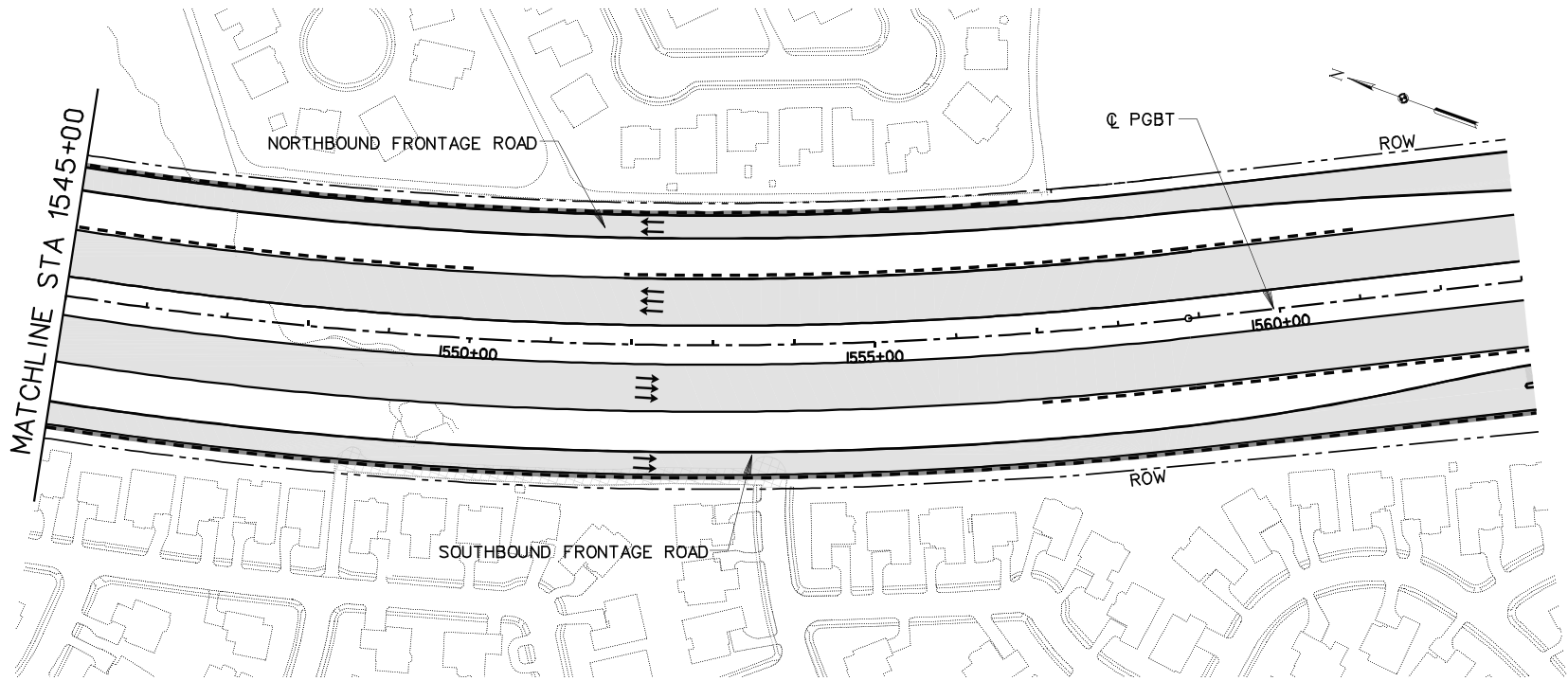


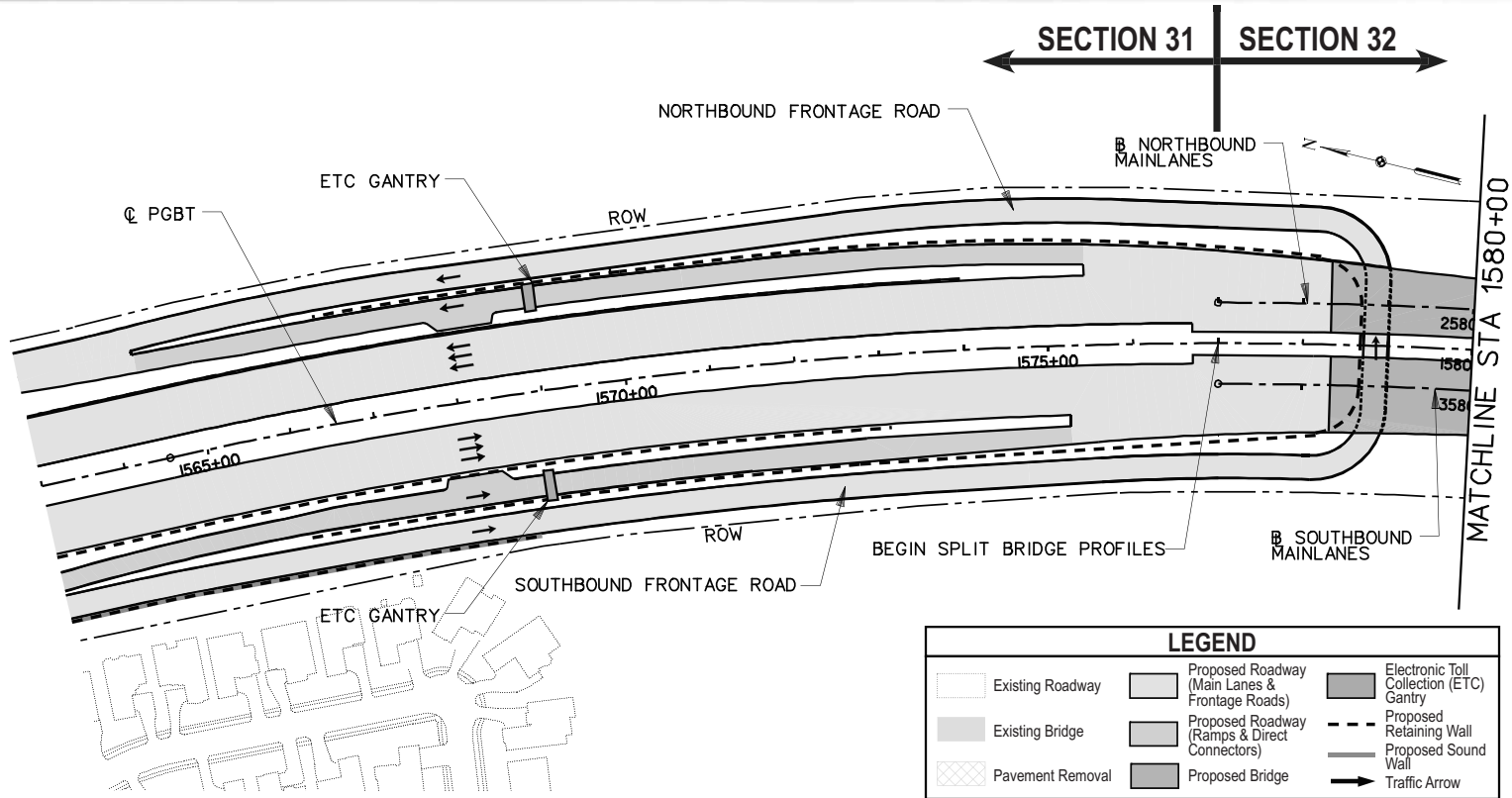
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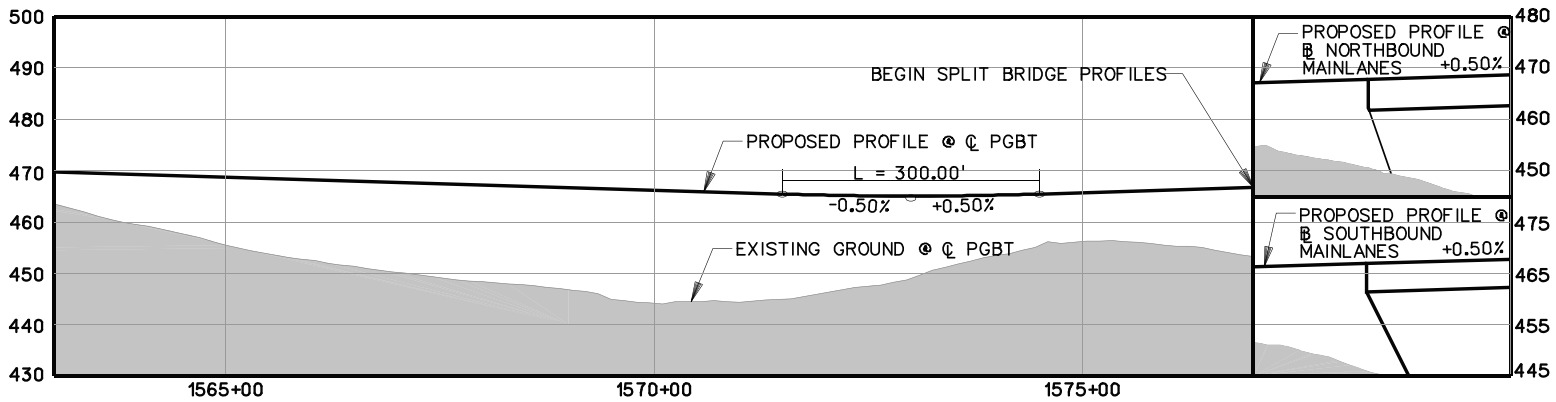


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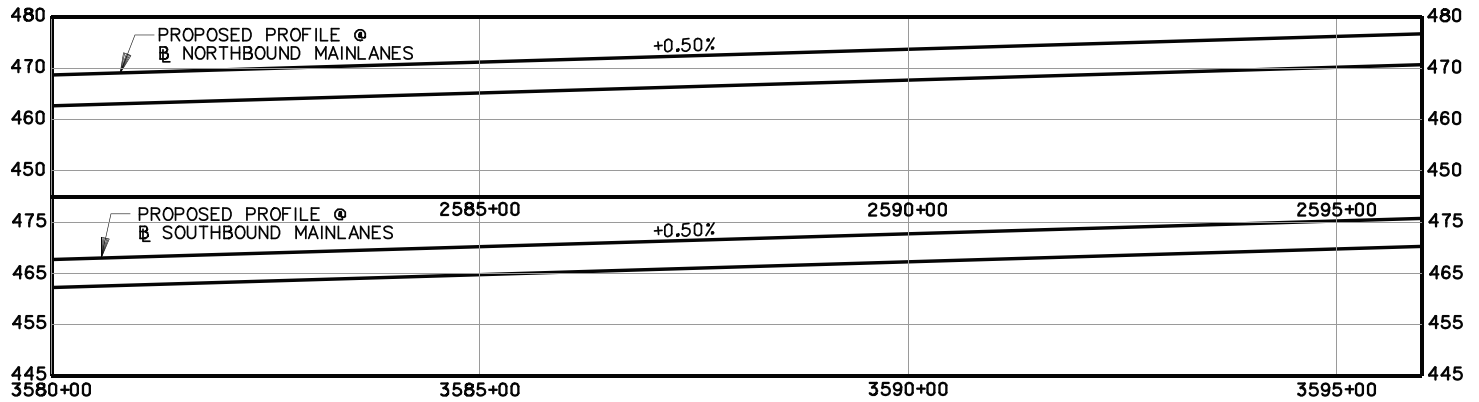
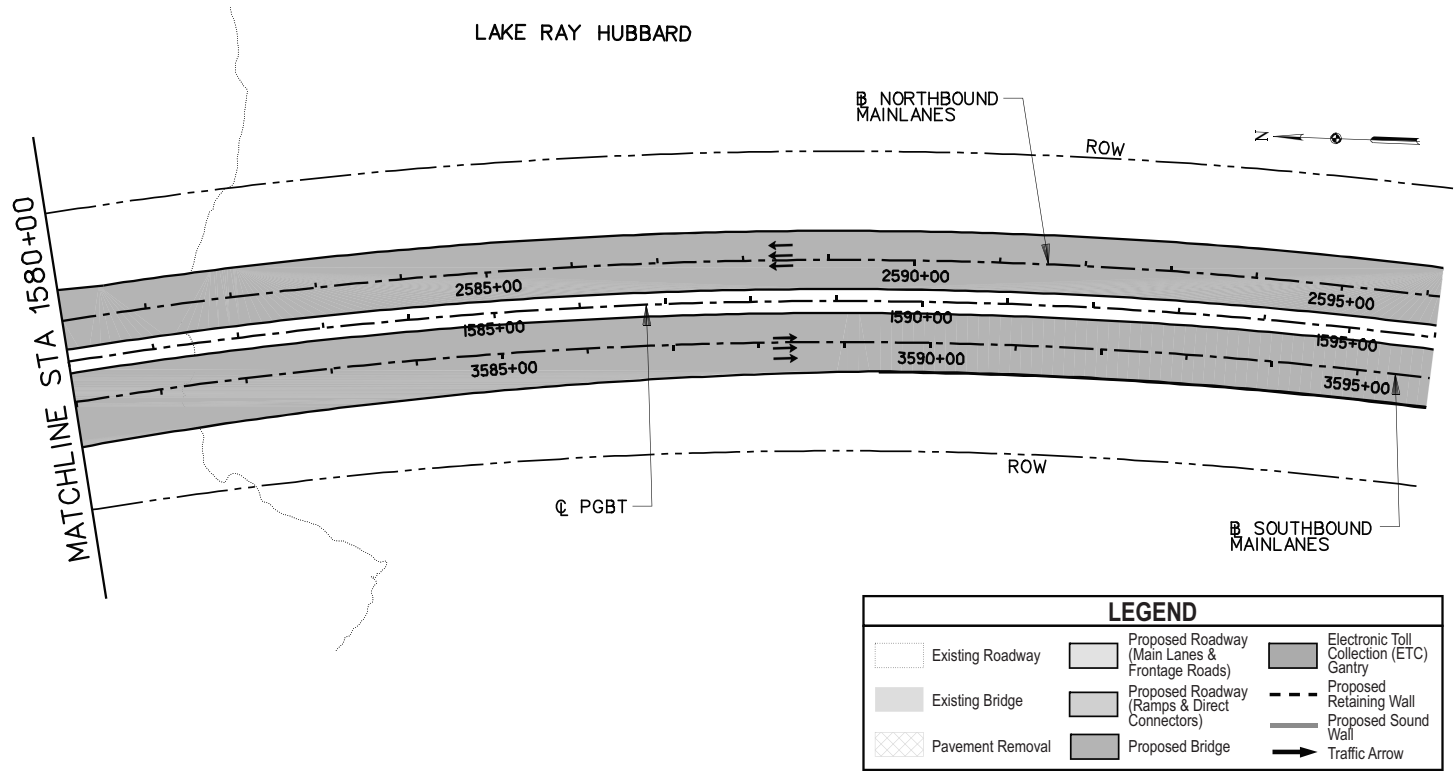




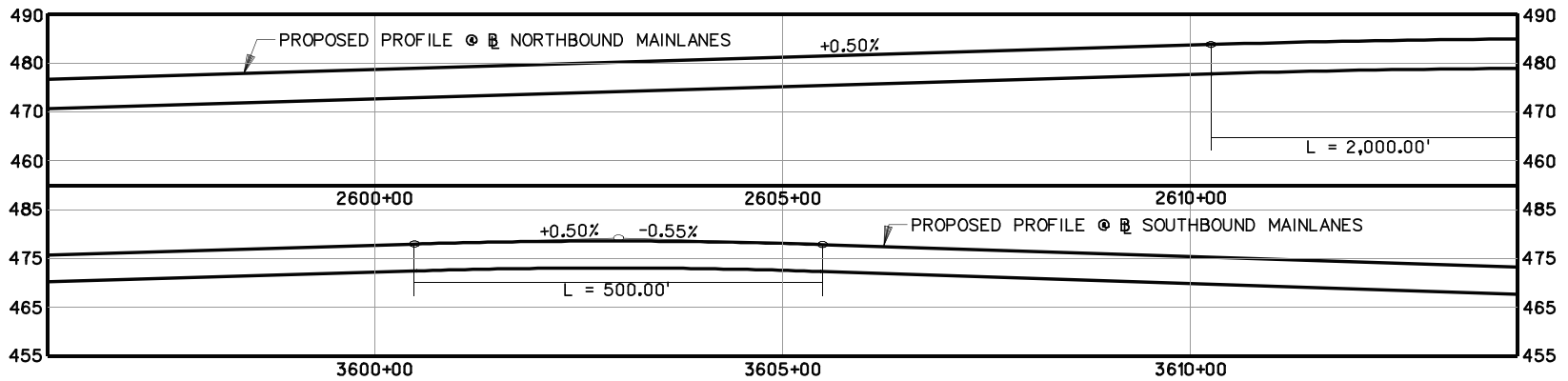
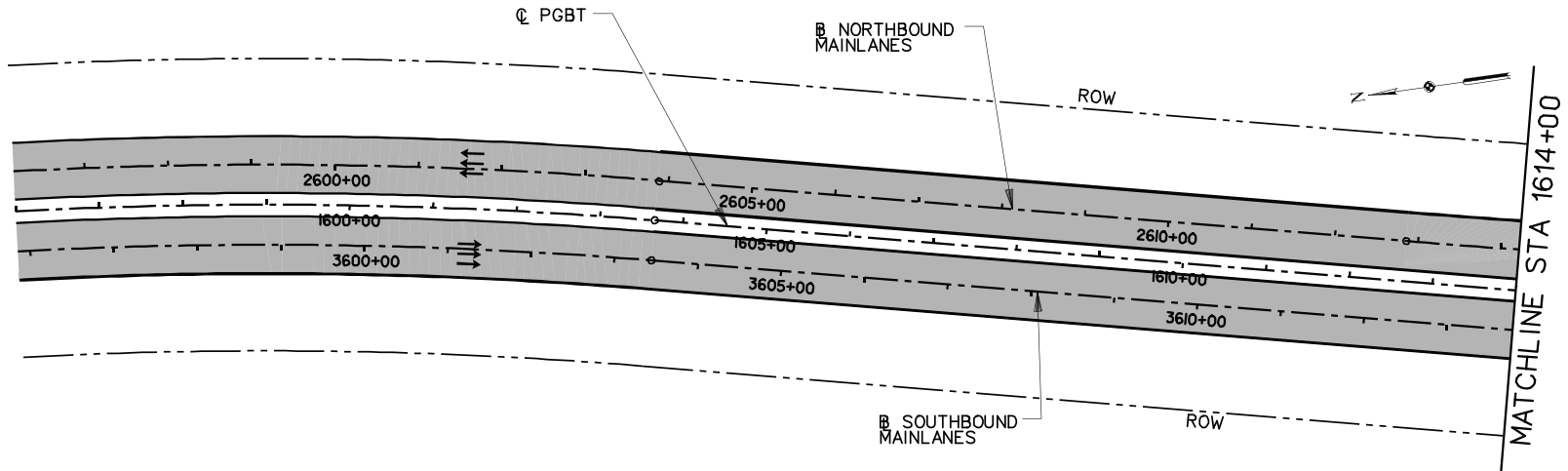
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	Existing Bridge	Proposed Roadway (Ramps & Direct Connectors)
	Pavement Removal	Proposed Bridge
	Electronic Toll Collection (ETC) Gantry	Proposed Retaining Wall
	Proposed Retaining Wall	Proposed Sound Wall
	Traffic Arrow	



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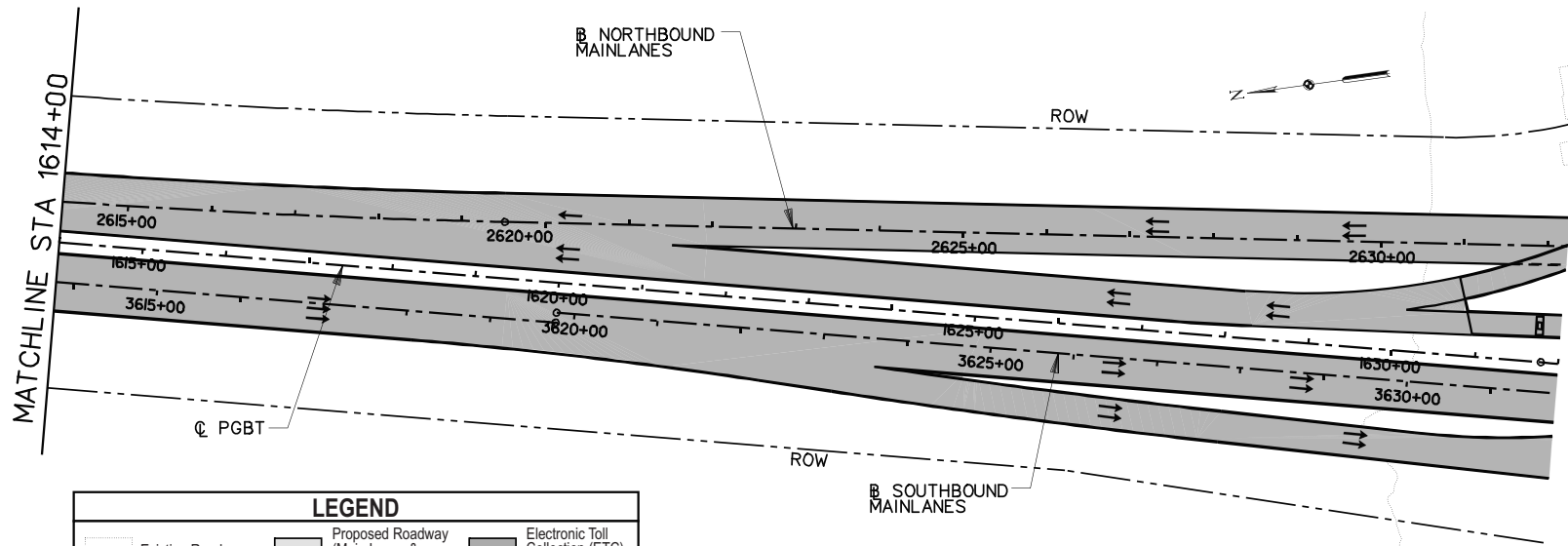


LAKE RAY HUBBARD

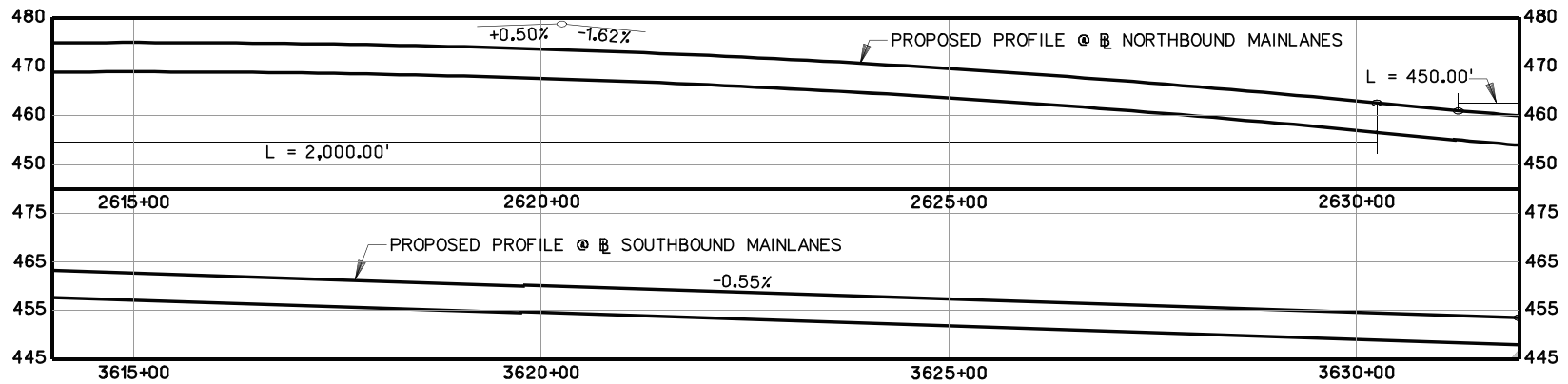


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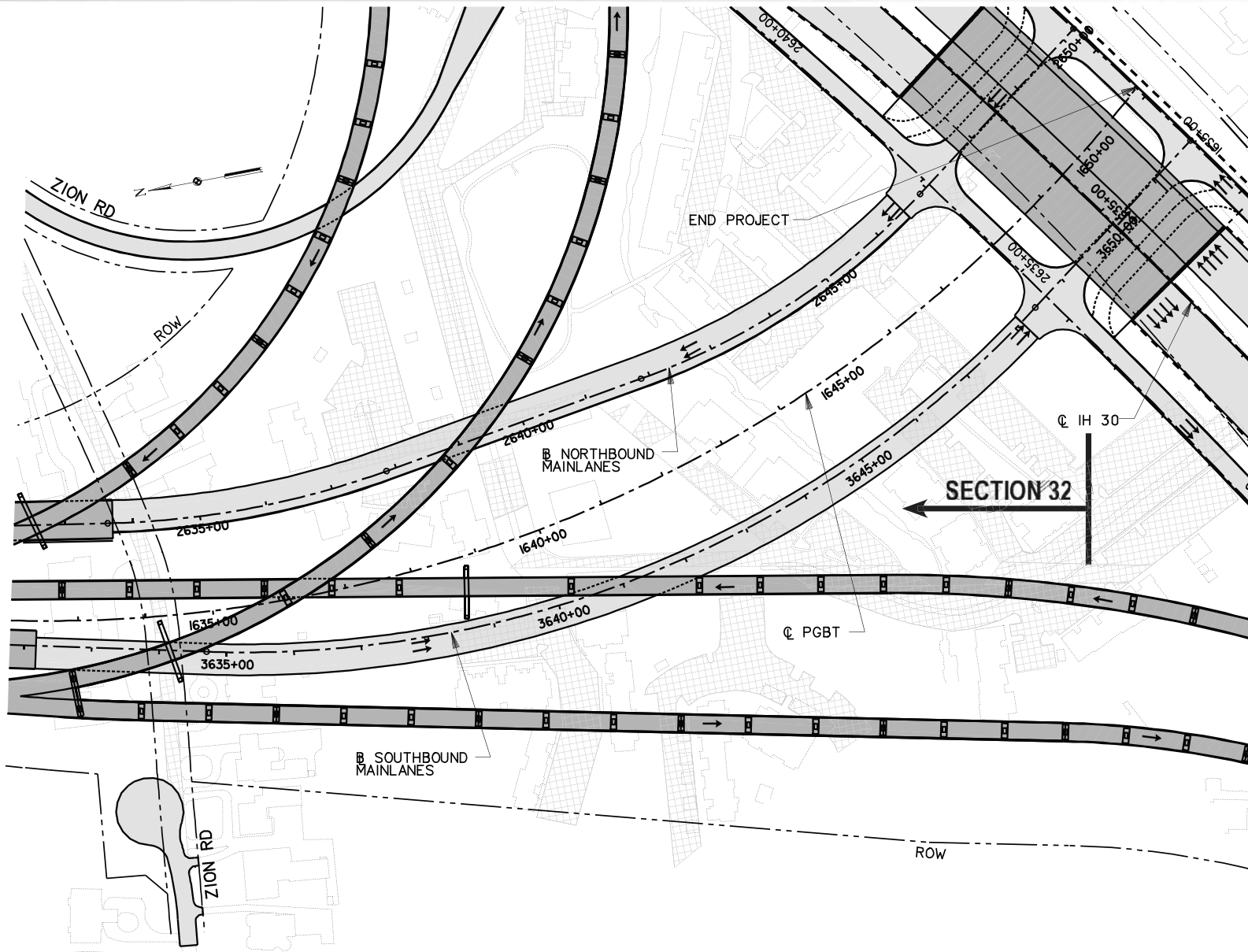
## LAKE RAY HUBBARD



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	Pavement Removal		Proposed Bridge
	Proposed Retaining Wall		Electronic Toll Collection (ETC) Gantry
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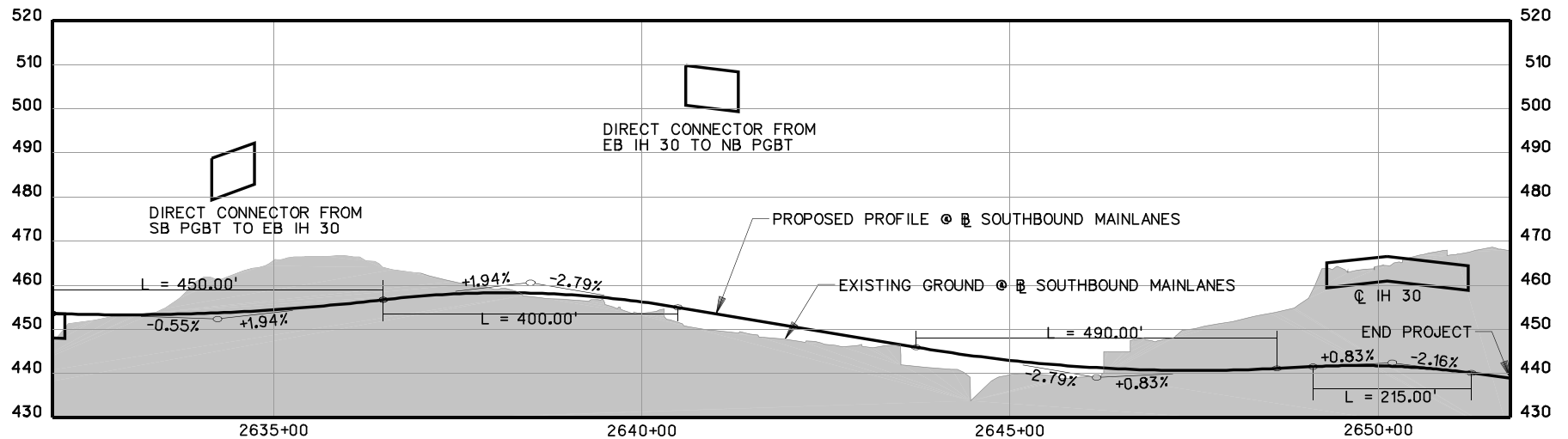
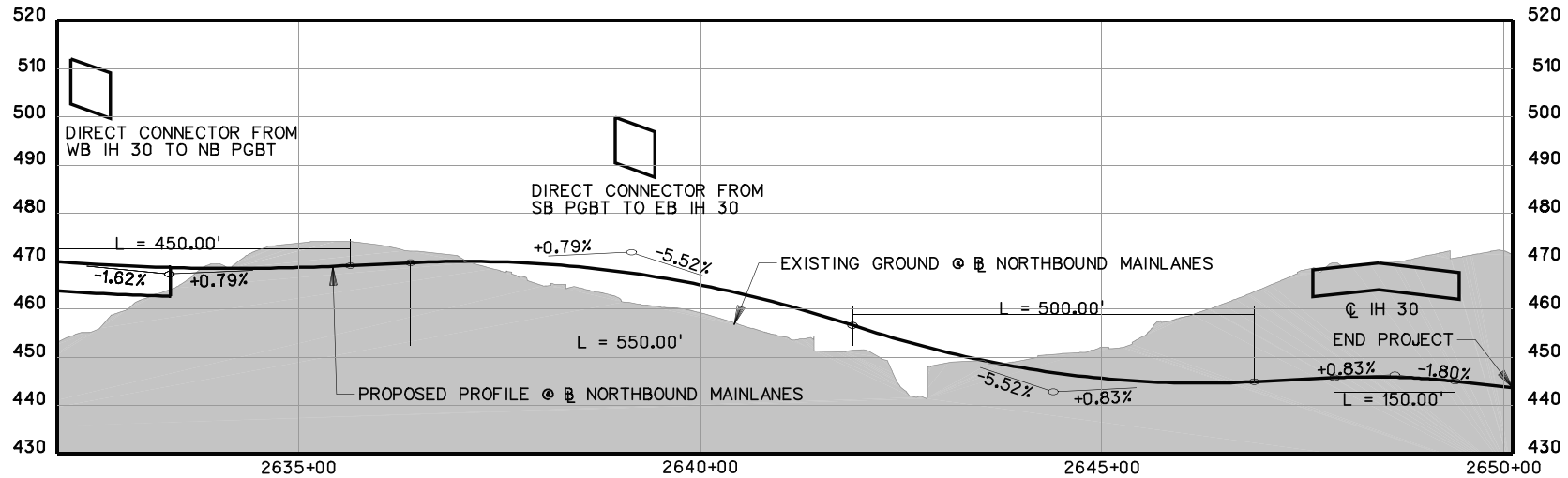


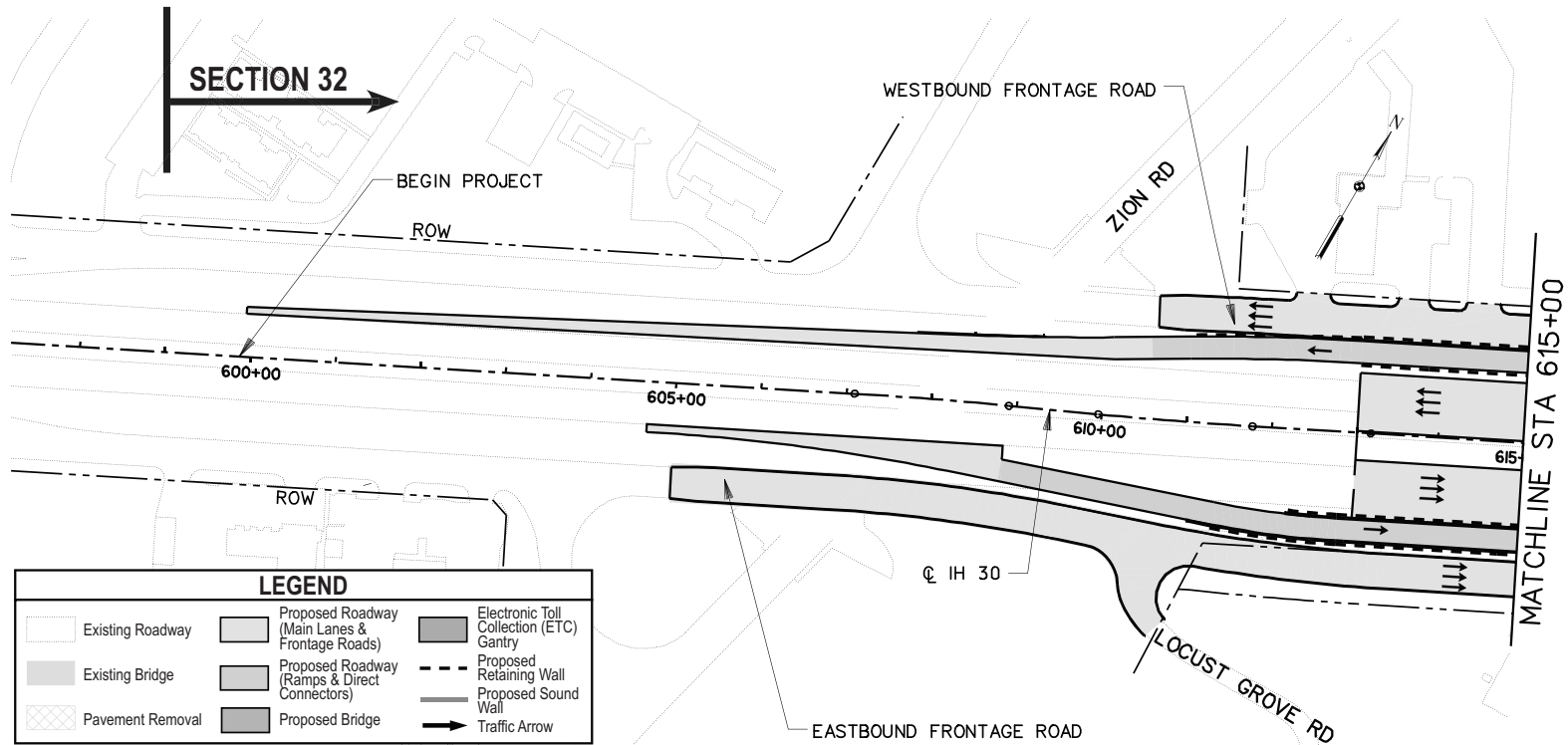


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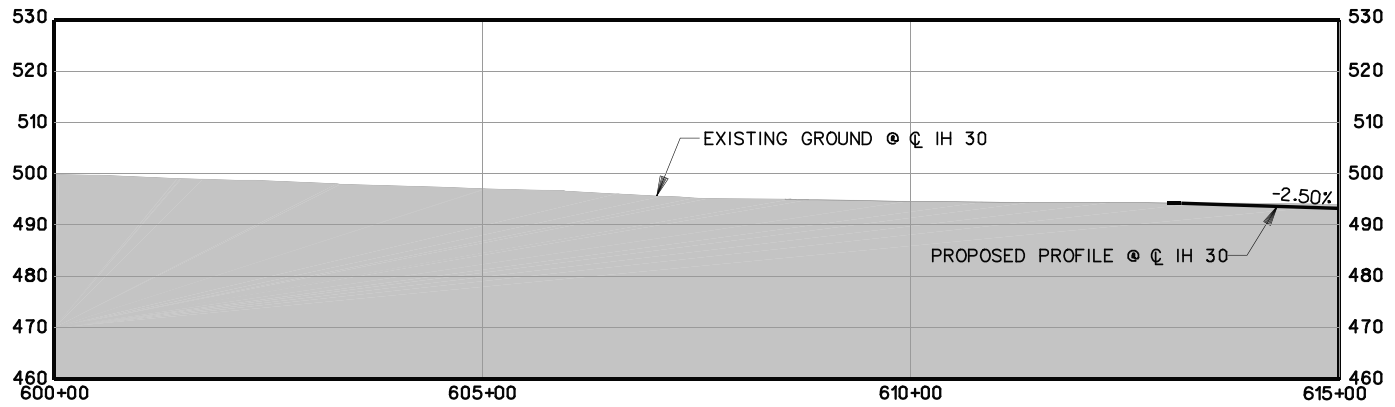
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Plate 16 Profiles

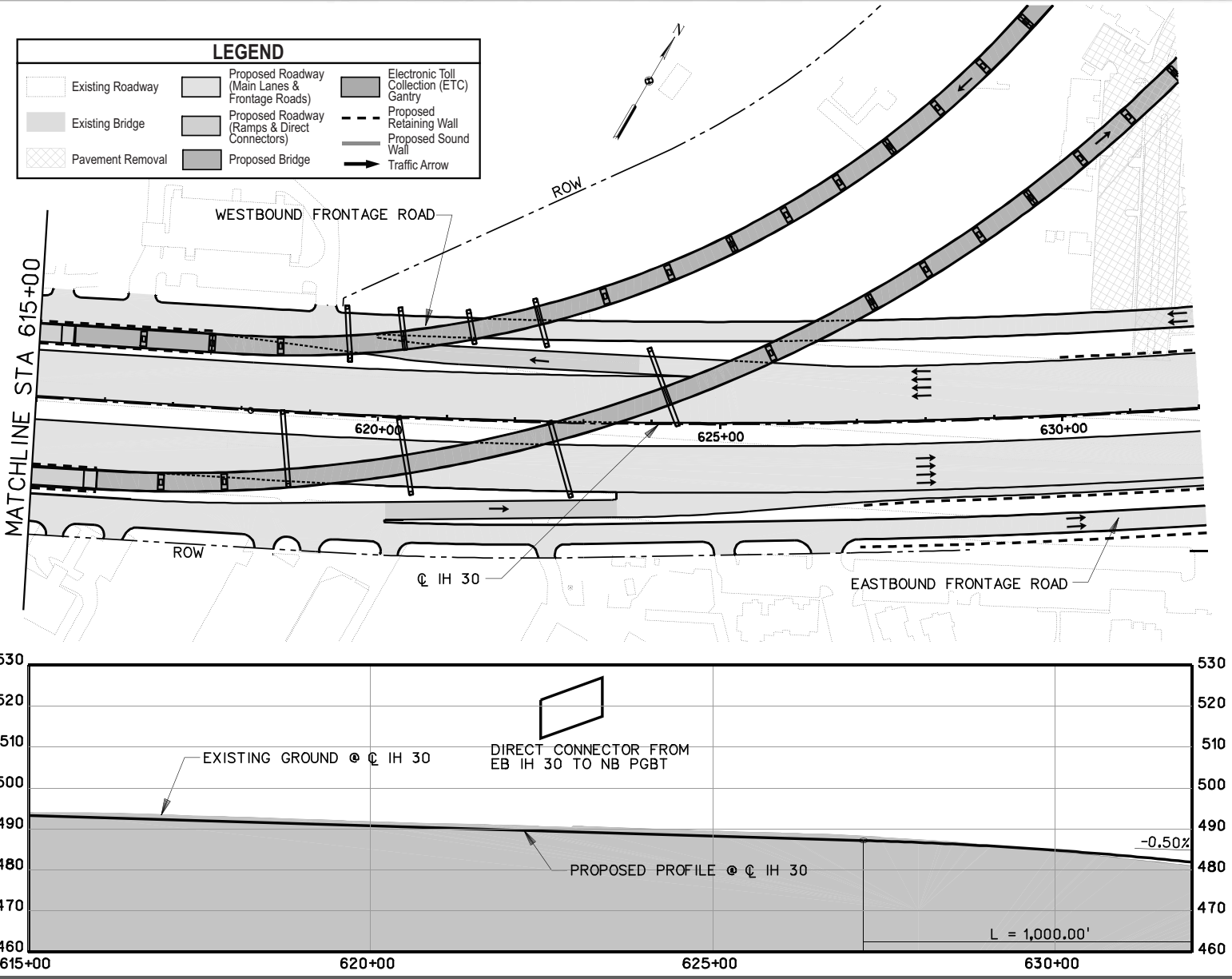


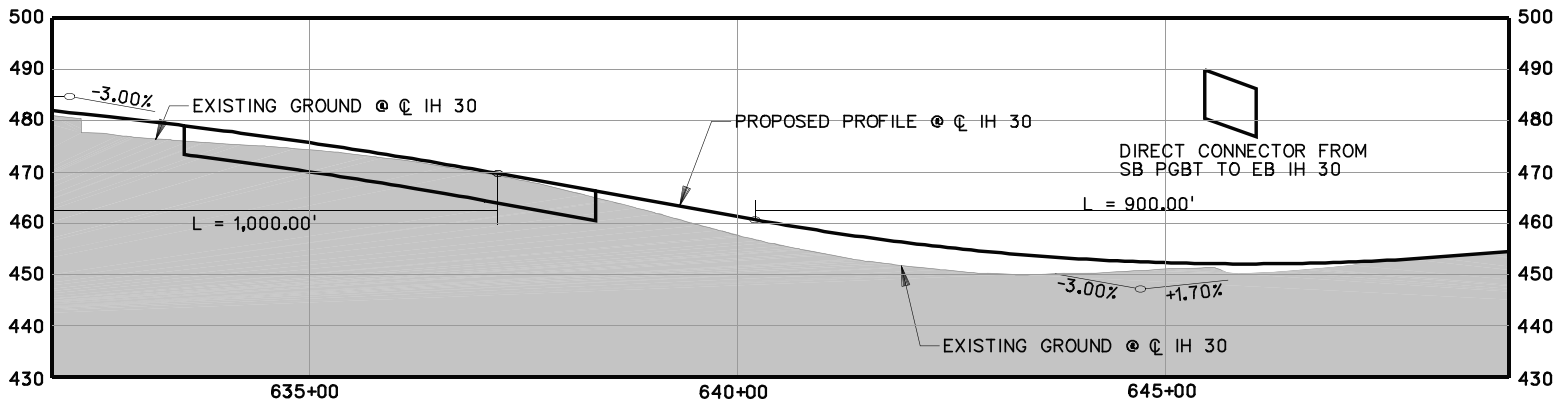
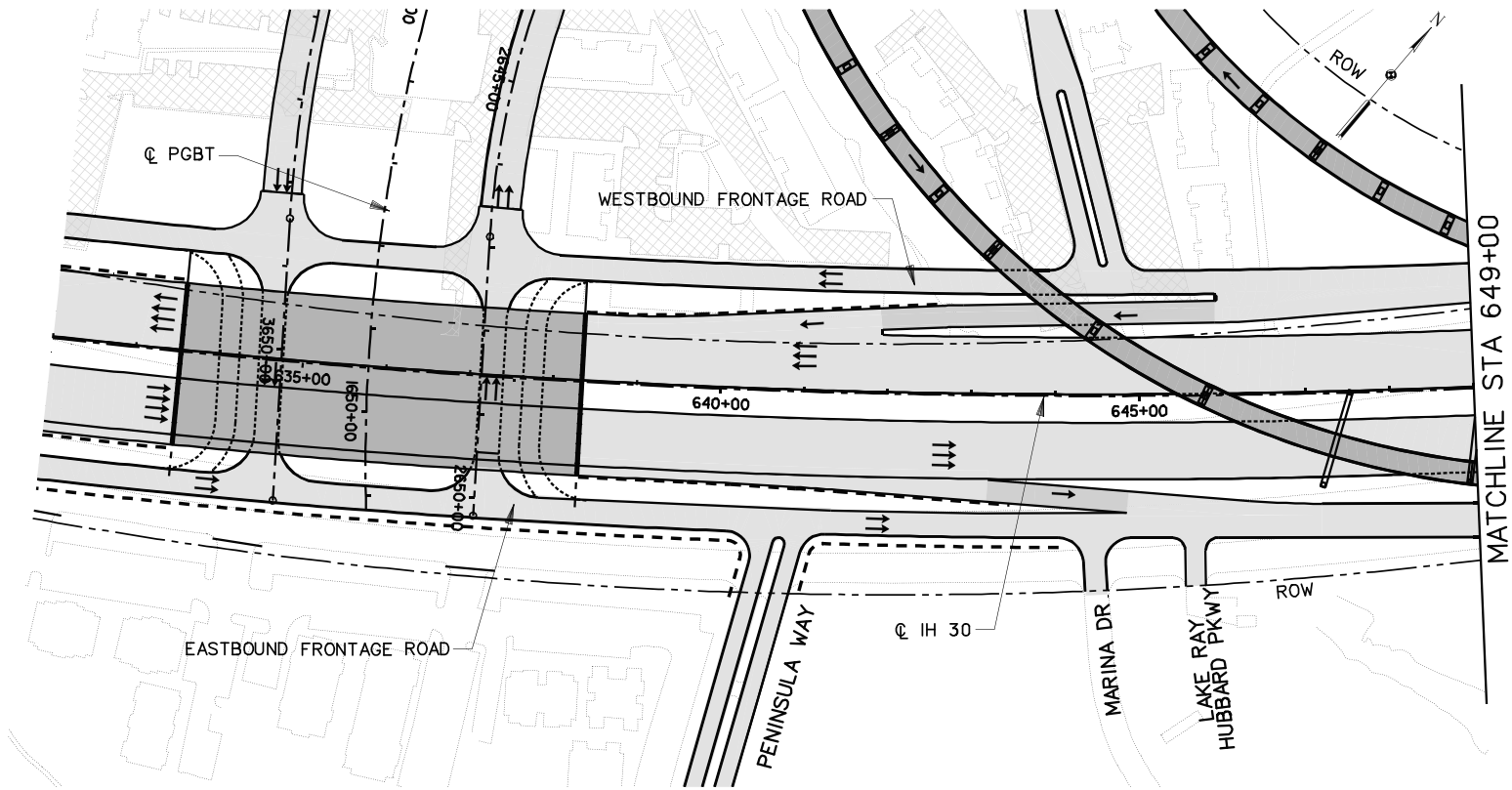


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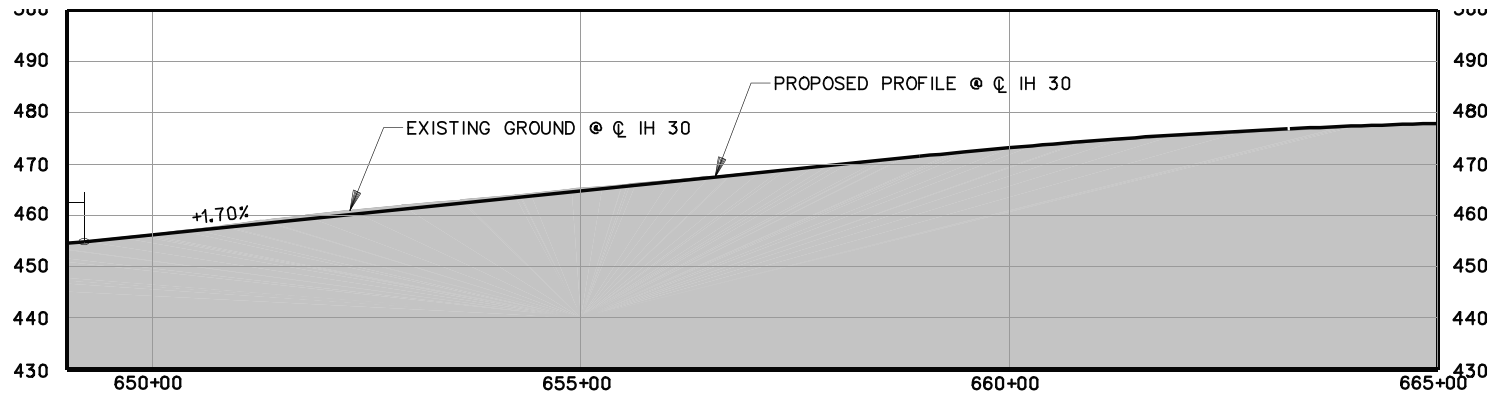
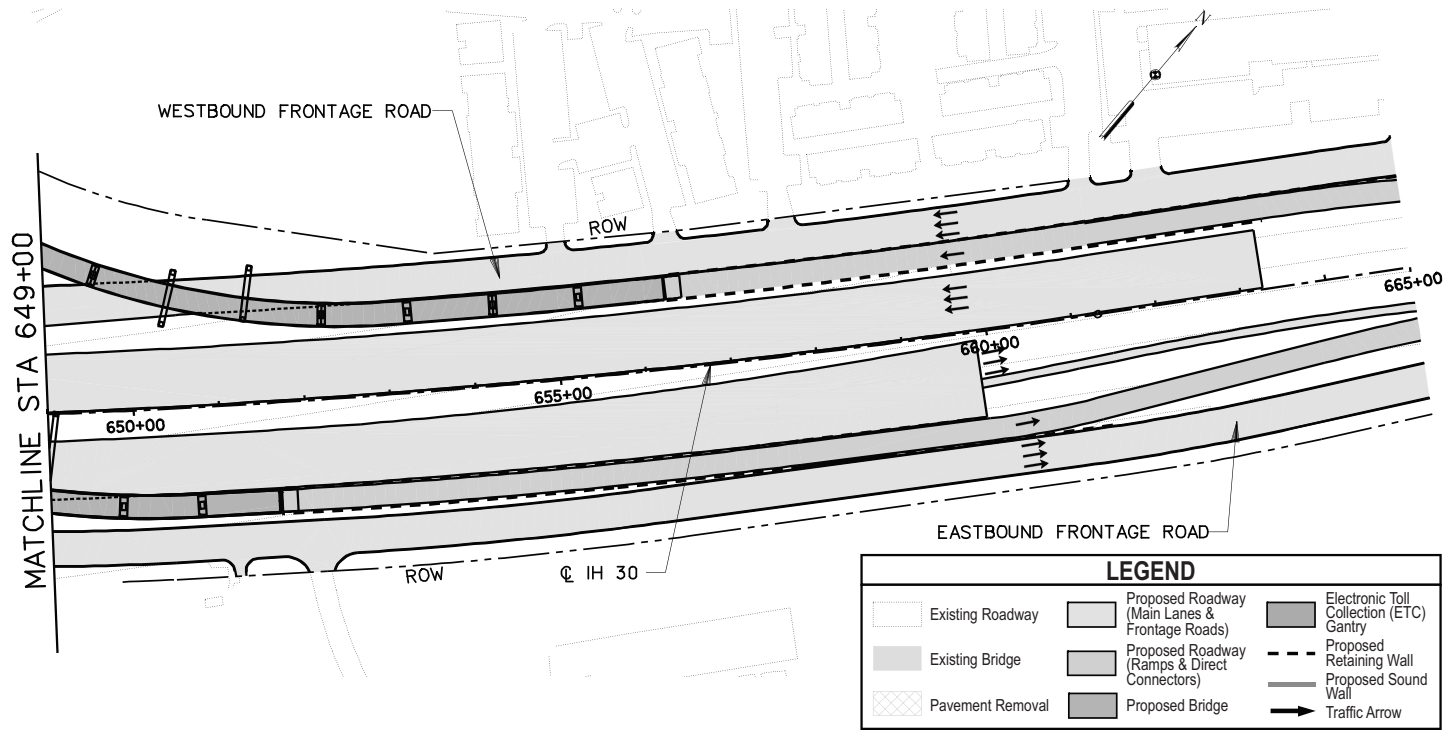
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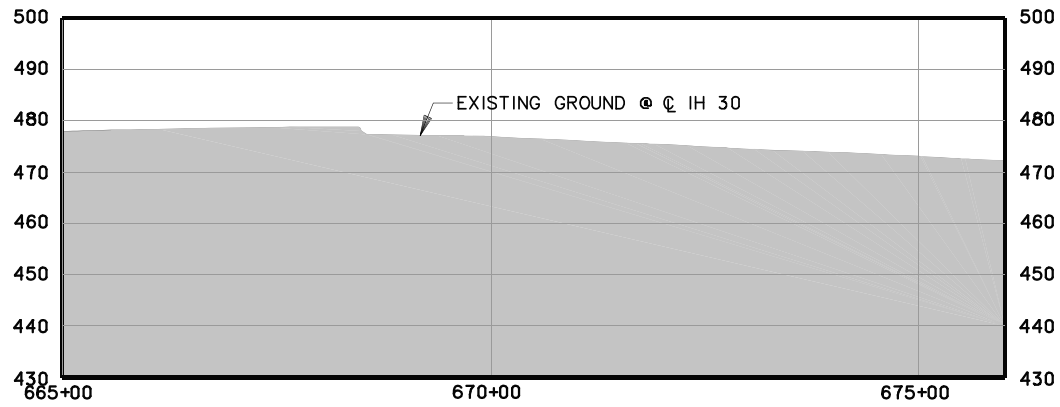
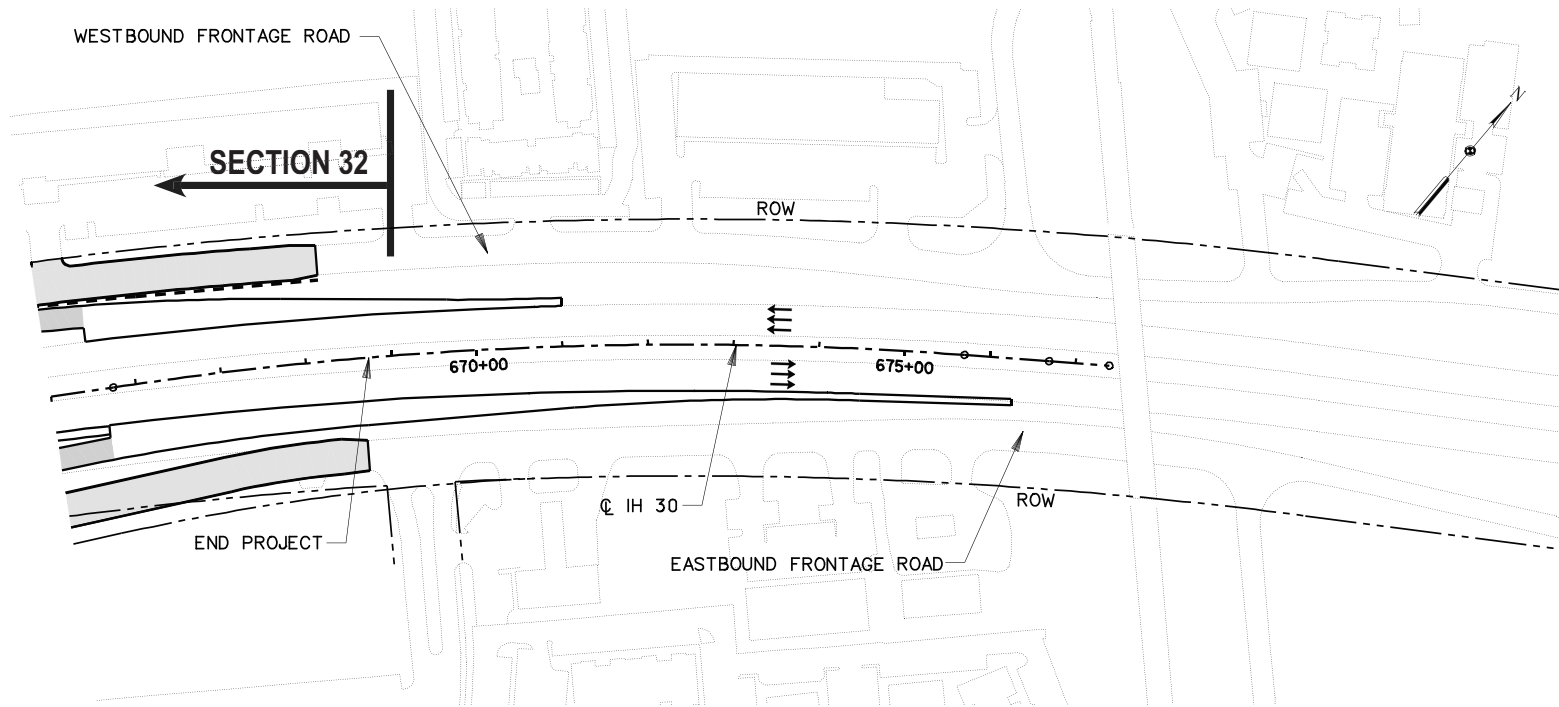




# President George Bush Turnpike

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# Lewisville Lake Toll Bridge

## Engineering Report



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**HNTB**

Mr. Allan Rutter  
Executive Director  
North Texas Tollway Authority  
P.O. Box 260729  
Plano, Texas 75026

September 24, 2006

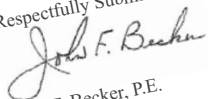
Dear Mr. Rutter:

We are pleased to present the attached report describing the engineering features of the Lewisville Lake Toll Bridge Project as proposed for construction by the Authority. The report also describes the Lewisville Lake Corridor Project, of which the Toll Bridge is an important part, as proposed for construction by Denton County, the City of Frisco and the Texas Department of Transportation. The report includes an estimate of the Toll Bridge Project construction costs and a layout plan of the proposed construction upon which the estimated cost is based.

The conclusions of the engineering, planning and studies indicate that the Toll Bridge Project can be constructed at an estimated cost of \$122,200,000 exclusive of interest and financing costs. It is also estimated that construction of the Toll Bridge Project can be completed in approximately 30 months and with the completion of adjacent sections of the corridor project by Denton County, it can be opened to traffic in March 2009.

We wish to acknowledge the cooperation, advice and assistance of the staff, legal counsel, traffic engineers, the financial advisors of the North Texas Tollway Authority the Texas Department of Transportation, and in particular Denton County and the City of Frisco, for their dedicated efforts in the development of the corridor project.

Respectfully Submitted,



John F. Becker, P.E.  
Project Director

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# Lewisville Lake Toll Bridge

## Engineering Report

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### Executive Staff

Allan Rutter - Executive Director

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## Executive Summary

### Introduction

The North Texas Tollway Authority (NTTA) is a political subdivision of the State of Texas under Chapter 366 of the Texas Transportation Code. The NTTA is empowered to acquire, design, construct, maintain, repair and operate turnpike projects; to raise capital for construction projects through the issuance of turnpike revenue bonds; and to collect tolls to operate, maintain and pay debt service on those projects in Dallas, Collin, Denton and Tarrant counties in Texas. The NTTA has representatives from all four counties on its Board of Directors and is dedicated to fulfilling its mission, which is to improve the quality of life, mobility and the regional economy of North Texas by providing sound toll facilities.

Prior to the construction of Lewisville Lake by the US Army Corps of Engineers (USACE) the Garza Dam formed Lake Dallas on the Elm Fork of the Trinity River. Upon completion of the Lewisville Lake, the Garza Dam was breached to allow the waters of Lake Dallas to combine with those of the enlarged lake. When the dam was breached, the existing highway providing the connection between the City of Lake Dallas and Little Elm was closed. Consequently, there was no convenient direct east/west transportation spanning Lewisville Lake.

Denton County initiated studies to create an east/west transportation facility crossing the lake in 1991. As a result of these studies and continuing interest in developing the project corridor by local governmental agencies, the corridor project evolved in recognition of the need to address the increasing demand for a direct connection between IH 35E and the Dallas North Tollway.

Denton County officials contacted the NTTA with a request that the Authority explore the possibility of constructing the bridge across the lake as a toll bridge, thus making it an integral section of the corridor project. The Authority initiated preliminary traffic and engineering stud-

ies and concluded that both construction of the bridge and financing construction through the sale of revenue bonds were warranted and authorized final investment grade studies.

This report presents the location, engineering design features, project plan and profile layout, construction schedule, construction cost estimates and estimates of operation and maintenance costs of the bridge project integrated as part of the Dallas North Tollway System. The report also describes the engineering features of the Lewisville Lake Corridor Project which provides the approach roadways to the toll bridge.

### Description of the Corridor Project

The Lewisville Lake Corridor Project is approximately 13.8 miles in length and connects IH 35E at Swisher Road in Denton County with the Dallas North Tollway at FM 2934 in Collin County, Texas. To facilitate convenient design and construction, the project is comprised of eight individual sections of varying lengths. Section 2 will be constructed by the Authority. The remaining seven sections will be, or have been, constructed by either a private developer, Denton County, the City of Frisco or by the Texas Department of Transportation. When complete, the corridor project will provide a four-and six-lane facility from IH 35E to the Dallas North Tollway. One section has been completed and opened to traffic and the other sections are scheduled to open from late 2007 to late 2009.

### The Lewisville Lake Toll Bridge Project

The Lewisville Lake Toll Bridge Project is a section of the Lewisville Lake Corridor Project. The project consists of a short length of approach roadway on each shore of the lake, a toll plaza on the western shore, a flowage easement bridge and the lake bridge which crosses the main body of the lake. The project is approximately 2.04 miles in length including the lake bridge, which is 8,520 feet long, and the flowage easement bridge, 890 feet long between abutment bearings. The lake bridge provides two 30-foot-wide roadways for two lanes of traffic in each direction separated by a concrete median barrier. The superstructure consists of 68 spans, each

120 feet in length, and a water craft passage span 360 feet in length. The water craft passage span provides a vertical clearance of 52 feet above the uncontrolled spillway elevation and a 350-foot horizontal clearance between span supports.

## **Toll Collection**

The plaza for the collection of tolls will be located on the western terminus of the lake bridge and will provide six traffic lanes for the collection of tolls. All lanes will be equipped with electronic toll collection devices, two lanes are dedicated to non-stop "TollTag" lanes, two lanes will be equipped with automatic coin machines for motorists depositing correct coins and two lanes will be equipped for attended operation.

## **Project Cost Estimates**

The preparation of final construction plans and specification for the Lewisville Lake Bridge Project are essentially complete except for the toll plaza and related equipment. Quantities of the majority of construction items were developed based on the construction plan completion and include grading, drainage, paving structures and the related items of construction. Estimates of cost for the toll plaza and related toll-collection equipment were based on preliminary construction plans and equipment costs for similar installations. The estimated project cost of the Lewisville Lake Bridge Project which includes planning, engineering, construction and other agency costs is \$122,200,000.

## Introduction

The North Texas Tollway Authority (NTTA) is a regional Tollway authority and a political subdivision of the State of Texas and created in accordance with Chapter 366 of the Texas Transportation Code. It is authorized to acquire, construct, maintain, repair and operate turnpike projects in North Texas.

In 2001, Denton County officials contacted the NTTA with a request that the Authority explore the possibilities of constructing the bridge across Lewisville Lake as a toll bridge. The toll bridge is a major segment of the county's proposed Lewisville Lake Corridor Project that will provide an east/west highway facility connecting IH 35E with the Dallas North Tollway. The Authority initiated a series of preliminary traffic and revenue studies and concluded that construction of the bridge and financing through the issuance of revenue bonds was warranted and authorized further investment-grade engineering studies.

This report describes the location, engineering design features, construction cost estimates and estimates of operation and maintenance costs of the bridge as a part of the Dallas North Tollway System. This report also describes the engineering features of the corridor project which provides the approach roadways to the toll bridge.

## Background

The US Army Corps of Engineers (USACE) constructed Lewisville Lake circa 1949. Prior to the construction of Lewisville Lake, the Garza Dam forming Lake Dallas existed on the Elm Fork of the Trinity River. Upon completion of Lewisville Lake, the Garza Dam was breached to allow the waters of Lake Dallas to combine with the waters of the new and enlarged lake. When the dam was breached, the existing highway, which provided the connection between the City of Lake Dallas and Little Elm, was closed. Consequently, there was no convenient direct east/west transportation facility spanning Lewisville Lake.

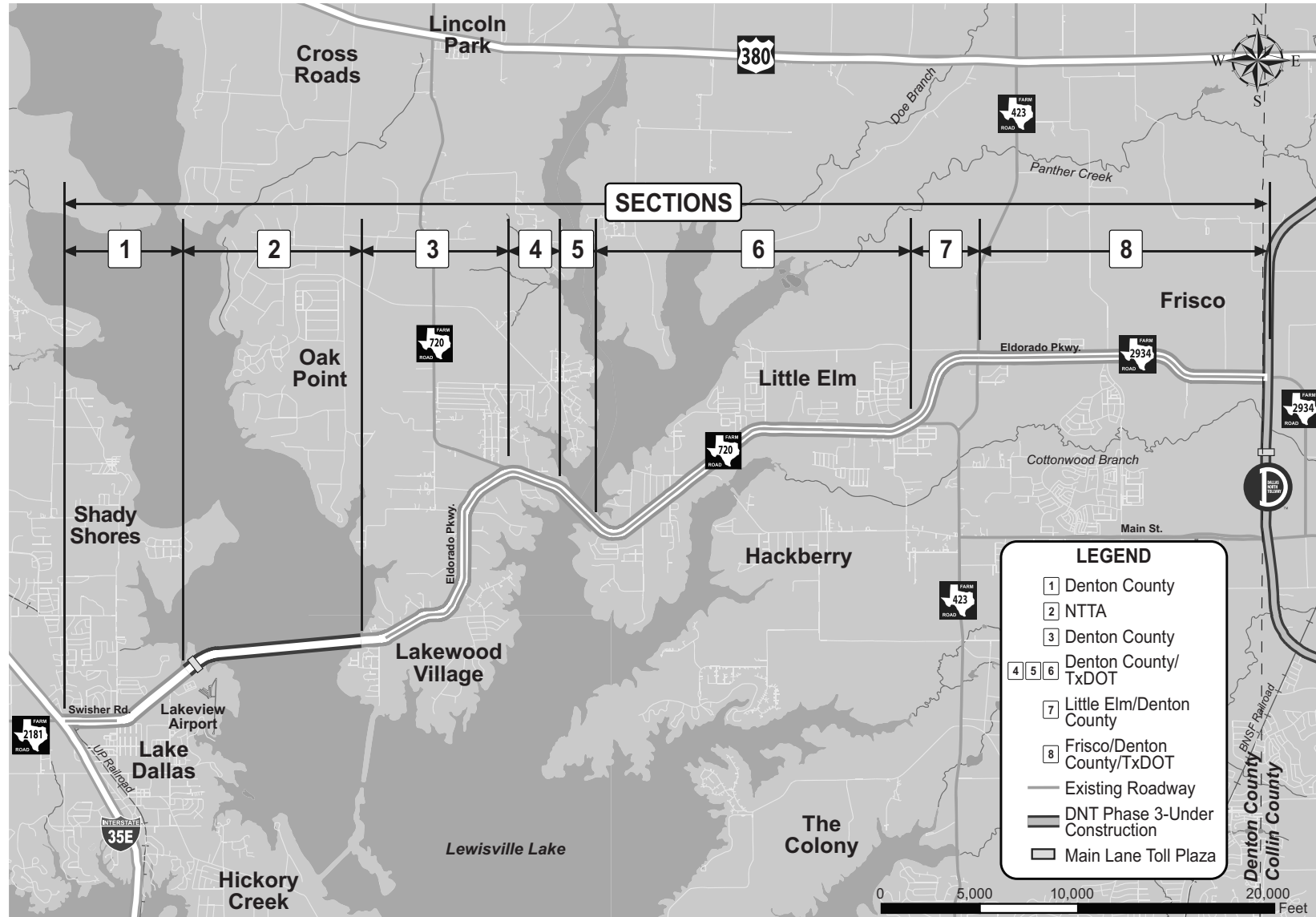
Denton County initiated actions to create an east/west transportation facility crossing the lake and received voter approval of a bond issue for route studies in 1991. As a result of these studies and continuing interest in developing the project corridor by the affected governmental agencies, the corridor project has evolved over the years in recognition of the need to address the increasing demand for a direct connection between IH 35E and the Dallas North Tollway.

Denton County continues to serve as the lead agency in coordinating the regional effort through partnerships with the Texas Department of Transportation (TxDOT), the NTTA, the City of Lake Dallas, Town of Little Elm and the City of Frisco to develop the 13.8-mile project corridor.

## Description of the Corridor Project

The Lewisville Lake Corridor Project is approximately 13.8 miles in length and connects IH 35E at Swisher Road in Denton County with the Dallas North Tollway at FM 2934 in Collin County, Texas. To facilitate convenient design and construction segments the project is comprised of eight individual sections of varying lengths and types of facility. (See Figure 1). On the west side of the lake (Section 1), Denton County is constructing Swisher Road to a four-lane thoroughfare with provisions for a continuous left-turn lane in the City of Lake Dallas. Section 2 consists of the Lewisville Lake Toll Bridge and is the subject of this report. On the east side of the lake, Denton County is improving Garza Lane in the Town of Little Elm (Section 3) to a four-lane thoroughfare with provisions for a continuous left-turn lane to connect with FM 720. TxDOT will improve a five-mile section of FM 720 to a four-lane thoroughfare with a raised median through the Town of Little Elm (Sections 4-6). Section 7 has been constructed by a private developer as a four-lane facility on new alignment from FM 720 to a connection with FM 2934 at FM 423 and was opened to traffic in April 2004. Plans for the construction of Section 8 as a six-lane facility are in progress and construction is scheduled to begin in the spring of 2007 by TxDOT.

Figure 1 - Project Location Map



## The Lewisville Lake Toll Bridge Project

The most important and vital section of the corridor project is the Lewisville Lake Toll Bridge Project and is referred to as Section 2 as shown in Figure 2. This project consists of a short length of approach roadway on each shore of the lake, a lake bridge that crosses the main body of water of the lake, a toll plaza located on the western terminus of the lake bridge; and a flowage easement bridge on the west side of the toll plaza. The total length of Section 2 is approximately 10,775 feet (2.04 miles) including the bridges and approach roadway.

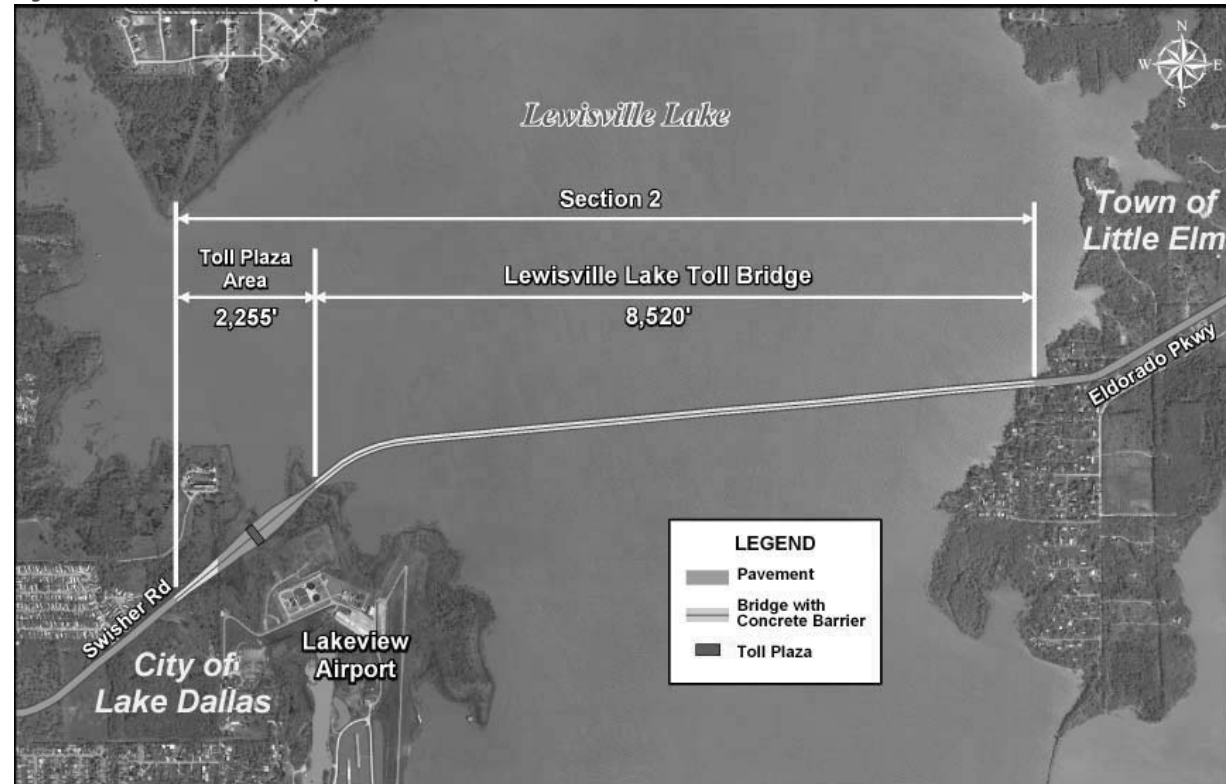
The Lewisville Lake Toll Bridge is 8,520 feet long between abutment bearings. The bridge will provide two 30-foot-wide roadways consisting of two traffic lanes in each direction, a four-foot-wide shoulder on the right and two feet of rail offset on the left. Opposing directions of traffic will be separated by a concrete median barrier. Concrete parapet barriers located on both edges of the bridge will be continuous for the length of the bridge. The total width of the bridge including barriers measures 64 feet.

The bridge superstructure will consist of 68 spans, each 120 feet in length, and a water craft passage span of 360 feet in length; providing a horizontal clearance between piers of 350 feet and a minimum vertical clearance of 52 feet above the uncontrolled spillway elevation (532'). The bridge will be designed in accordance with the current standard specifications for highway bridges as adopted by the American Association of State Highway and Transportation Officials (AASHTO) utilizing the standard HS20 truck loading.

Each of the 120-foot superstructure spans will consist of a concrete deck supported on multiple pre-stressed concrete beams simply supported on reinforced-concrete cap beams on each sub-structure unit. The 360-foot water passage span will be a steel, tied-arch structure supporting a concrete deck on longitudinal stringers and transverse floor beams.

The steel tied arches will be inclined 10 degrees from the vertical position toward the roadway to enhance the aesthetic features of the span.

Figure 2 - Section 2 Location Map



The substructure will consist of three different types of support units. Fifty-eight substructure units on the approaches to the tied arch span will consist of a reinforced concrete bent (pier) cap supported on three reinforced concrete drilled shafts (columns) as shown in Figure 3. Eight substructure units near the shores and on the approaches to the tied arch span will consist of two column bents (light tower piers) with a spandrel beam spanning between the columns to support the roadway deck. The light tower piers will be inclined 10 degrees from the vertical and extend above the roadway to enhance the aesthetic interest in the substructure unit for the motorist. (See Figure 4) The light tower piers will be supported on a reinforced concrete pedestal at the lake water level with the pedestal founded on reinforced concrete drilled shafts. The two substructure units of the tied arch span will consist of massive reinforced concrete founda-

tions supporting each end of the tied arches. These foundations include a concrete pedestal at the water level founded on drilled shafts.

The flowage easement bridge is approximately 890 feet long between abutment bearings and provides two traffic lanes in each direction. The bridge deck widens from two 30-foot roadways to approximately 114 feet to accommodate the roadway widening for the six-lane toll plaza. The bridge superstructure will consist of eight spans with span lengths varying from 90 feet to 120 feet. Each span will consist of a reinforced concrete deck supported on multiple pre-stressed concrete beams simply supported on reinforced concrete cap beams. Concrete cap beams will be supported on circular concrete columns founded on drilled-shaft foundations.

Figure 3 - Baseline Columns

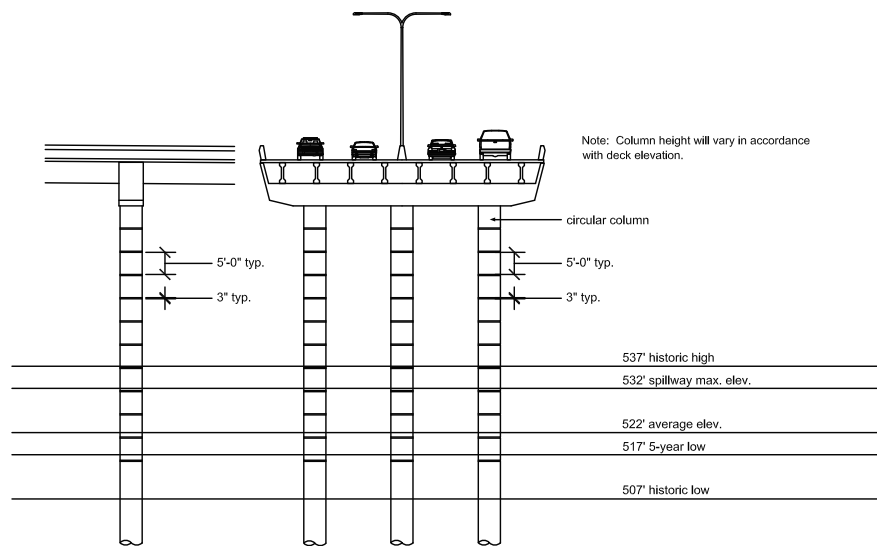
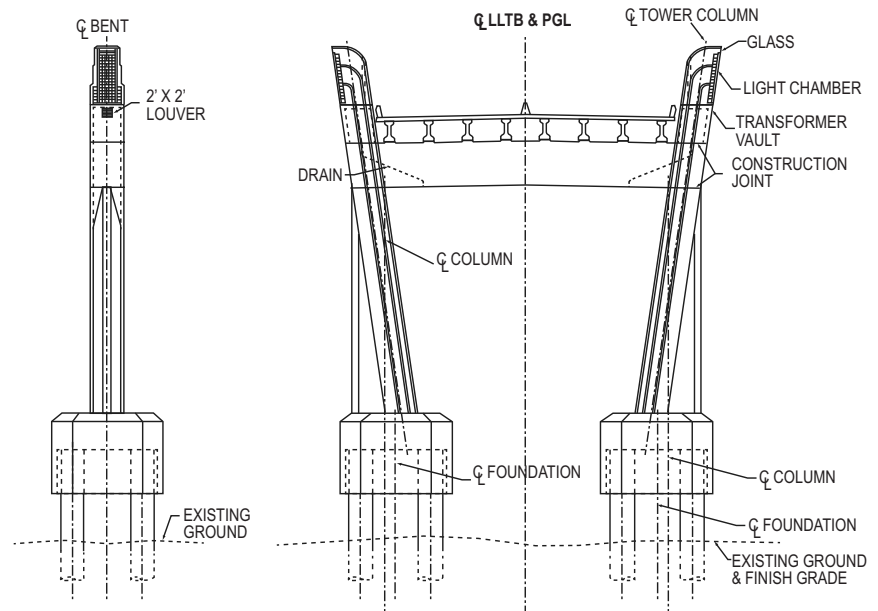


Figure 4 - Approach Columns





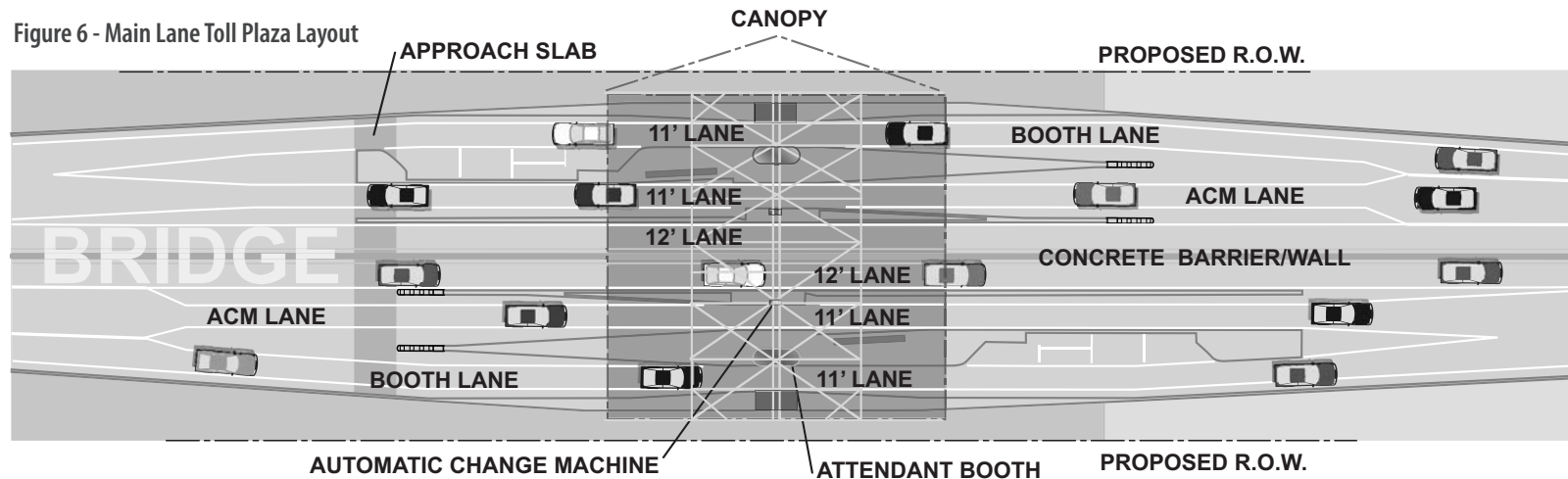
## Toll Collection

The toll plaza for collection of tolls will be located on the western approach to the Lewisville Lake Toll Bridge. The plaza will provide six collection lanes. Although all lanes will be equipped with "TollTag" collection capability, two of these lanes are dedicated, non-stop "TollTag" lanes. Two lanes will be equipped with automatic coin machines to expedite passage for motorists depositing correct coins in the automatic machines; and the other two lanes are designed for attended operation. A parking area for each travel direction will be constructed to provide employee parking facilities. A conceptual 3D rendering shows an overhead view in Figure 5, and a conceptual view of the toll plaza layout is shown in Figure 6.

Figure 5 - Main Lane Toll Plaza 3D Overhead View



Figure 6 - Main Lane Toll Plaza Layout



## Engineering Geology

A geotechnical investigation was undertaken in conjunction with the planning and design of the bridge project. Subsurface borings were made at locations along the alignment of the bridge and in the vicinity of the roadway approach and toll plaza. These investigations were performed to determine how the subsurface conditions might affect the design and construction of the roadway, toll plaza and the foundations for the bridge and retaining walls. Laboratory testing of soil samples were made to determine the nature and characteristics of the materials to be encountered.

Since construction of the lake, very soft organic sediments have collected on the lake bottom, filling depressions and channels in the original ground surface. The sediments consist primarily of very dark gray organic muck transitioning to very soft to soft dark-gray clays.

The depth of these sediments is variable and, in most cases, the transition to underlying alluvial soils is not distinct. The depth of the muck varies to as much as 25 feet but generally is about five feet thick on average. Underlying the river sediments and extending to the full penetration depths of the borings, is the Woodbine Formation. The sandstone bluffs on the eastern shoreline represent the uppermost strata of the formation. The upper member of the Woodbine Formation is the Templeton Member, which ranges in thickness from 70 to 80 feet. The Templeton Member consists primarily of gray glauconitic shale with lenses of gray to yellowish brown sand with the presence of marine fossils. The shale is capped with sandstone strata of variable thickness as evidenced by the outcropping on the eastern shore. The second member of the Woodbine Formation is the Lewisville Member, which ranges in thickness from 75 to 95 feet. This member consists primarily of sandstone and very dense silty and clayey sands (packsand), gray to yellowish brown in color with minor shale beds. The third member of the Woodbine Formation, which in this area is reportedly indistinguishable from the Lewisville Member, ranges up to 80 feet in thickness.

The Woodbine Formation in the area of the project consists primarily of four materials: very dense, lightly cemented, silty fine sand; sandstone, shale and shaley clay. These materials are variably stratified, cross-bedded, and interbedded. The key descriptor for these strata is variability: in material type, strength and stratification. However, owing to the highly over-consolidated nature of the deposits, the materials exhibit relatively high capacities with respect to carrying foundation loads. Consequently, the analysis indicates that drilled-shaft foundations will be appropriate for the project structures.

## Design Standards

The design features for the Lewisville Lake Toll Bridge Project will conform to *A Policy on Geometric Design of Highways and Streets* published by AASHTO and current standards of TxDOT.

The roadway for the project will be designed for a safe operating speed of 45 miles per hour and will provide two traffic lanes in each direction. A concrete median barrier will be placed between opposing directions of traffic over the entire length of the project to prevent crossover accidents.

The pavement lanes will be clearly marked and identify driving lanes, especially in the vicinity of the toll plaza, to aid in the safety of diverging and converging traffic entering and leaving the plaza.

Roadway pavement will consist of a 10-inch thickness of continuously reinforced concrete placed on a four-inch thickness of asphalt stabilized base. The asphalt-stabilized base will be placed over 8 inches of lime-stabilized sub-grade. In the elevated roadway section in the vicinity of the toll plaza, the asphalt-stabilized base will be placed on 24 inches of select fill material with the top eight inches stabilized by the application of lime.



Drainage and removal of storm water from the roadway in a rapid and efficient manner is an important part of the design process. Drainage of the bridge structures on the project will consist of a system of inlets and drainage pipes to intercept and collect roadway runoff. The initial runoff from rainfall on bridge structures will be collected and diverted to storm water treatment units placed at periodic intervals throughout the length of the structure. After treatment, the water will be discharged into the lake. Rainfall occurring after the initial period will be discharged directly to the lake waters.

The NTTA has implemented design guidelines and standards for structural signing, lighting, toll plaza design and landscape elements to promote visual consistency on all NTTA projects. These elements, which will be implemented on the Lewisville Lake Toll Bridge Project, are provided to enhance the NTTA customers' driving experience and help build a positive customer attitude.

Adequate illumination is essential to improve nighttime visibility and maximize safety. The design of the illumination on the structure approaches to the tied arch span will conform to the system-wide guidelines adopted by the NTTA, except where these guidelines are supplemented by additional aesthetic enhancement at eight light tower locations. At these locations, the light towers extend above the roadway and contain illuminated elements to enhance motorist driving experience.

Roadway lighting on the tied-arch span is accomplished by median-mounted lighting units containing a nautical themed light to punctuate the tied-arch span of passage.

Signage is used on highways to inform, warn and control driver actions and must be an integral part of the design process. Guide signs, which provide motorists information on routes, destinations and attractions, along with regulatory and warning signs, are included on the project and will conform to the *Texas Manual of Uniform Traffic Control Devices* (MUTCD).

The signs will be reflectorized to enhance their visibility at night, and will be designed to withstand expected wind loads for the region. Roadside signs and overhead mounted signs will be

used as necessary to ensure that signs are clearly visible to the motorist. In addition to signs on the project, trailblazer signs will be installed on major roads in the vicinity to inform and direct motorists to the bridge project.

## Right Of Way

The USACE has jurisdiction and control of the facilities of the Lewisville Lake. The USACE has granted an easement to Denton County and NTTA to construct the Toll Bridge Project on the lake property, including the waters and area of land on each shore. Minor parcels of right of way beyond the limits of the USACE property have been acquired by Denton County and are available for bridge construction.

## Utility Adjustments

The project is located in an area where very few utilities exist. An overhead electrical line, belonging to TXU, crosses the project on the western end and has been raised to clear the bridge approach. Existing water and sewer lines crossing underneath the project on the western end have been identified. They are not in conflict with the proposed construction and will not require relocation.

## Environmental Considerations

The USACE assessed potential impacts to the environment that may result from developments on USACE property at Lewisville Lake in a Programmatic Environmental Assessment (PEA). The conclusions of the PEA resulted in the Finding of No Significant Impact (FONSI) for a toll-free bridge in September 1999. The change to a toll bridge caused the USACE to further conduct a Tiered Environmental Assessment, which also resulted in the issuance of a FONSI in August 2005. A copy of the USACE FONSI is included in the Appendix.

## Schedule

The schedules for construction of the several sections of the Lewisville Lake Corridor Project are critical to the schedule for opening the toll bridge to traffic. Planning, design and preparation of construction plans is in progress on several sections of the corridor project and the current status is described in the following:

Section 1: Preparation of construction plans and acquisition of right of way is complete. Construction started in March 2006 and will be open to traffic in June 2007.

Section 2 : Preparation of construction plans and specifications is approximately 95% complete. Construction is scheduled to begin in November 2006 and will be open to traffic in April 2009.

Section 3: Preparation of construction plans and acquisition of right of way is complete. Construction started in August 2006 and will be open to traffic in August 2008.

Section 4,  
5 and 6: The environmental evaluation process and the preparation of final construction plans and specifications are in progress. Construction of this five-mile section is scheduled to begin in August 2007 and is expected to open to traffic in December 2009.

Section 7 : Construction of this one-mile section was completed and opened to traffic in April 2004.

Section 8 : The environmental evaluation is currently in progress and the preparation of construction plans and specifications is nearing completion. Construction is scheduled to begin in January 2007 and is expected to be opened to traffic in July 2008.

## Project Cost Estimates

Quantities of items of construction were estimated based on construction plans and specifications that are nearly complete except for the toll plaza. The major items include grading, drainage, paving, bridges retaining walls and miscellaneous construction items. Estimates of cost for the toll plaza and related toll collection equipment were based on preliminary construction plans and estimated equipment costs.

The estimated quantities and the unit prices for construction items on similar projects in the Denton County area were used to estimate the total construction cost. The estimated unit prices expected to be received through the competitive bidding process in the second quarter of 2006 was used to establish construction costs for the major items of grading, drainage, paving and structures.

**TABLE 1: ESTIMATED COST SUMMARY**

No.	Description	Cost (\$million)
1	Section 2	\$92.9
2	Toll Plaza Structures	\$6.1
3	Equipment	\$0.5
4	Construction Management	\$5.9
Subtotal (1-4) Construction		\$105.4
5	Plans, Specifications, and Estimates (PS&E)	\$3.6
6	Other Agency Costs	\$2.1
Subtotal (5-6) Engineering		\$5.7
7	Project Contingencies	\$11.1
Project Total (1-7)		\$122.2

Table 1 shows a summary of the estimated project costs. The total project costs include engineering, legal and administration, material testing and a contingency allowance for construction variance. The estimated project cost for the Lewisville Lake Toll Bridge Project is \$122,200,000.

There are several factors, including unforeseen escalation of process and wages, labor or material shortages and changes in economic conditions, that can significantly affect (escalate or reduce) construction costs. The estimated project cost reflects our professional judgment of the current construction industry and with future adjustment for inflation; it is our belief that the project can be constructed for the estimated project cost. However, due to the nature of the construction industry, we cannot, and will not, guarantee that the actual project costs will not vary from the estimated cost.

## Operation and Maintenance Expense Estimates

Estimates of the costs of operating and maintaining the Dallas North Tollway System and the increase in costs of operating the system with the Lewisville Lake Toll Bridge in full operation have been prepared. These estimates are based on experience gained by the NTTA in the operation and maintenance of the DNT System and assume the NTTA will continue to operate under the administration and management that currently exists. The costs of administration, management, maintenance of roadways and structures, toll collection, contract maintenance activity and miscellaneous other costs associated with the operation of the system are included in the estimates.

The annual cost of operation and maintenance for 2010, the first full year of operation of the DNT System and the Lewisville Lake Toll Bridge Project is estimated to be \$79,075,000 as given in Table 2.

The estimates for operation and maintenance of the DNT System do not include deposits to a reserve maintenance fund. The reserve maintenance fund currently receives an annual deposit from System revenue and it is expected that these deposits will continue to be required to adequately maintain the System.

**TABLE 2: ESTIMATE OF ANNUAL OPERATIONS AND MAINTENANCE EXPENSE**

Year	Existing DNT System	LLTB	Proposed DNT System, Including LLTB
2006	65,206,400		65,206,400
2007	68,484,000		68,484,000
2008	73,240,000		73,240,000
2009	75,417,000	1,031,000	76,448,000
2010	77,659,000	1,416,000	79,075,000
2011	79,968,000	1,458,000	81,426,000
2012	82,345,000	1,502,000	83,847,000
2013	84,793,000	1,547,000	86,340,000
2014	87,314,000	1,593,000	88,907,000
2015	89,922,000	1,641,000	91,563,000
2016	92,607,000	1,690,000	94,297,000
2017	95,373,000	1,741,000	97,114,000
2018	98,222,000	1,793,000	100,015,000
2019	101,155,000	1,847,000	103,002,000
2020	104,176,000	1,902,000	106,078,000
2021	107,287,000	1,959,000	109,246,000
2022	110,492,000	2,018,000	112,510,000
2023	113,792,000	2,079,000	115,871,000
2024	117,190,000	2,141,000	119,331,000
2025	120,690,000	2,205,000	122,895,000
2026	124,310,000	2,271,000	126,581,000
2027	128,039,000	2,339,000	130,378,000
2028	131,880,000	2,409,000	134,289,000
2029	135,836,000	2,481,000	138,317,000
2030	139,911,000	2,555,000	142,466,000
2031	144,109,000	2,632,000	146,741,000
2032	148,432,000	2,711,000	151,143,000
2033	152,885,000	2,792,000	155,677,000
2034	157,471,000	2,876,000	160,347,000
2035	162,195,000	2,962,000	165,157,000
2036	167,061,000	3,051,000	170,112,000
2037	172,073,000	3,143,000	175,216,000
2038	177,236,000	3,237,000	180,473,000
2039	182,553,000	3,334,000	185,887,000
2040	188,030,000	3,434,000	191,464,000
2041	193,671,000	3,537,000	197,208,000
2042	199,482,000	3,643,000	203,125,000
2043	205,467,000	3,752,000	209,219,000
2044	211,631,000	3,865,000	215,496,000
2045	217,980,000	3,981,000	221,961,000

NOTE: To determine Operation and Maintenance cost for the proposed project, an estimate of the personnel and expenses required to operate each department was developed. The sum of these expenses comprises the LLTB O&M cost estimate in 2006 dollars. This estimate was then escalated by a rate of 3.0% per year.

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# Appendix

Finding of No Significant Impact (FONSI)  
for Lake Lewisville Toll Bridge Project

**FINDING OF NO SIGNIFICANT IMPACT**  
**IMPLEMENTATION OF THE LEWISVILLE LAKE TOLL BRIDGE PROJECT WITH ADDITION OF**  
**APPROACH ROADS AND TOLL PLAZA AT**  
**LEWISVILLE LAKE, DENTON COUNTY, TEXAS**

**Description of Action:** The United States Army Corps of Engineers (USACE) assessed potential impacts to the environment that may result from the out granting of USACE property at Lewisville Lake, Texas. Because the proposed action involves Federal interests in property, it is considered a Federal action and as such requires compliance with the National Environmental Policy Act (NEPA) of 1969, as amended. This Tiered Environmental Assessment (TEA) and Finding of No Significant Impact (FONSI) address Denton County's need to obtain easements for construction of a new toll plaza and approach roads for the proposed Lewisville Lake Toll Bridge Project. The TEA addresses the changes to the proposed Lewisville Lake Toll Bridge Project that have come to pass since the FONSI was signed for the Lewisville Lake Programmatic Environmental Assessment (PEA). The bridge is now proposed to be a toll bridge instead of a toll free bridge. This change would necessitate the addition of a toll plaza, which would require a small increase in the amount of Federal land to be disturbed. The most significant change would be primarily socioeconomic in that the toll bridge users would be required to pay a fee.

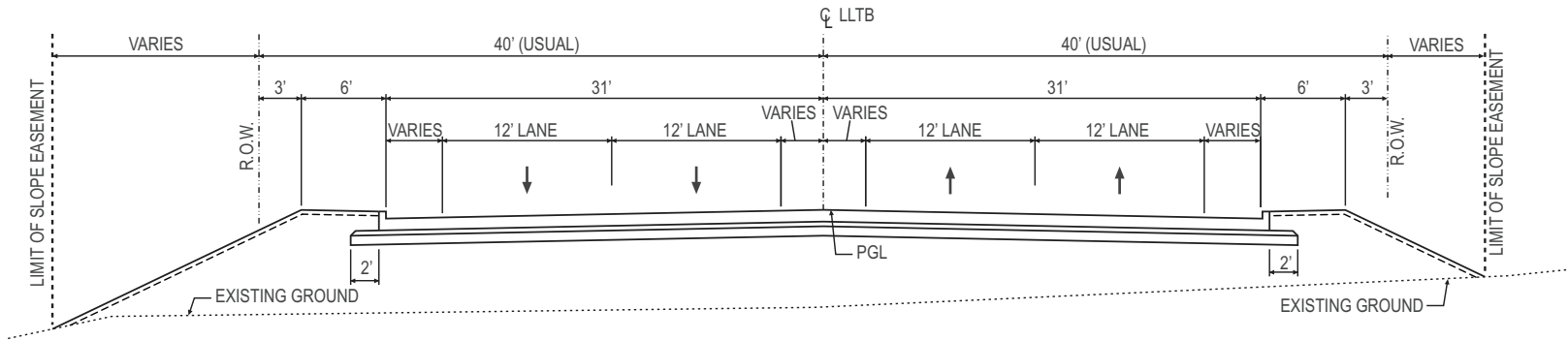
**Anticipated Environmental Effects:** The TEA evaluated three tollway bridge alternatives to address changes to the PEA that would result from conversion of the freeway bridge to a tollway bridge. Evaluation of project costs and environmental impacts indicated that Alternative 2, a tollway facility with retaining walls, was the preferred alternative. The proposed toll bridge facility would consist of four 12-foot wide travel lanes. The PEA recommended 80-foot wide ROW would be increased to 175-foot wide within the toll plaza facility requiring the use of an additional 0.43-acre of USACE property. To elevate the toll bridge facility above the flood pool elevation and minimize impacts to USACE property, retaining walls with approximately 2,050 linear feet of fill would be required resulting in the loss of an additional 14,000 cubic yards of flood storage. The TEA preferred alternative would result in an additional 0.53-acre of impacts to woodland habitat and a reduction of 0.10-acre of impacts to grassland habitat. The bridge structure would be consistent with the height, span, column configuration, and alignment as described in the PEA.

The TEA preferred alternative would have minor impacts to Waters of the U.S. within Lewisville Lake and along an unnamed tributary of Lewisville Lake. Short-term construction-related discharge of dredged or fill material, potential for increased erosion, and inputs of small amounts of oil and grease from construction-related equipment would be minimized during and following construction by utilizing erosion, total suspended solids, and sediment control devices as required for water quality by the Texas Pollutant Discharge Elimination System (TPDES) general permit for construction activity. The proposed project would use Nationwide Permit (NWP) #14 (Linear Transportation Crossings). The TEA preferred alternative would not have any significant negative impacts to the existing geo.orgy, soils, ground water, wetlands, socioeconomic amenities, or parklands. The TEA preferred alternative is not likely to adversely affect plant or animal species that are proposed or listed as threatened or endangered. No existing historical, archeological, or hazardous waste concerns were identified on USACE property. Impacts to existing wildlife habitat would be mitigated through 9.75 acres of woodland and 1.48 acres of grassland plantings within the Lewisville Lake Environmental Learning Area. Long-term water quality impacts to Lewisville Lake due to bridge stormwater runoff would be minimized through installation of bridge deck drains, a piping system, and oil/water/debris separators. Impacts to Lewisville Lake flood storage would be mitigated through removal of appropriate amounts of fill material from the Garza Little Elm (Lake Dallas) Dam.

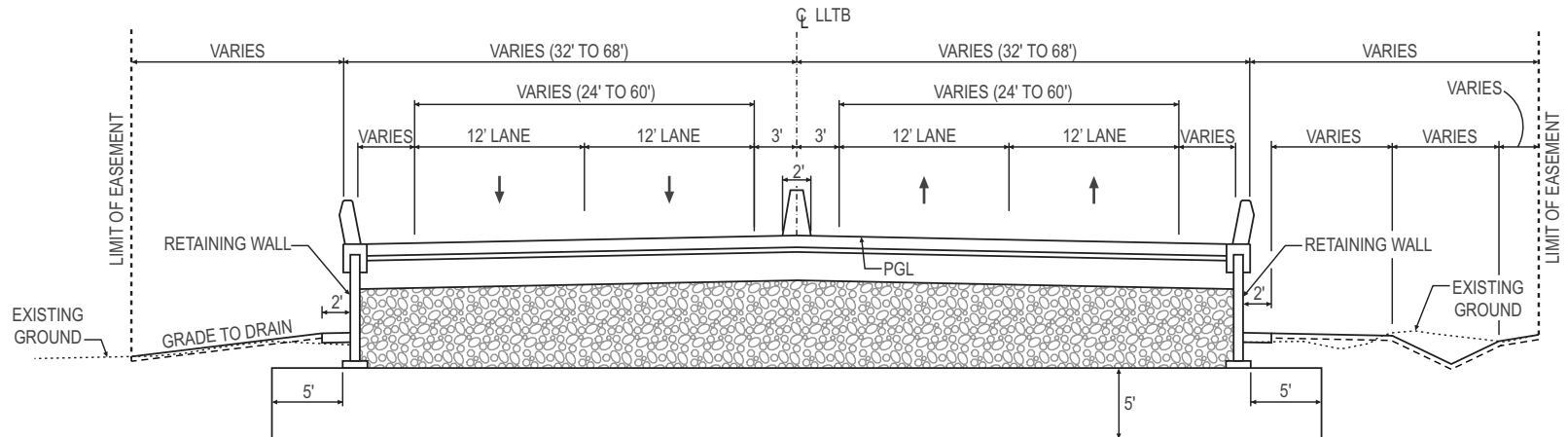
**Conclusions:** Based on review of information contained in this TEA, it is concluded that the out granting of Government lands for the construction of Lewisville Lake toll bridge facilities is not a major Federal action, which would significantly affect the quality of the human environment within the meaning of Section 102(2)(c) of the National Environmental Policy Act of 1969, as amended. Therefore, the preparation of an Environmental Impact Statement (EIS) is not required.

3/12/05  
Date

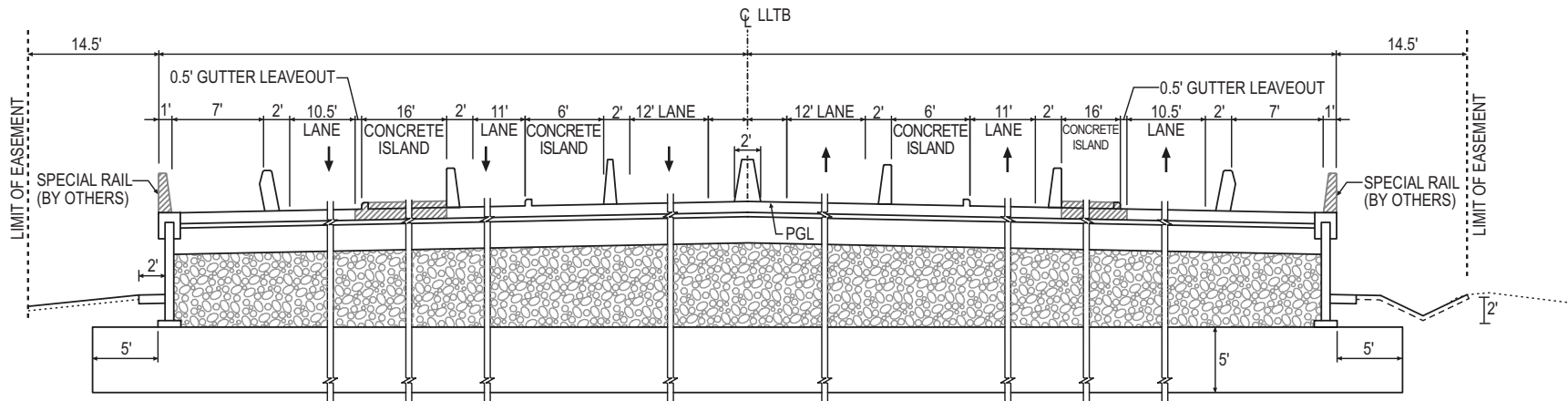
John R. Minahan  
Colonel, Corps of Engineers  
District Engineer



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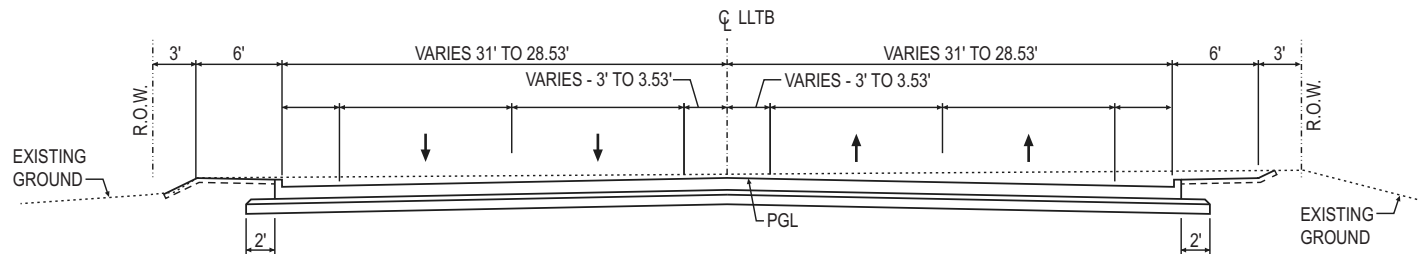


TYPICAL SECTION  
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Station 81+50 to Station 89+80



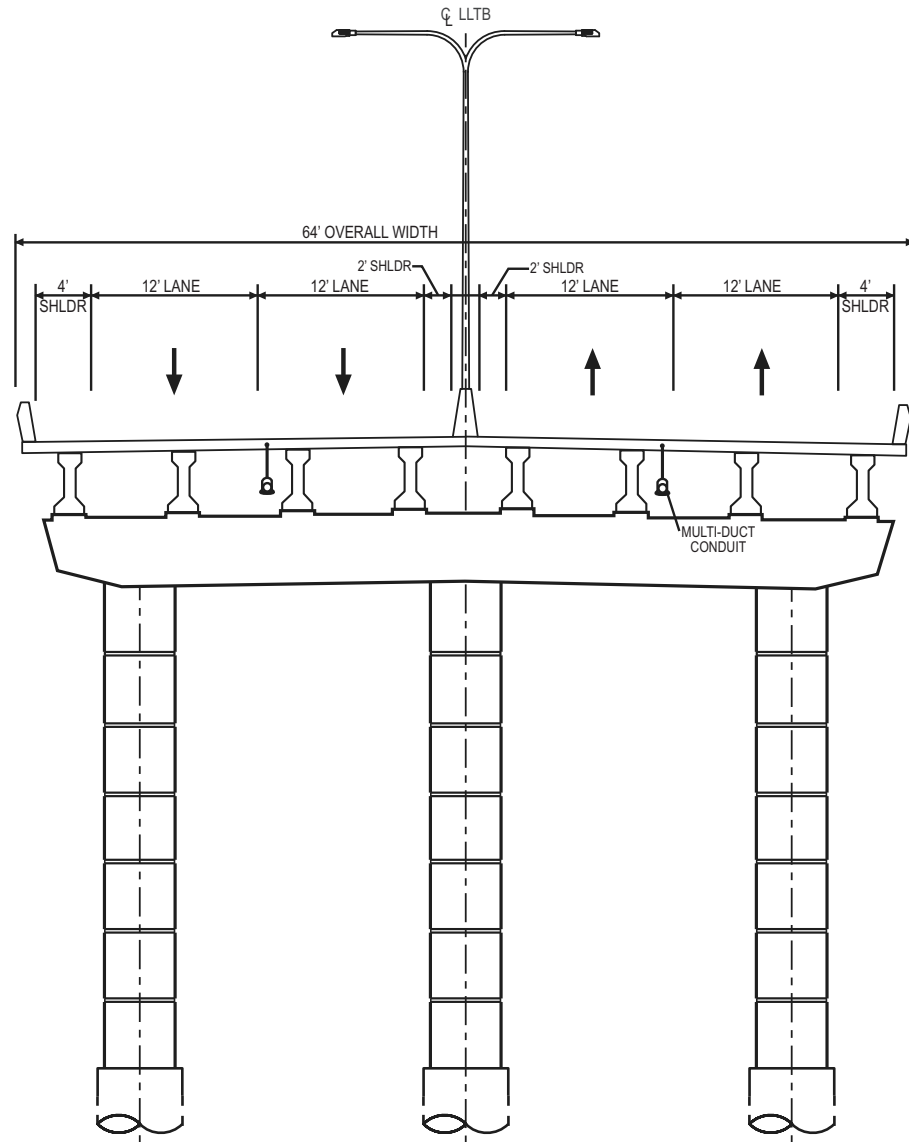
SECTION AT TOLL PLAZA  
CL Station 81+00

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CONSTRUCTED BY OTHERS



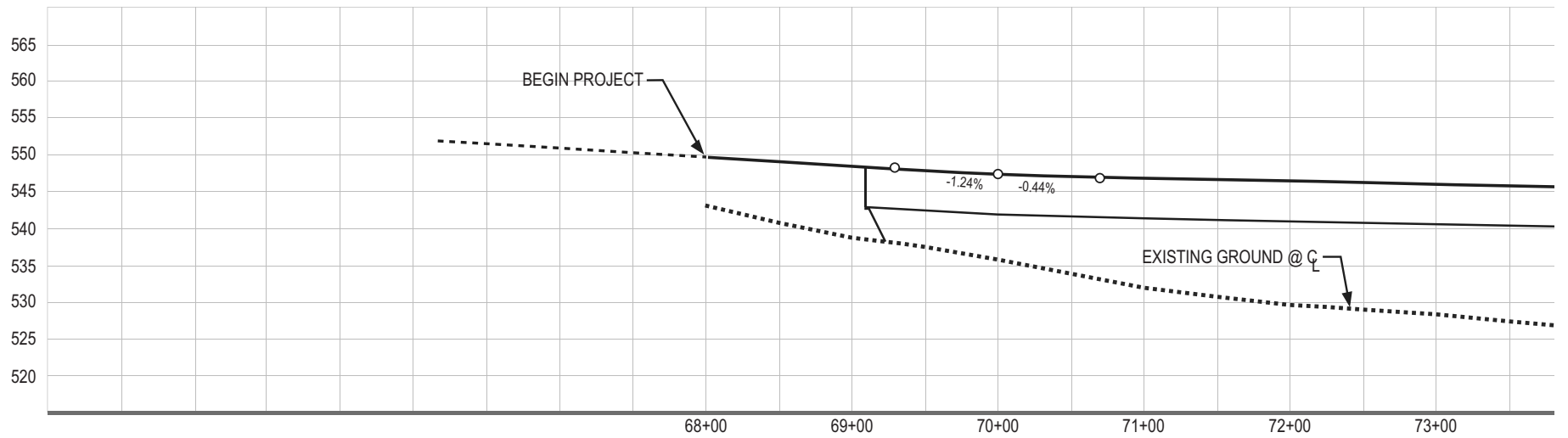
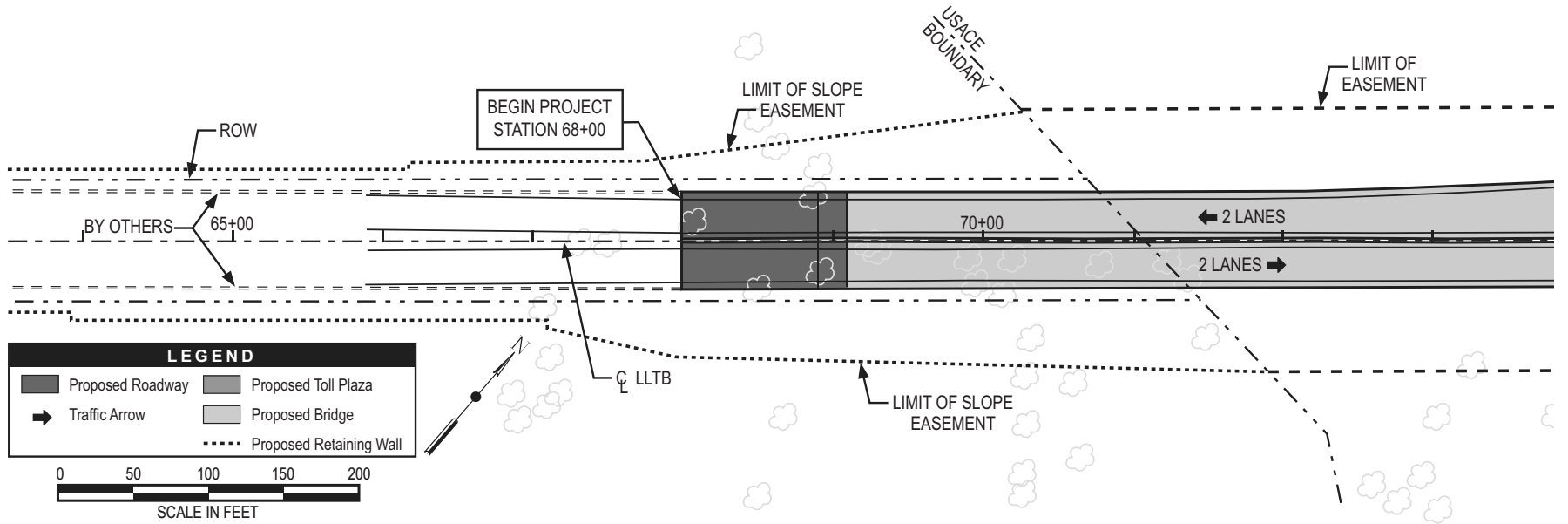
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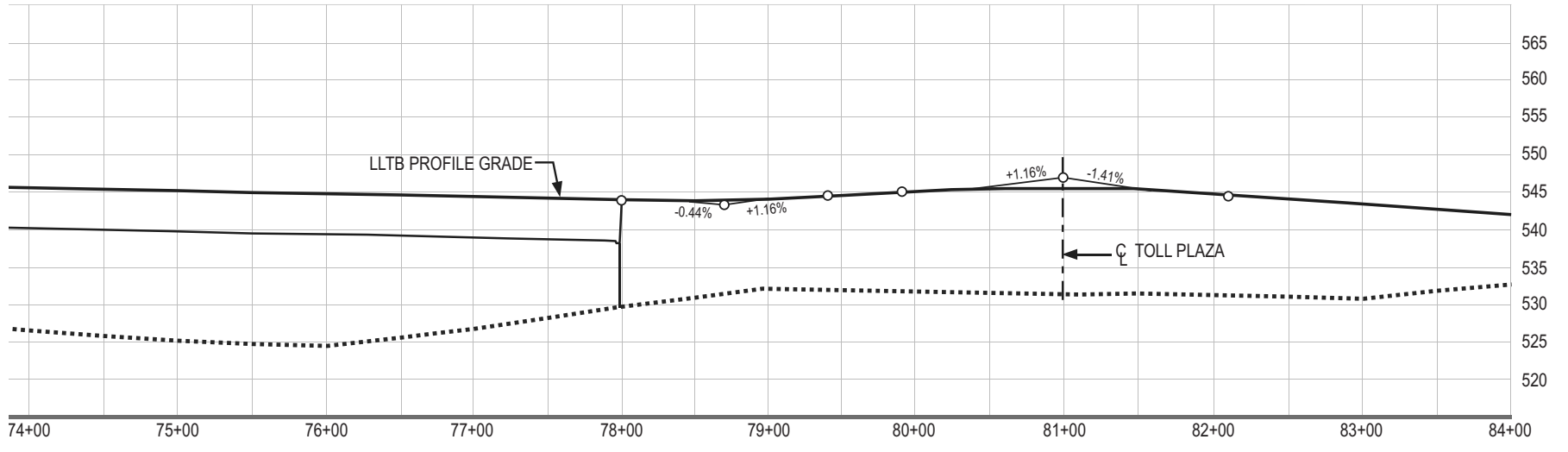
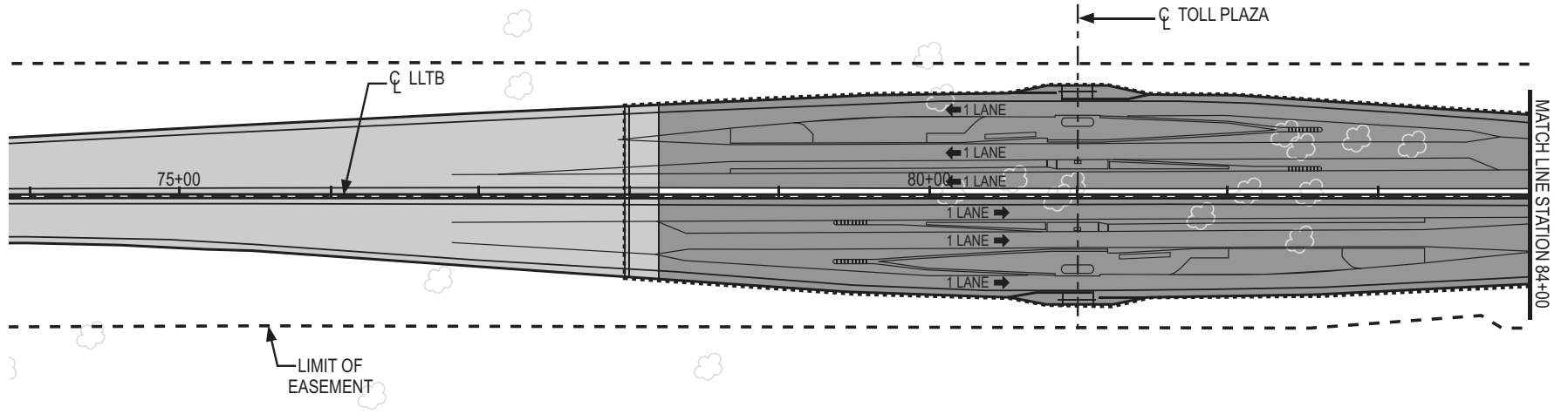




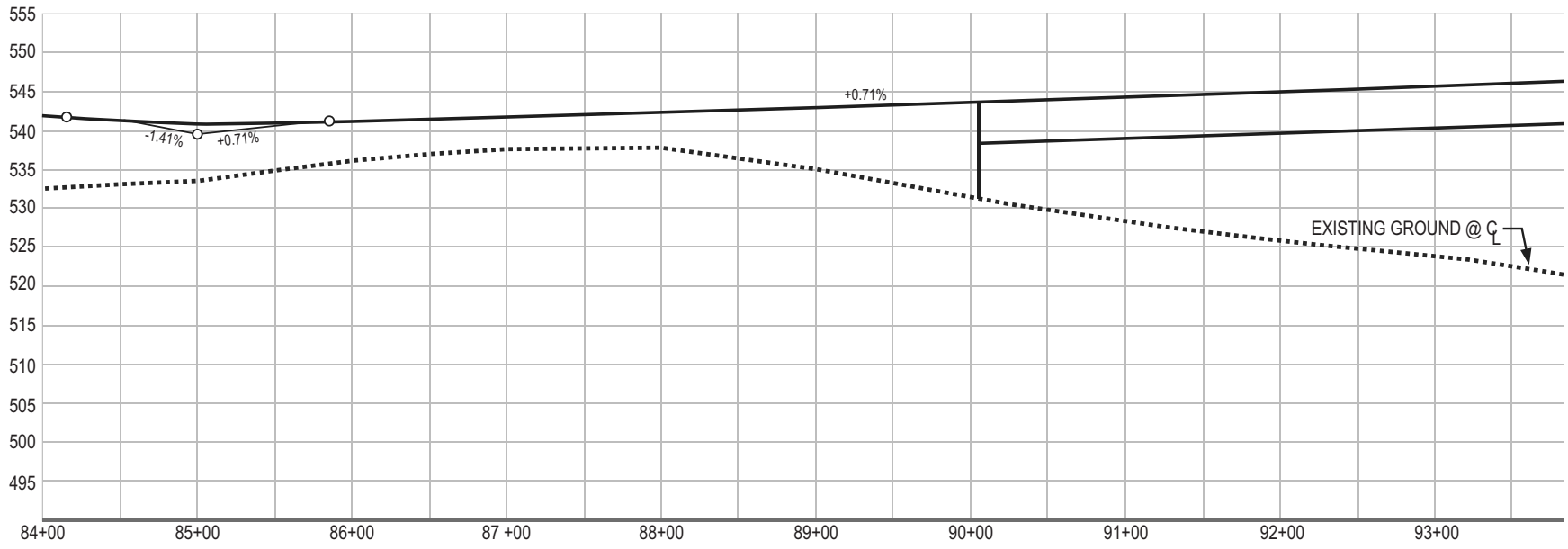
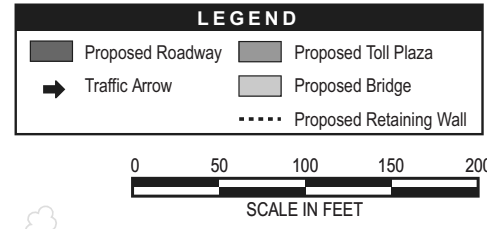
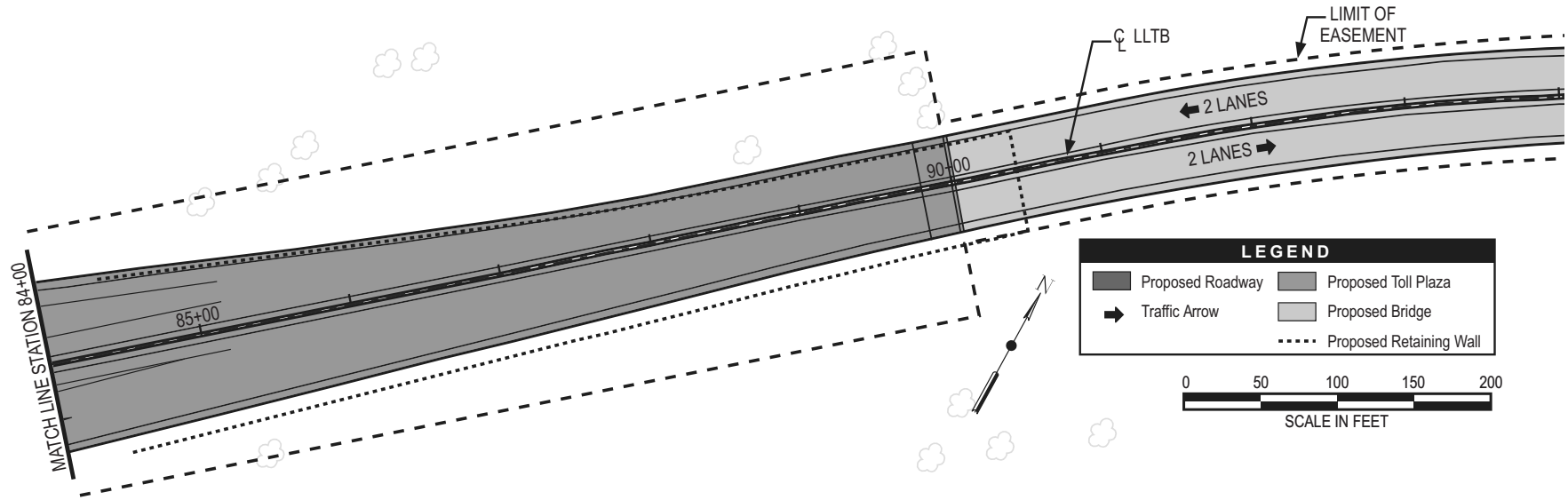
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Toll Bridge

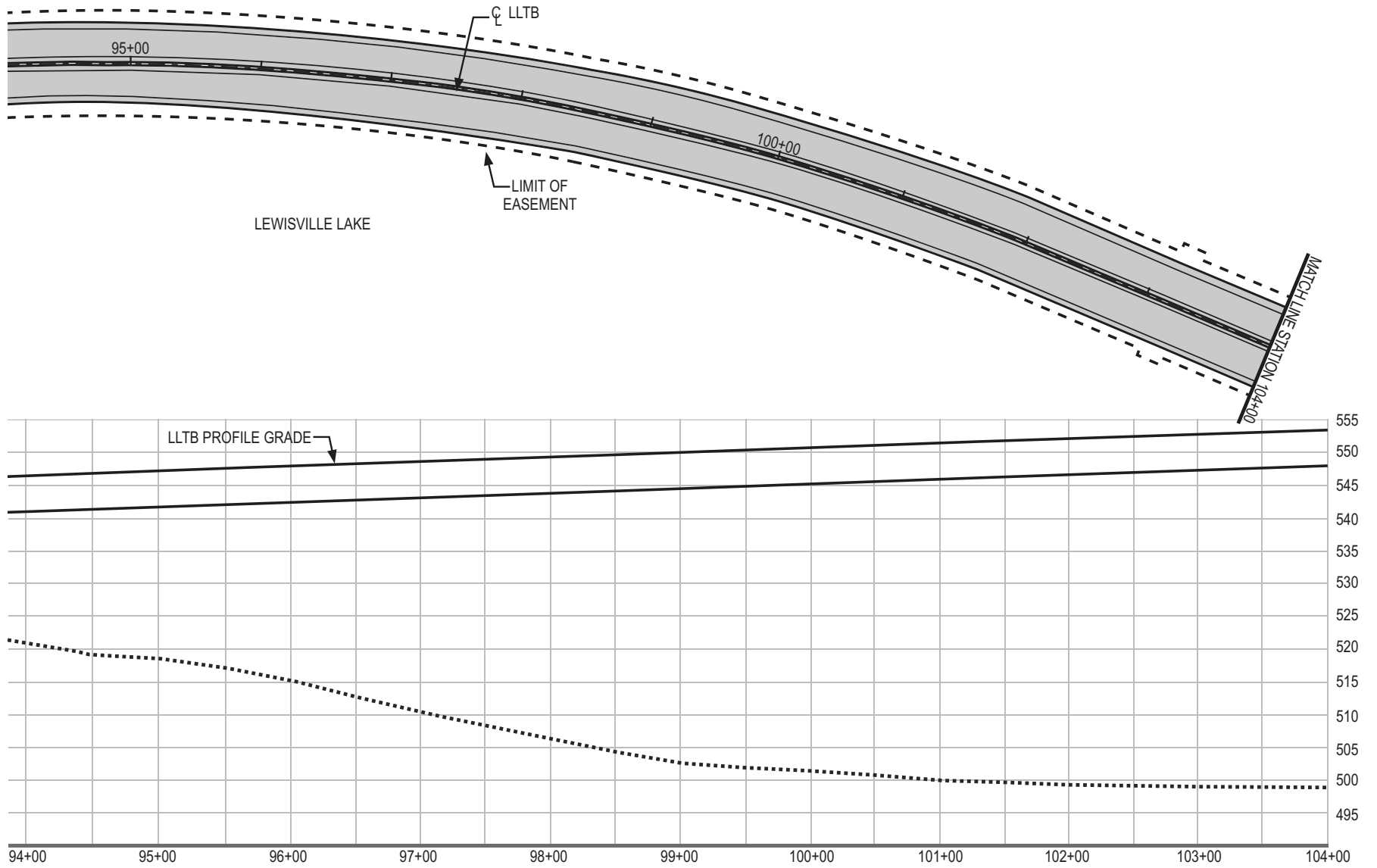
# Lewisville Lake Toll Bridge Engineering Report



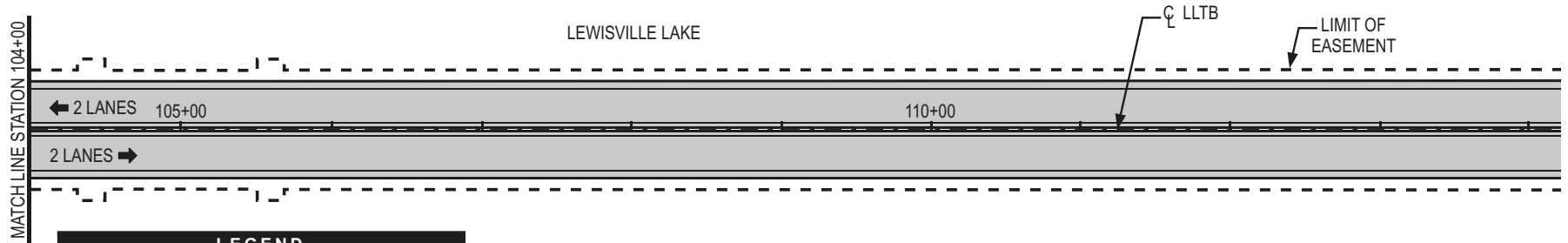


# Lewisville Lake Toll Bridge Engineering Report



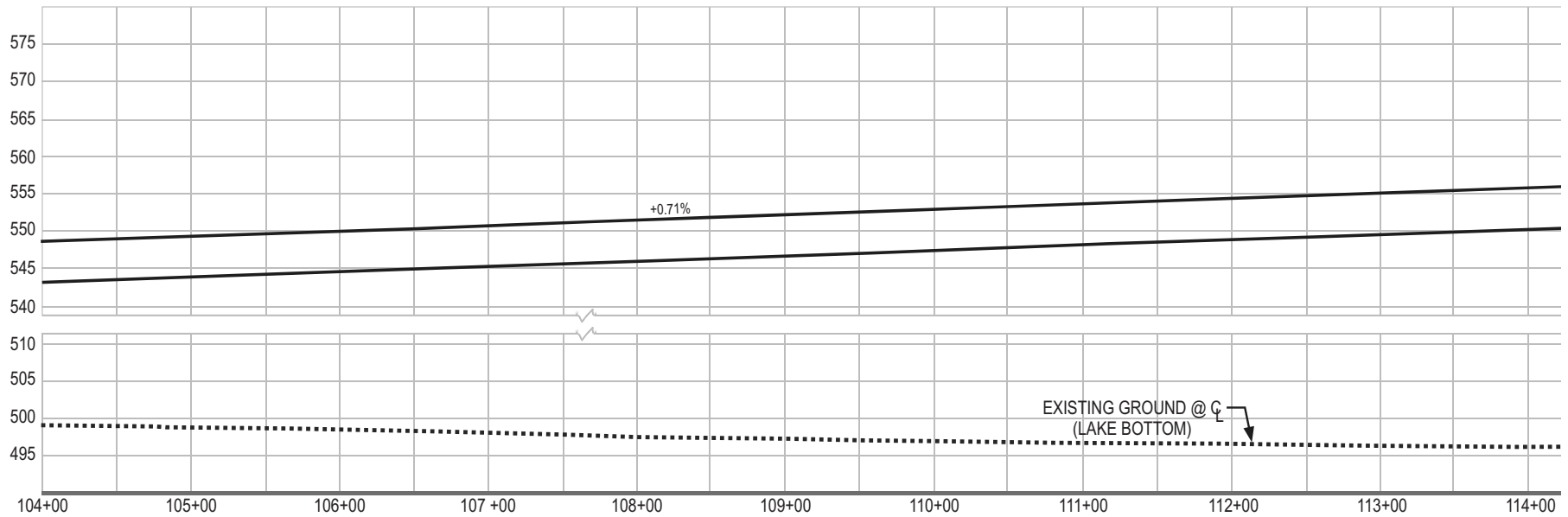


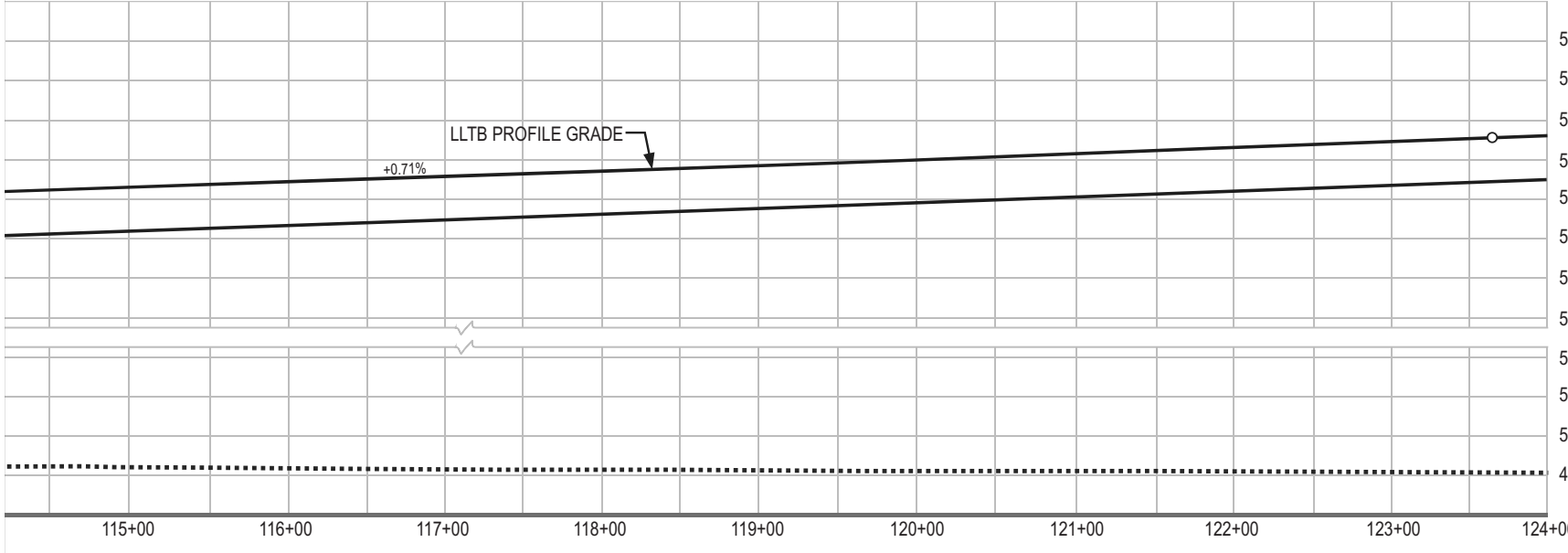
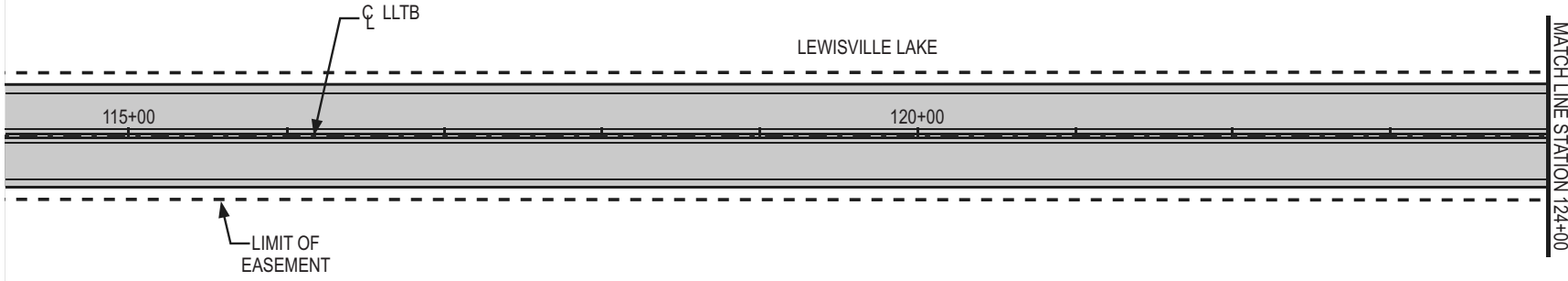
# Lewisville Lake Toll Bridge Engineering Report



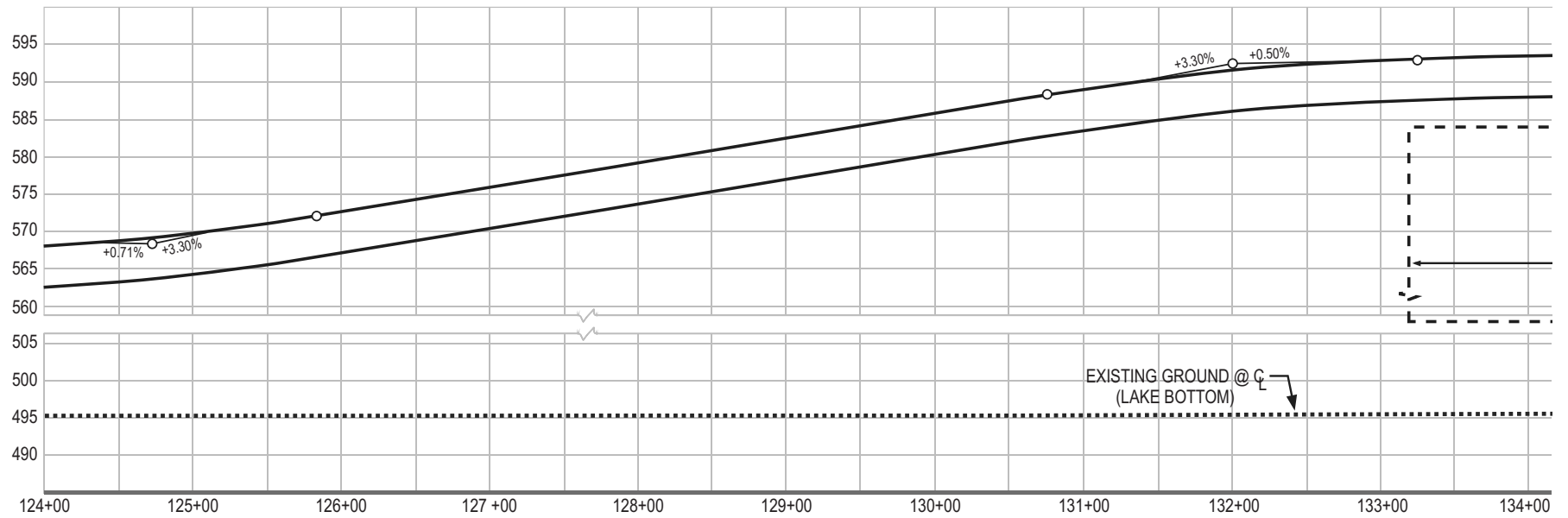
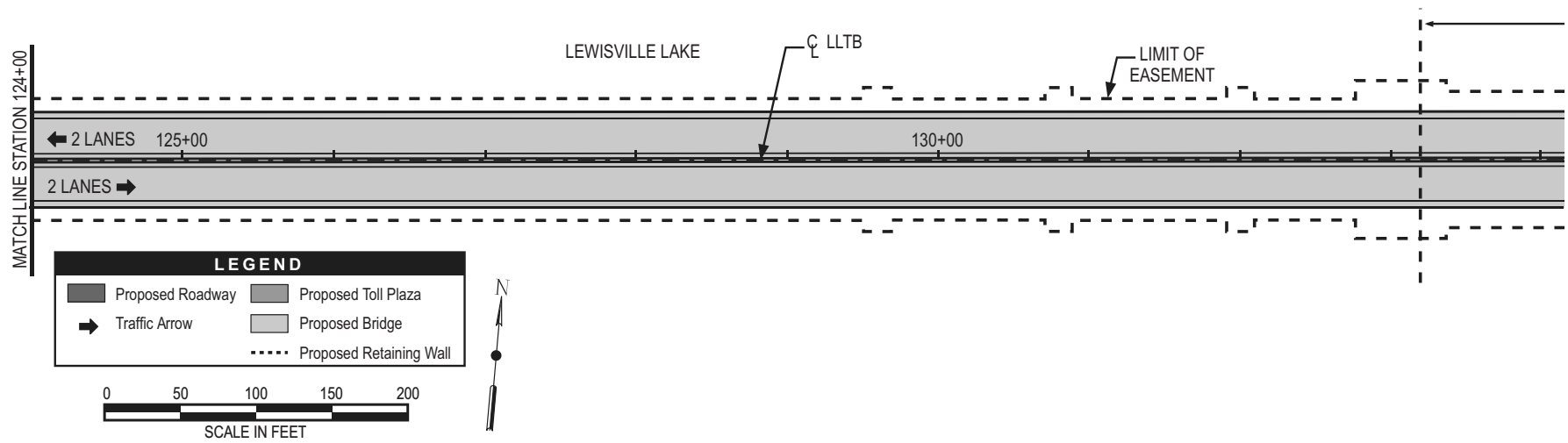
**LEGEND**

	Proposed Roadway		Proposed Toll Plaza
	Traffic Arrow		Proposed Bridge
	Proposed Retaining Wall		

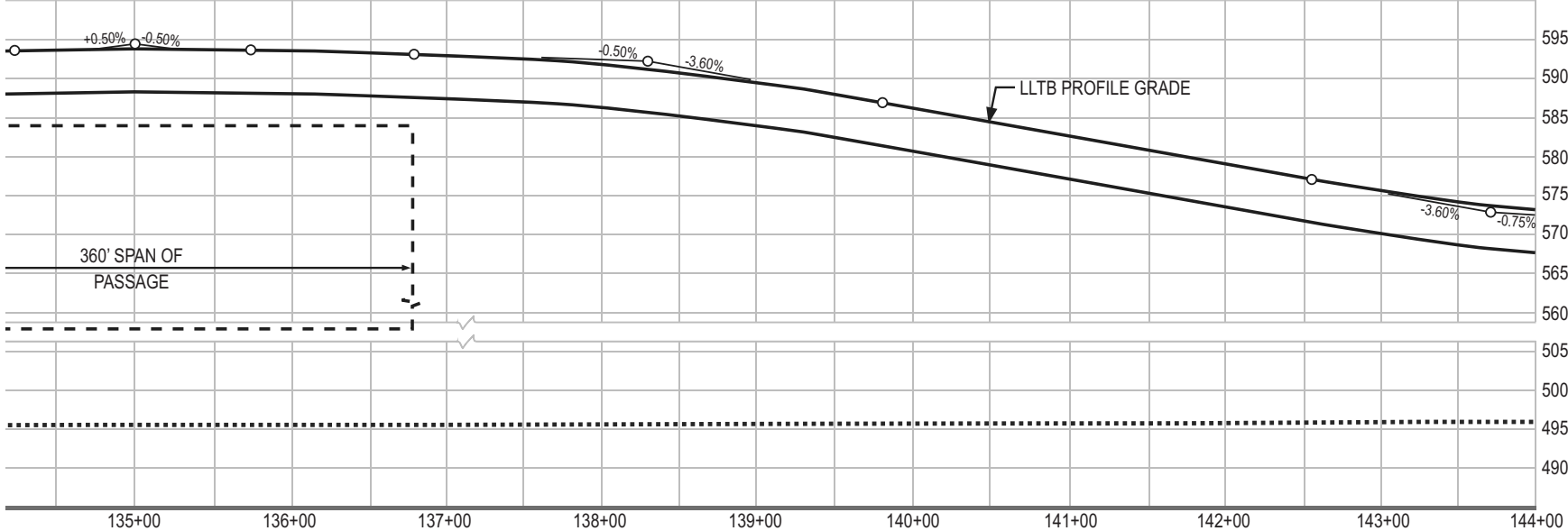
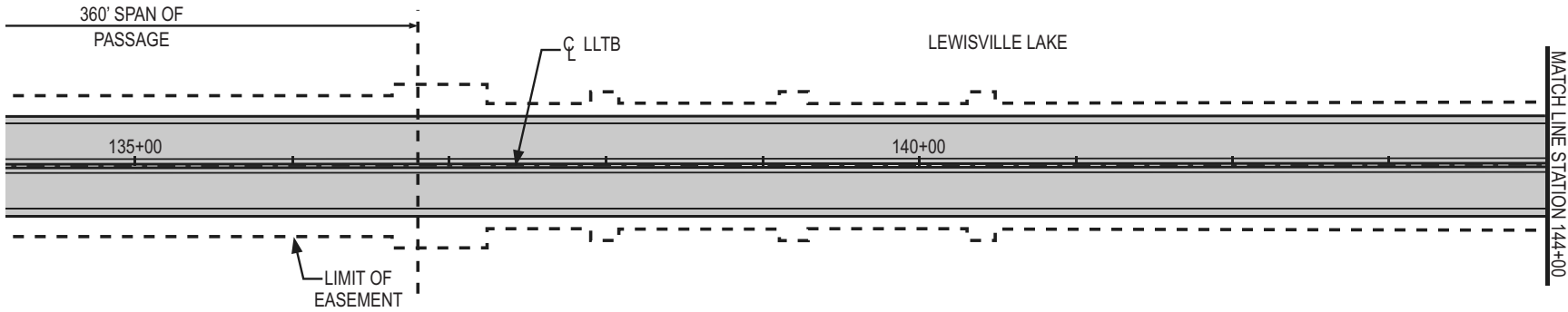




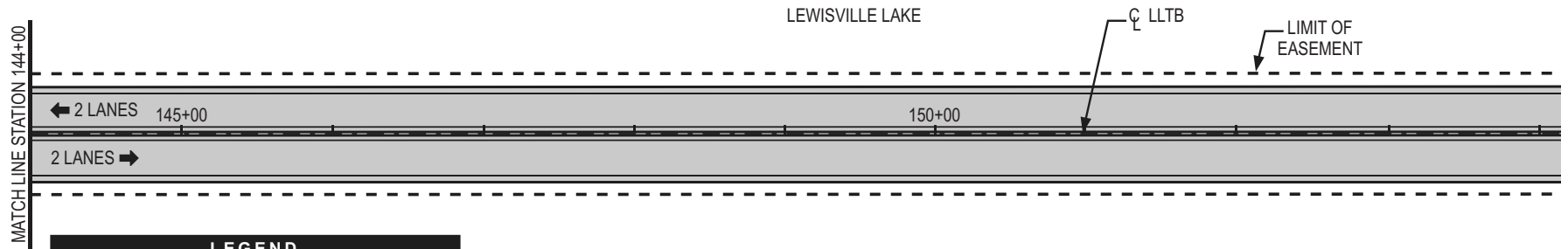
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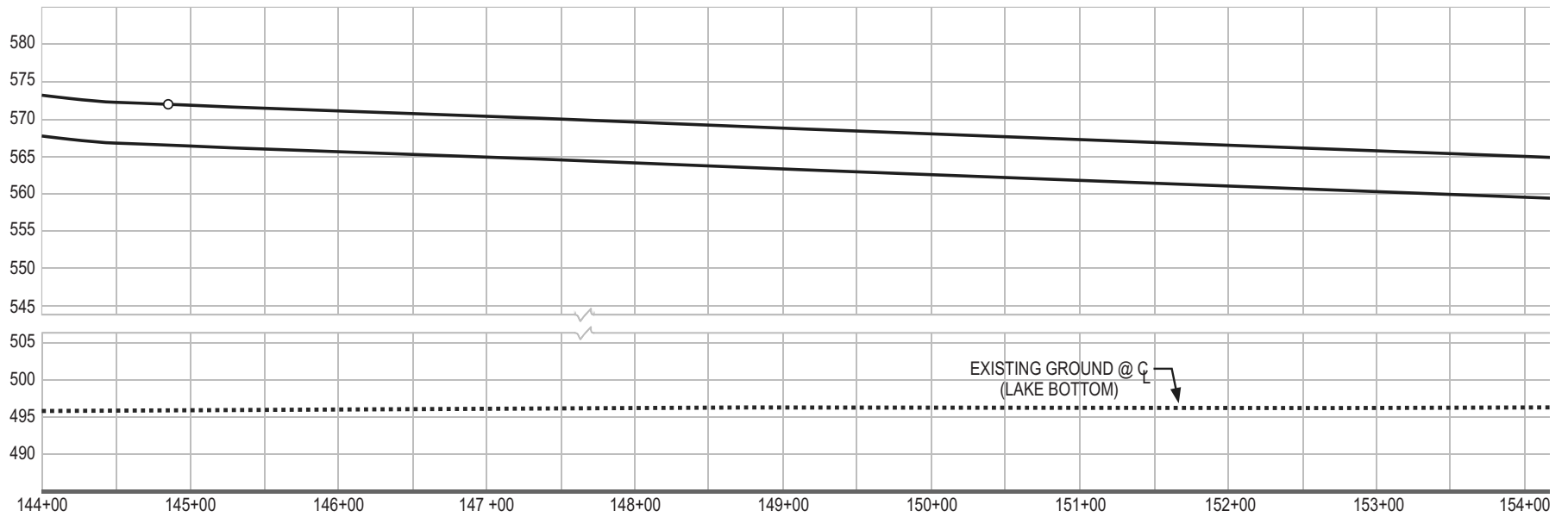


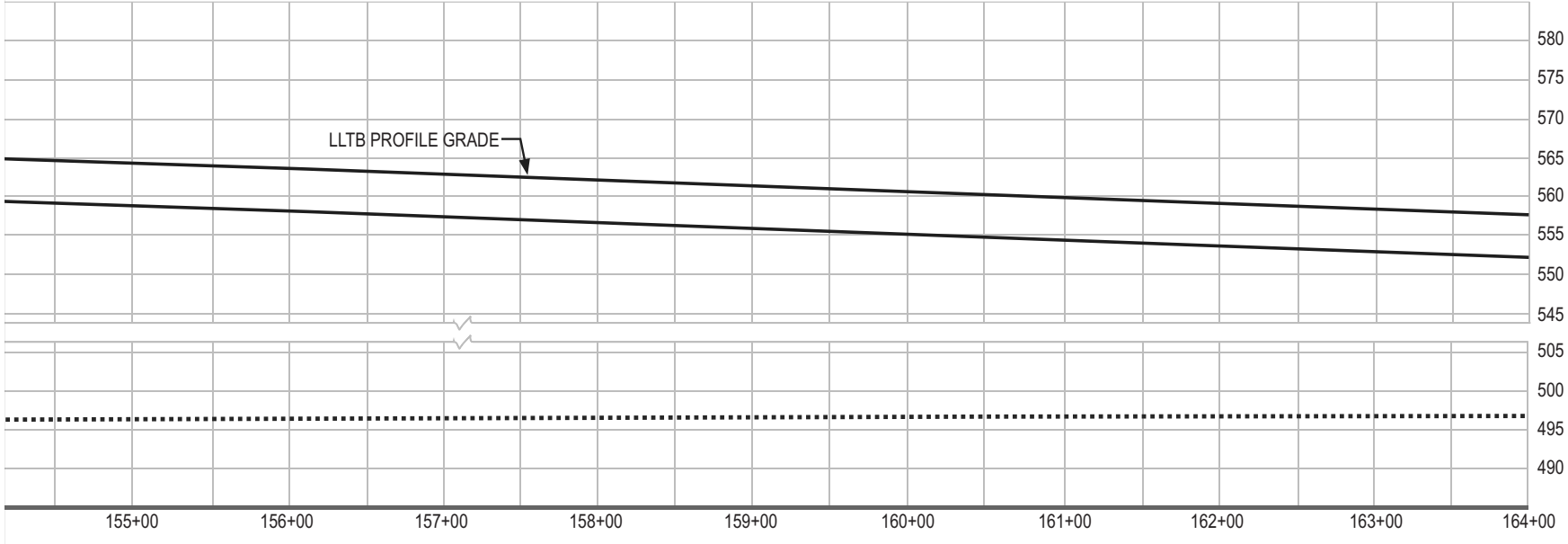
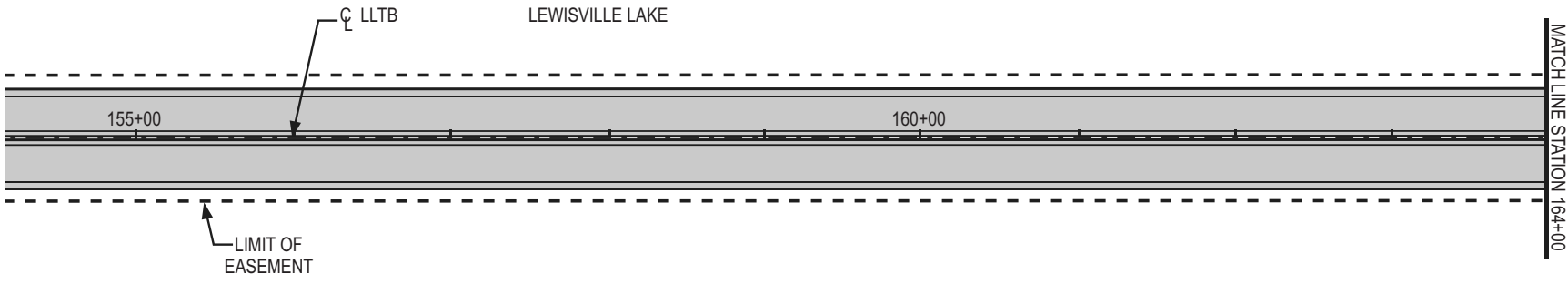


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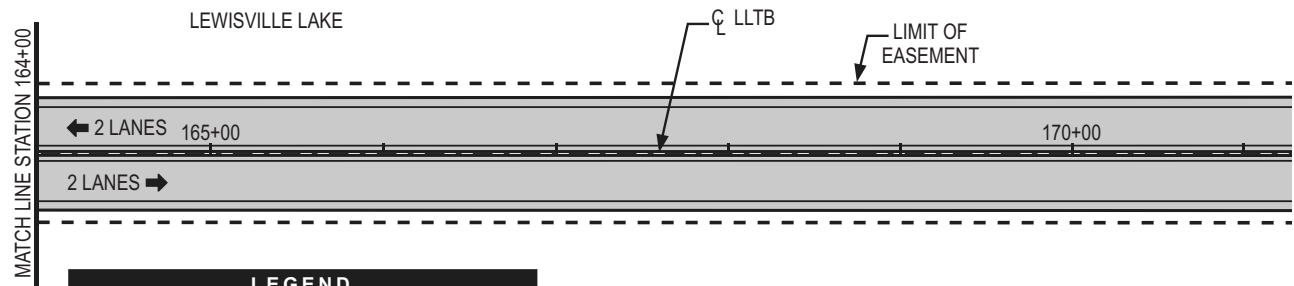


LEGEND	
	Proposed Roadway
	Proposed Toll Plaza
	Traffic Arrow
	Proposed Bridge
	Proposed Retaining Wall



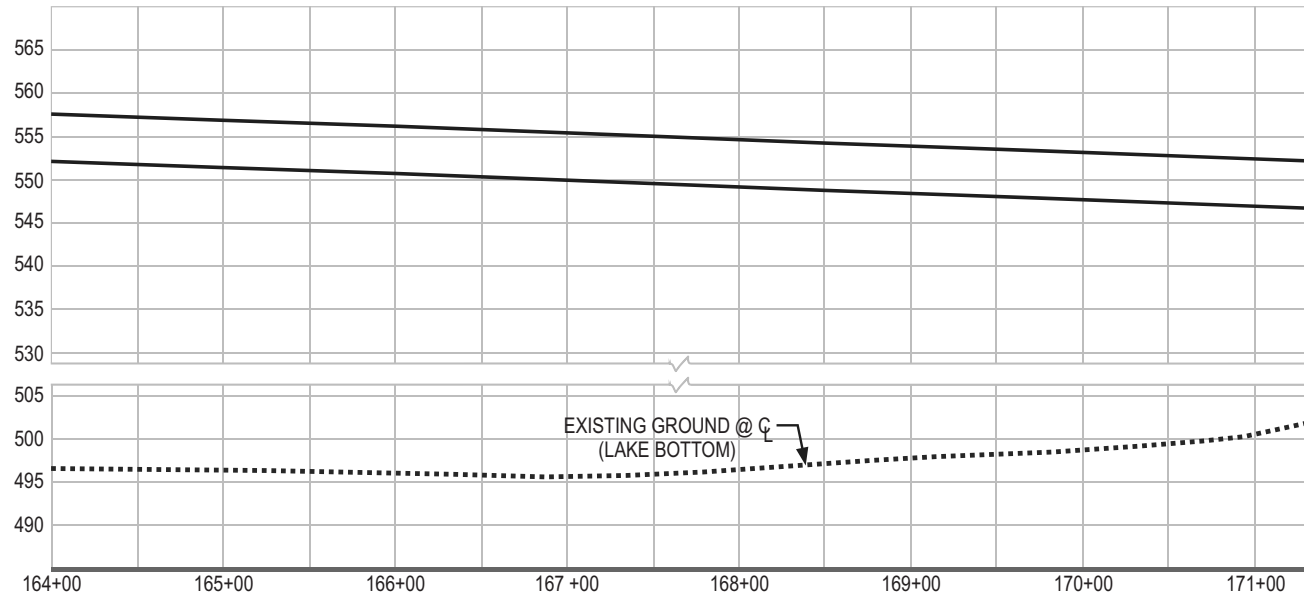


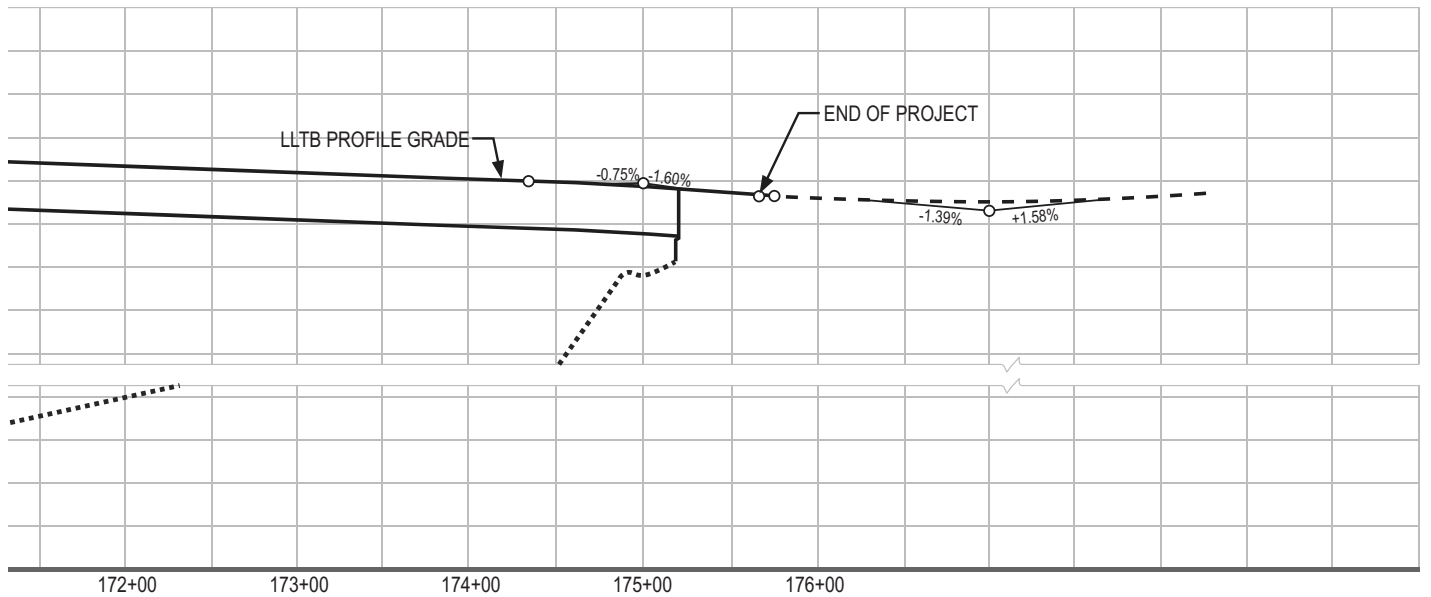
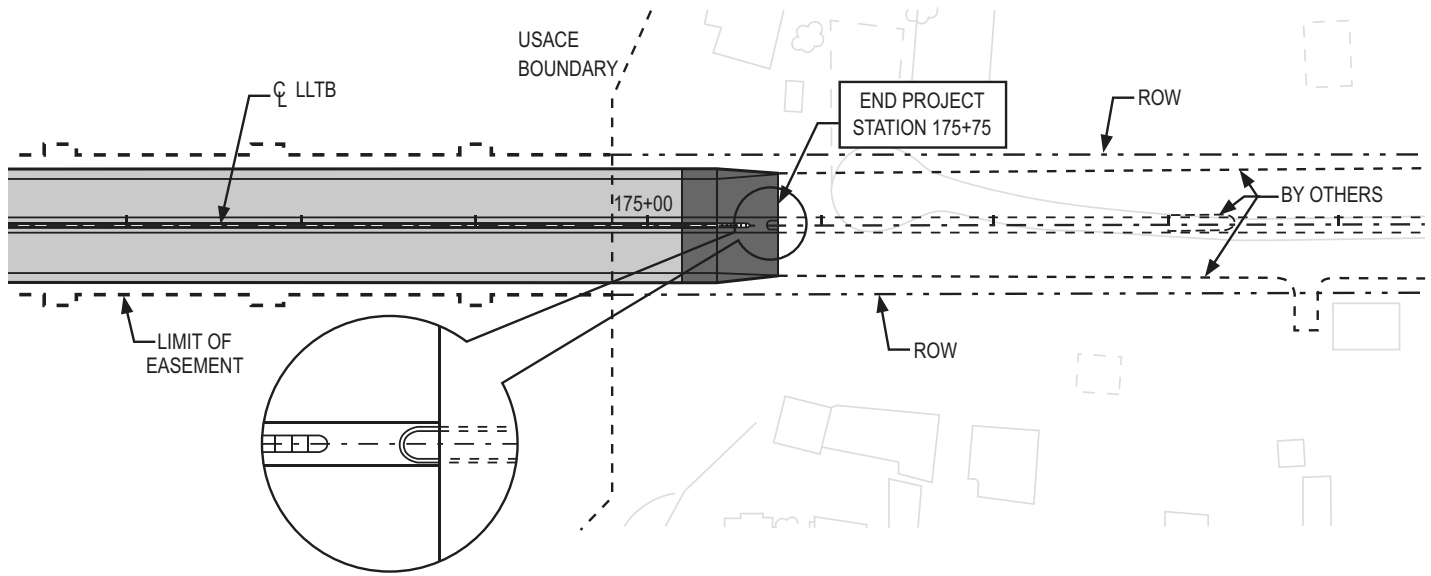
# Lewisville Lake Toll Bridge Engineering Report



**LEGEND**

	Proposed Roadway		Proposed Toll Plaza
	Traffic Arrow		Proposed Bridge
			Proposed Retaining Wall





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**APPENDIX D**

**PROGRESS REPORTS  
FOR  
DALLAS NORTH TOLLWAY EXTENSION PHASE 3  
SAM RAYBURN TOLLWAY,  
PRESIDENT  
GEORGE BUSH TURNPIKE EASTERN EXTENSION AND  
THE LEWISVILLE LAKE TOLL BRIDGE**

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December 2008

# Semi-Annual Progress Reports

## Dallas North Tollway Extension Phase 3

Progress Report No. 7

## Lewisville Lake Toll Bridge

Progress Report No. 5

## 121 Tollway

Progress Report No. 3

## PGBT Eastern Extension

Progress Report No. 1



Prepared by  
**HNTB**

Issued March 13, 2009

**NTTA**  
NORTH TEXAS TOLLWAY AUTHORITY



***NORTH TEXAS TOLLWAY AUTHORITY***

**BOARD OF DIRECTORS**

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**RICK HERRINGTON** ..... **Deputy Executive Director**  
**RAY ZIES** ..... **Interim Chief Financial Officer**  
**GERRY CARRIGAN** ..... **Assistant Executive Director, Project Delivery**  
**CLAYTON HOWE**..... **Assistant Executive Director, Operations**

December 2008

# Semi-Annual Progress Report

## Dallas North Tollway Extension Phase 3 Progress Report No. 7



Prepared by  
**HNTB**

Issued March 13, 2009

**NTTA**  
NORTH TEXAS TOLLWAY AUTHORITY

***NORTH TEXAS TOLLWAY AUTHORITY  
2005 CONSTRUCTION FUND  
DALLAS NORTH TOLLWAY  
EXTENSION PHASE 3***

**DECEMBER 2008 PROGRESS REPORT  
SUMMARY**

**DESIGN AND CONSTRUCTION PROGRESS**

As described in the requirements as set forth in the Trust Agreement dated July 1, 1989, as supplemented, the General Consulting Engineers are to prepare a progress report at least once every six months during the design and construction of the Dallas North Tollway (DNT) Extension Phase 3 project (“the Project”).

As of December 2008, bids were received on all roadway, toll gantry and landscape construction contracts, and all roadway sections and toll gantries are substantially complete. The open-to-traffic date was September 28, 2007. Landscape installation is estimated to be complete in the fourth quarter of 2009, at which time a two-year landscape maintenance period performed by the contractor will begin.

**PROJECT FUNDS**

The current total estimated cost for the Project, Sections XI-S, XI-N, XII-S and XII-N, exclusive of interest and financing, but including a contingency allocation, is \$264,000,000, as displayed in Table 3, page 7. Table 3 also shows committed expenditures as of December 2008 for the Project, including actual payments plus retainage withheld by the NTTA. Project expenditures to date are estimated to be greater than 90 percent of the estimated project cost. This percentage is calculated from a comparison of the latest cost estimates, including contingencies, with the incurred cost to date.

As required by Section 411 of the Trust Agreement, this current estimate is submitted:

1. Construction Status: All roadway construction contracts for the Project are executed and substantially complete. All remaining roadway construction is estimated to be completed by July 2009. The landscape construction contract is estimated to be complete by the fourth quarter of 2009 except for the contractually required two-year maintenance and warranty period.
2. The Project cost, financed by the NTTA, is estimated at \$264,000,000 for Sections XI-S, XI-N, XII-S and XII-N, including construction contingencies, as shown on Table 3, page 7. This amount does not include bond discounts, interest during and after construction, and other financing costs.
3. The quarterly estimated funding required for the remaining estimated construction period, including project contingency funds, is shown in Table 4, on page 8.

Respectfully submitted,  
HNTB CORPORATION



Stephanie L. Halliday, P.E.  
GEC Project Director

***NORTH TEXAS TOLLWAY AUTHORITY  
2005 CONSTRUCTION FUND  
DALLAS NORTH TOLLWAY  
EXTENSION PHASE 3***

**DECEMBER 2008 PROGRESS REPORT**

The Extension Phase 3 (“the Project”) is the third major extension of the Dallas North Tollway (DNT). The six-lane, controlled-access tollway is being constructed between substantially-complete northbound and southbound service roads designated as the Dallas Parkway. The northbound and southbound service roads provide between two and three traffic lanes in each direction.

**GENERAL**

Beginning at the northern end of the DNT Extension at the 121 Tollway about 1,300 feet south of Gaylord Parkway, the Project extends approximately 9.2 miles north to US 380 through the city of Frisco in Collin County. Six traffic lanes were constructed from the end of the existing DNT between existing and newly constructed parallel service roads. The main lanes of the Project terminate approximately 2,900 feet south of US 380 in anticipation of future construction of an interchange of the Project with US 380. Service roads provide access to US 380 from the Project until this interchange is constructed. For purposes of managing and expediting design and construction, the Project was divided into four sections. The sections are identified as DNT Extension Phase 3, Sections XI-S, XI-N, XII-S and XII-N, and are further described in the design and construction status section of this report.

The entire Project includes the construction of 28 limited-access ramp connections and a main lane plaza. Ten ramp connections are served by ramp toll gantries. The ramp toll gantries on the Project operate as mixed mode cash and electronic toll collection (ETC) facilities. The main lane toll plaza is located north of Main Street and currently operates in substantially the same manner as the existing DNT main lane plazas. Consistent with the long term goals for the NTTA System, the plaza is expected to be converted to an all-electronic toll collection solution in the future through a separate project funded through the NTTA Capital Improvement Program.



All bridge structures, ramps, and main lane pavement are part of the Project. A three-level interchange was previously constructed at the 121 Tollway. Ultimately, a five-level, directional interchange is to be constructed at the intersection of the Project and the 121 Tollway as part of the 121 Tollway corridor. Shown below in Figure 1 is a visual description of the general limits of the Project.

**Figure 1: DNT Extension Phase 3 Limits**



**DESIGN AND CONSTRUCTION STATUS**

***DNT Extension Phase 3, Section XI-S***

The main lane construction of Section XI-S begins approximately 1,300 feet south of Gaylord Parkway and extends north approximately 1.8 miles, ending about 1,875 feet south of Lebanon Road. The north and southbound service roads are already constructed for the full length of Section XI-S. Main lane grade separations with cross streets are provided at Gaylord Parkway, Warren Parkway, and John Hickman Parkway. Each grade separation passes over the local cross

street except at Warren Parkway. The DNT passes under Warren Parkway. Access to local cross streets is provided by ramp connections between the Project and service roads. Toll gantries placed at the ramps north of Warren Parkway collect tolls from customers accessing the Project from the service roads.

### **Section XI-S (1.8 miles)**

#### **Roadway: From South of Gaylord Parkway to North of John Hickman Road**

- ◆ Design consultant: DNT-457, Chiang Patel & Yerby, Inc.
- ◆ Right-of-Way: Complete
- ◆ Construction contractor: DNT-463, Archer Western Contractors, LTD
- ◆ Open to traffic date: September 28, 2007
- ◆ Construction status: Complete

### ***DNT Extension Phase 3, Section XI-N***

The main lane construction of Section XI-N begins approximately 1,875 feet south of Lebanon Road and extends north approximately 2.0 miles, ending 3,900 feet south of Main Street. Main lane grade separations for the Project occur at Lebanon Road, Stonebrook Parkway and the Burlington Northern Santa Fe Railway. The DNT passes under Lebanon Road and Stonebrook Parkway and goes over the Burlington Northern Santa Fe Railway. Access to local cross streets is provided by ramp connections between the DNT and the service roads. Toll gantries placed at four ramp locations collect tolls from customers accessing the Project to and from the south at local cross streets. Sections XI-N and XII-S were combined and bid as one construction project.

### **Section XI-N (2.0 miles)**

#### **Roadway: From North of John Hickman Road to South of Cotton Gin Road**

- ◆ Design consultant: DNT-459, Parsons Brinckerhoff Quade and Douglas
- ◆ Right-of-Way: Complete
- ◆ Construction contractor: DNT-464, Zachry Construction Company
- ◆ Open to traffic date: September 28, 2007
- ◆ Construction status: Substantially Complete



### ***DNT Extension Phase 3, Section XII-S***

The main lane construction for Section XII-S begins about 3,900 feet south of Main Street and extends north approximately 2.6 miles, terminating at a point approximately 1,850 feet north of Eldorado Parkway. The north and southbound service roads are already constructed for the full length of Section XII-S. Main lane grade separations with cross streets are provided at Cotton Gin Road, Main Street and Eldorado Parkway. Access to local cross streets is provided by ramp connections between the DNT and the service roads. A main lane toll plaza is located north of Main Street to collect tolls from all customers using the Project. Toll gantries at the ramps are not required for local access since customers must pass through the main lane toll plaza. Sections XI-N and XII-S were combined and bid as one construction project.

### **Section XII-S (2.6 miles)**

#### **Roadway: From South of Cotton Gin Road to North of FM 2934 (Eldorado Parkway)**

- ◆ Design consultant: DNT-460, Halff Associates, Inc.
- ◆ Right-of-Way: Complete
- ◆ Construction contractor: DNT-464, Zachry Construction Company
- ◆ Open to traffic date: September 28, 2007
- ◆ Construction status: Substantially Complete

#### **Toll Plaza and Gantries – Main Lane Plaza Number 4 and Ramp Toll Gantries**

##### **Main Lane Plaza: North of Main Street**

- ◆ Design consultant: DNT-477, Murphy/Jahn
- ◆ Right-of-Way: Complete
- ◆ Construction contractor: 02045-DNT-04-CN-EN, AUI Contractors, LP
- ◆ Open to traffic date: September 28, 2007
- ◆ Construction status: Substantially complete

### ***DNT Extension Phase 3, Section XII-N***

The main lane construction for Section XII-N begins approximately 1,850 feet north of Eldorado Parkway and extends north approximately 2.6 miles, terminating 2,900 feet south of US 380. Main lane grade separations with cross streets are provided at Panther Creek Parkway, County Road 24 and Virginia Parkway. The DNT at each of these grade separations passes over the

local cross streets. The north and southbound service roads are already constructed for the full length of Section XII-N to provide a continuous roadway to US 380. Access to local cross streets is provided by ramp connections between the DNT and the service roads. Toll gantries are placed at four ramp locations to collect tolls from customers accessing the DNT to and from the north at local cross streets. The pair of tolled ramps south of Virginia Parkway remains closed until the migration to all-electronic toll collection is implemented or the U.S. 380 interchange is constructed due to the limited trip length between these ramps and the northern terminus.

**Section XII-N (2.6 miles)**

**Roadway: From North of FM 2934 (Eldorado Parkway) to South of US 380**

- ◆ Design consultant: DNT-461, Carter & Burgess, Inc.
- ◆ Right-of-Way: Complete
- ◆ Construction contractor: DNT-466, Mario Sinacola & Sons Excavating, Inc.
- ◆ Open to traffic date: September 28, 2007
- ◆ Construction status: Substantially Complete

In addition to design firms identified above, Table 1 below lists the contracts that have been awarded for engineering services related to the Project. Table 2, on the following page, summarizes in detail the design and construction status of the Project.

<b>TABLE 1 – ADDITIONAL ENGINEERING SERVICES</b>		
<i>Contract Number</i>	<i>Firm</i>	<i>Service</i>
<b>DNT-357 02005-NTT-00-PS-AD</b>	HNTB Corporation	General Engineering Consultant
<b>DNT 537</b>	Fugro Consultants, L.P	Construction Materials Testing
<b>DNT 286 – SA No. 37 02056-NTT-00-PS-EN-WA01</b>	Kellogg Brown & Root, Inc.	Construction Management

**NORTH TEXAS TOLLWAY AUTHORITY  
DALLAS NORTH TOLLWAY EXTENSION PHASE 3**

**TABLE 2 - DESIGN AND CONSTRUCTION STATUS REPORT, SECTIONS XI-S - XII-N**

Design							Construction						
Section	Limits	DNT (Design)	Consultant	Design Notice to Proceed	Current Status of PS&E	Letting Dates	DNT (Constr)	Contractor	Begin Construction	End Construction	Duration (Months)	Current Status of Construction	Open to Traffic
XI-S	S. of Gaylord to N. John Hickman Rd.	457	Chiang Patel & Yerby, Inc	06/09/2003	Complete	01/27/2005	463	Archer Western Contractors. LTD	03/10/2005	6/14/2008	39	Complete	September 28 <sup>th</sup> , 2007
XI-N	N. of John Hickman Rd to S. of Cotton Gin Road	459	Parsons Brinckerhoff Quade & Douglas	06/09/2003	Complete	11/23/2004	464	Zachry Construction Company	01/14/2005	6/14/2008	41	Substantially Complete	September 28 <sup>th</sup> , 2007
XII-S	S. of Cotton Gin Road to N. of FM 2934 (Eldorado Pkwy)	460	Half Associates, Inc.	06/09/2003	Complete	11/23/2004	464	Zachry Construction Company	01/14/2005	6/14/2008	41	Substantially Complete	September 28 <sup>th</sup> , 2007
XII-N	N. of FM 2934 (Eldorado Pkwy) to S. of US 380	461	Carter & Burgess, Inc.	06/09/2003	Complete	06/30/2005	466	Mario Sinicola & Sons Excavating	08/08/2005	6/14/2008	34	Substantially Complete	September 28 <sup>th</sup> , 2007
Toll Plazas	MLP 4 and Ramp Gantries	477	Murphy/Jahn	06/25/2004	Complete	12/22/2005	02045-DNT-00-CN-EN	AUI Contractors, LP	03/22/2006	6/07/2008	27	Substantially Complete	September 28 <sup>th</sup> , 2007
Toll Booth Procurement	MLP 4 and Ramp Gantries	477	Murphy/Jahn	01/24/2006	Complete	05/25/2006	02001-DNT-00-CN-EN	Rebcon, Inc.	Approx. 06/30/2006	12/10/2007	17	Complete	September 28 <sup>th</sup> , 2007

## ESTIMATE OF PROJECT FUNDS

The estimate of project funds required for construction of the Extension Phase 3 is \$264,000,000, as shown in Table 3 below. Also provided in Table 3 for comparison is the estimate from the DNT Extension Phase 3 Engineering Report dated December 2004. The revised estimate has been generated using actual bid prices for all construction contracts, as compared to the latest project estimates available as of the date of issuance of the Engineering Report. Table 3 also shows incurred expenditures as of December 2008 for the project. These expenditures include the actual payments plus retainage withheld by the NTTA.

<b>TABLE 3 - COST SUMMARY</b>				
<b>No.</b>	<b>Description</b>	<b>Engineering Report Estimate, Dec. 2004</b>	<b>Estimate, Dec. 2008</b>	<b>Incurred Expenditures, Dec. 2008</b>
1	Section XI-S	\$ 29,997,320	\$ 31,444,000	\$ 30,809,346
2	Sections XI-N and XII-S	\$ 83,973,000	\$ 92,516,254	\$ 92,516,254
3	Section XII-N	\$ 51,926,140	\$ 52,818,000	\$ 50,178,349
4	Toll Plaza Structures	\$ 22,500,000	\$ 26,645,798	\$ 26,645,798
5	Equipment	\$ 4,282,400	\$ 3,576,332	\$ 3,576,332
6	Construction Management	\$ 11,695,000	\$ 13,789,492	\$ 13,789,492
7	Miscellaneous Construction <sup>1</sup>	\$ 16,975,070	\$ 14,291,000	\$ 8,207,990
<b>Subtotal (1-7) Construction</b>		<b>\$ 221,348,930</b>	<b>\$ 235,080,876</b>	<b>\$ 225,723,561</b>
8	PS&E	\$ 11,642,620	\$ 13,420,675	\$ 13,420,675
9	PS&E Administrative	\$ 3,898,300	\$ 5,000,000	\$ 4,791,234
10	Reimbursement <sup>3</sup>	\$ 8,600,000	\$ 8,600,000	\$ -
<b>Subtotal (8-10) Engineering</b>		<b>\$ 24,140,920</b>	<b>\$ 27,020,675</b>	<b>\$ 18,211,909</b>
11	Project Contingencies	\$ 18,510,150	\$ 1,898,449	\$ -
<b>Project Total (1-11) <sup>2</sup></b>		<b>\$ 264,000,000</b>	<b>\$ 264,000,000</b>	<b>\$ 243,935,471</b>

**NOTES:**

<sup>1</sup> The estimated Miscellaneous Construction cost includes the costs of construction materials testing, utility relocations, proposed right-of-way and easements, landscape, and ITS equipment installation.

<sup>2</sup> The amounts shown above do not include bond discounts, interest during and after construction, and other financing costs.

<sup>3</sup> The amount shown above for reimbursement for the northbound service road from the 121 Tollway to U.S. 380 and for the southbound service road from the 121 Tollway to FM 720 is offset by the NTTA's funding and construction of the southbound service road from FM 720 to US 380.

Cost estimates for the Project were prepared based on the status of contracts awarded to date. The current cost estimate represents the best good-faith judgment from a design professional familiar with the highway construction industry. Neither the NTTA nor its consulting engineers have control over the labor, materials or equipment costs; the contractors' methods of

determining bid prices; or competitive bidding, market, or negotiating conditions. The estimate of construction costs given in progress reports will be monitored as work progresses on the Project.

The quarterly estimated amount of funds required for the remaining estimated period of construction to meet the cost of the Extension Phase 3, including funds allocated for project contingencies is shown below in Table 4.

<b>TABLE 4 - DRAW SCHEDULE</b>				
<b>Period Ending</b>	<b>Quarterly Estimate, December 2008</b>	<b>Cumulative Estimate, December 2008</b>	<b>Quarterly Actual</b>	<b>Cumulative Actual</b>
6/30/2005	\$31,532,539	\$31,532,539	\$31,532,539	\$31,532,539
9/30/2005	\$15,911,419	\$47,443,958	\$15,911,419	\$47,443,958
12/31/2005	\$21,989,879	\$69,433,837	\$21,989,879	\$69,433,837
3/31/2006	\$18,510,478	\$87,944,315	\$18,510,478	\$87,944,315
6/30/2006	\$20,678,197	\$108,622,512	\$20,678,197	\$108,622,512
9/30/2006	\$19,682,474	\$128,304,986	\$19,682,474	\$128,304,986
12/31/2006	\$17,753,764	\$146,058,750	\$17,753,764	\$146,058,749
3/31/2007	\$17,037,811	\$163,096,560	\$17,037,811	\$163,096,560
6/30/2007	\$23,036,269	\$186,132,829	\$23,036,269	\$186,132,829
9/30/2007	\$18,950,428	\$205,083,257	\$18,950,428	\$205,083,257
12/31/2007	\$16,694,992	\$221,778,249	\$16,694,992	\$221,778,249
3/31/2008	\$6,342,427	\$228,120,676	\$6,342,427	\$228,120,676
6/30/2008	\$1,933,007	\$230,053,683	\$1,933,007	\$230,053,683
9/30/2008	\$3,358,102	\$233,411,785	\$3,358,102	\$233,411,785
12/31/2008	\$10,523,686	\$243,935,471	\$10,523,686	\$243,935,471
3/31/2009	\$7,088,129	\$251,023,600		
6/30/2009	\$1,486,144	\$252,509,743		
9/30/2009	\$308,445	\$252,818,189		
12/31/2009	\$311,140	\$253,129,328		
3/31/2010	\$94,417	\$253,223,745		
6/30/2010	\$97,414	\$253,321,160		
9/30/2010	\$25,386	\$253,346,546		
12/31/2010	\$24,338	\$253,370,883		
3/31/2011	\$23,600	\$253,394,483		
6/30/2011	\$23,969	\$253,418,452		
9/30/2011	\$10,581,547	\$264,000,000		

## **SCHEDULE**

All roadway construction contracts are complete or substantially complete. As a result, risk factors associated with project delays were lessened and the open-to-traffic date was September 28<sup>th</sup>, 2007.

During the course of roadway construction, it was determined that landscaping would be let after completion of roadway construction. The landscaping aspect of the project is scheduled to be substantially complete in the fourth quarter of 2009. As a result of the separation of roadway construction and landscaping construction, the final closeout of all construction contracts is estimated to be in the second quarter of 2010.

## **DESIGN CONSIDERATIONS**

In an effort to extend pavement life and potentially reduce long term maintenance costs, NTTA staff implemented a modification to the pavement and subgrade design. The modification consists of increased pavement thickness throughout the Project coupled with a revised subgrade stabilization technique at certain locations in Section XII. The increased pavement thickness is intended to enhance the roadway's ability to carry heavy vehicles. The revised subgrade stabilization technique is designed to further mitigate the potential for pavement movement due to changes in moisture conditions during the roadway's service life. Change orders for these modifications were negotiated with the contractors, paid for out of the project contingencies, and did not affect the open-to-traffic date or the total Project cost.

The NTTA also coordinated with the Texas Department of Transportation (TxDOT) to provide the ultimate frontage road configuration on the southern portion of the DNT at US 380 intersection. This modification is intended to improve traffic flow for motorists entering and exiting the DNT at its northern terminus at US 380. This modification, which was paid for out of the project contingencies, did not impact either the open-to-traffic date or the Project cost estimate.

December 2008

# Semi-Annual Progress Report

## Lewisville Lake Toll Bridge Progress Report No. 5



Prepared by  
**HNTB**

Issued March 13, 2009

**NTTA**  
NORTH TEXAS TOLLWAY AUTHORITY



***NORTH TEXAS TOLLWAY AUTHORITY  
LEWISVILLE LAKE TOLL BRIDGE***

**DECEMBER 2008 PROGRESS REPORT  
SUMMARY**

**DESIGN AND CONSTRUCTION PROGRESS**

Requirements as set forth in the Trust Agreement dated July 1, 1989, as supplemented, require the General Consulting Engineers to prepare a progress report at least once every six months during the design and construction projects financed by bonds. Although project-specific revenue bonds have not yet been issued for the Lewisville Lake Toll Bridge (the “Project”), the North Texas Tollway Authority (NTTA) has implemented its Commercial Paper program to finance the initial portions of the Project, and has transferred the 1995 Construction Fund remaining balance to fund additional portions of the Project.

As of December 2008, the Project is currently under construction, with an estimated open-to-traffic date of August 2, 2009. Design was completed and bids were received in August 2006. The construction contract was awarded on September 27, 2006. The Project was incorporated into the North Texas Tollway Authority (NTTA) System by the Board of Directors on September 27, 2006, and a Notice to Proceed was issued to the contractor on November 10, 2006.

The Project was designed and is being constructed as the second of eight individual sections which comprise the 13.8 mile Lewisville Lake Corridor Project. Sections 1, 3 and 7 were completed and opened to traffic. Other sections are scheduled to open from mid-2010 to 2013. A map showing the location of the eight sections is provided as Figure 1, on page 2.

**PROJECT FUNDS**

The current total estimated cost for the Project is \$122,200,000, as shown in Table 3, page 5. The estimated cost was developed based on the status of contracts awarded to date and is the best information available as of December 2008.



Pursuant to the requirements of Section 411 of the Trust Agreement, we submit this current estimate of the following:

1. Construction Status: Notice to Proceed for the construction contract for the Project was executed on November 10, 2006. Based upon current construction schedules, the Project is projected to be completed and opened to traffic by August 2, 2009. This date reflects a 100-day delay caused by excessive flooding during the spring of 2007. NTTA has offered the contractor an incentive to recover this delay. The contractor would receive \$12,700 for each day it completed the project before August 2, 2009, up to 100 days. The incentive would be paid out of the contingency for the project and will not impact the original cost estimate for the project. As of December 2008, the construction is approximately 80% complete.
2. The cost of the Lewisville Lake Toll Bridge, financed by the NTTA, is estimated to be \$122,200,000, including construction contingencies, as shown on Table 3, page 5. This amount does not include bond discounts, interest during and after construction, and other financing costs.
3. The quarterly estimated funding required for the remaining estimated construction period to meet the Project cost, including funds allocated for project contingencies, is shown in Table 4, page 6.

Respectfully submitted,  
HNTB CORPORATION



Stephanie L. Halliday, P.E.  
GEC Project Director

# ***NORTH TEXAS TOLLWAY AUTHORITY LEWISVILLE LAKE TOLL BRIDGE***

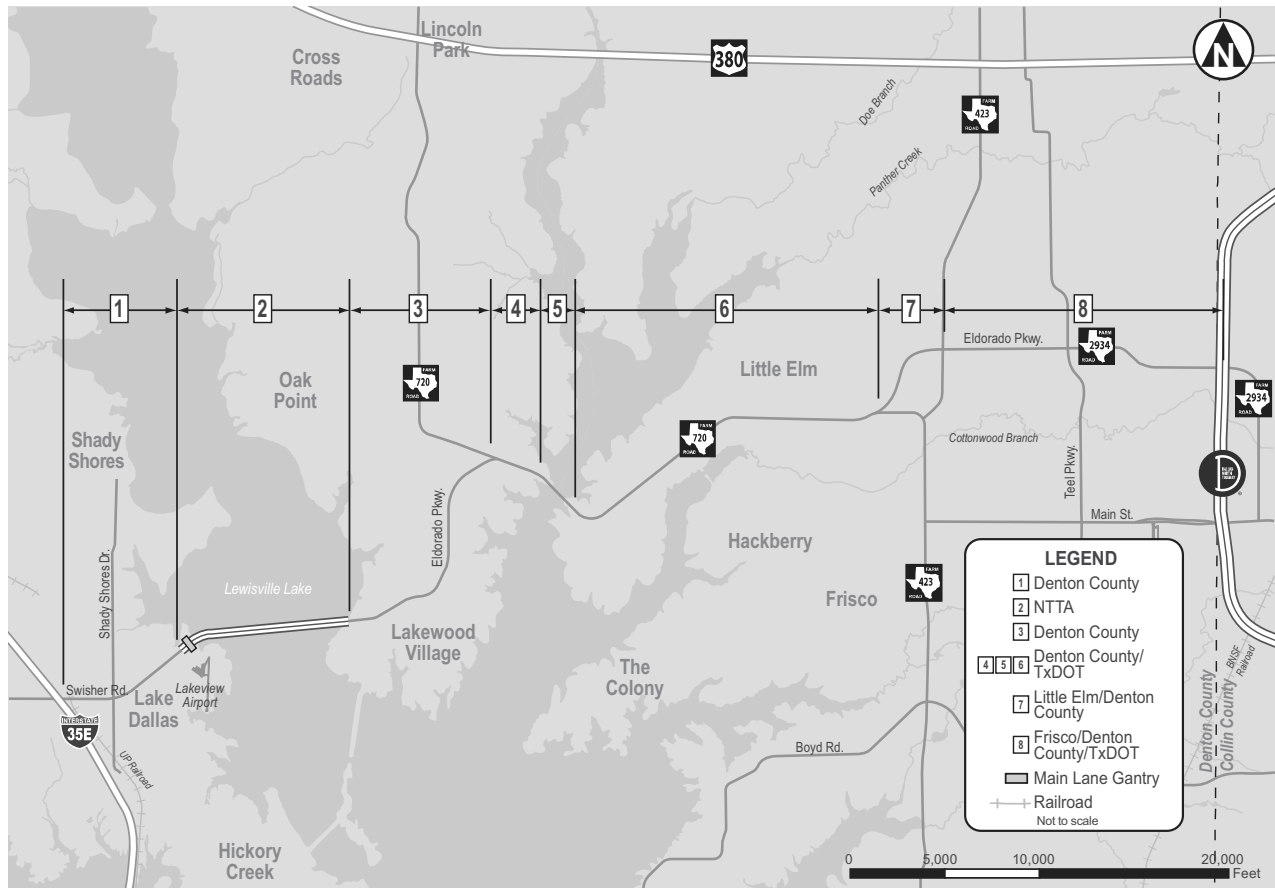
## **DECEMBER 2008 PROGRESS REPORT**

The Lewisville Lake Corridor Project is approximately 13.8 miles in length and connects IH 35E at Swisher Road in Denton County with the Dallas North Tollway at FM 2934 (Eldorado Parkway) in Collin County, Texas. To facilitate convenient design and construction segments, the project is comprised of eight individual sections of varying lengths and types of facility (see Figure 1, page 2). On the west side of the lake (Section 1), Denton County completed the construction of Swisher Road to a four-lane thoroughfare with provisions for a continuous left-turn lane in the city of Lake Dallas in July 2007. Section 2 is the Lewisville Lake Toll Bridge (the “Project”) and the subject of this progress report. On the east side of the lake (Section 3), Denton County completed the construction of Eldorado Parkway (formerly Garza Lane) to a four-lane thoroughfare with provisions for a continuous left-turn lane to connect with FM 720 in the Town of Little Elm in October. Texas Department of Transportation (TxDOT) will improve a five-mile section of FM 720 to a six-lane thoroughfare with a raised median through the town of Little Elm (Sections 4-6). Section 7 was constructed by a private developer as a four-lane facility on new alignment from FM 720 to connect with FM 2934 at FM 423 and was opened to traffic in April 2004. TxDOT began constructing Section 8 to a six-lane facility in September 2008.

### **GENERAL**

The most important and vital section is the Project and is referred to as Section 2 (see Figure 1, page 2). This project consists of a short approach roadway on each shore of the lake, a lake bridge crossing the main body of water of the lake, a toll gantry on the western end of the lake bridge and a flowage easement bridge on the west side of the toll gantry. The total length of Section 2 is approximately 10,775 feet (2.04 miles) including the bridges and approach roadway.

**Figure 1: NTTA System Extension, Lewisville Lake Corridor**



## DESIGN AND CONSTRUCTION STATUS

The Project is separated into one construction and two design contracts. One of the design contracts comprises the roadway and bridge portions of the Project; the second comprises the toll gantry. One contractor is constructing the roadway, bridges and toll gantry.

### *Roadway and Bridge Contract*

Both the design of the toll gantry and design of the roadway and bridge portion is complete, and construction bids were received on August 31, 2006. A notice to proceed was issued to the Contractor, Jensen Construction Company, on November 10, 2006, and the project is currently under construction. Time charges started January 25, 2007, subsequent to the United States Army Corps of Engineers (USACE) issuance of a construction license.

Heavy spring and early summer rains raised the lake level significantly in the first half of 2007. Construction was halted on June 16, 2007, when the lake level rose to an elevation of 525 feet above sea level, the upper water elevation where the contractor can work within the parameters of the USACE construction license. Construction resumed on September 24, 2007, after 100 days of work suspension. The delay caused the contract completion date to move from April 24, 2009, to August 2, 2009. On November 20, 2007, the NTTA Board of Directors approved the issuance of an incentive to the contractor to recover the delay. This incentive allows the contractor to earn \$12,700 for each day that the work is completed before August 2, 2009, up to a maximum aggregate incentive payment of \$1,270,000, equal to 100 days of incentive payments. As of December 2008, the contractor anticipates work completion on August 2, 2009.

***Toll Gantry Change Order***

Design of the toll gantry was completed in February 2008, and negotiations with the contractor to construct the toll gantry were completed in June 2008. On June 18, 2008, the NTTA Board of Directors approved a change order with the contractor to construct the gantry. The gantry construction will not increase contract time.

Table 1 below lists the contracts that have been awarded for engineering services related to the Project. Table 2 on the following page summarizes in detail the design and construction status of the Lewisville Lake Toll Bridge Project and the additional firms involved in the project.

<b>TABLE 1 – ENGINEERING SERVICES</b>		
<b><i>Contract Number</i></b>	<b><i>Firm</i></b>	<b><i>Service</i></b>
<b>DNT-357 02005-NTT-00-PS-AD</b>	HNTB Corporation	General Engineering Consultant
<b>02058-NTT-00-PS-EN</b>	PBS&J, Inc.	Construction Management & Construction Materials Testing
<b>CIF-161</b>	Markhurd	Preliminary Engineering–Aerial Survey

**TABLE 2 - DESIGN AND CONSTRUCTION STATUS REPORT**

<b>Design, Engineering</b>			
<b>Limits / Description</b>	<b>DNT (Design)</b>	<b>Consultant</b>	<b>Current Status of PS&amp;E</b>
Roadway and Bridge	DNT – 503	Turner Collie & Braden, Inc.	Complete
Toll Gantry	02069-LLB-00-PS-EN	Half Associates, Inc.	Complete

<b>Construction</b>						
<b>Limits / Description</b>	<b>DNT (Const)</b>	<b>Contractor</b>	<b>Begin Construction</b>	<b>End Construction</b>	<b>Current Status of Construction</b>	<b>Open to Traffic</b>
Lewisville Lake Toll Bridge <sup>1</sup>	02030-LLB-00-CN-EN	Jensen Construction	Nov-06	Dec-09	80%	Aug-09

**NOTES:**

<sup>1</sup> Including change order for toll gantry.

**ESTIMATE OF PROJECT FUNDS**

The estimate of project funds required for the Lewisville Lake Toll Bridge Project is \$122,200,000, as shown in Table 3, which includes planning, engineering, construction and other agency costs. The estimate uses actual bid prices from the roadway and bridge contract and the change order for the toll gantry. Cost estimates for the toll-collection equipment are based on preliminary construction plans and equipment costs for similar installations. Table 3 also shows the committed expenditures as of December 2008 for the project. These expenditures include the actual payments plus retainage withheld by the NTTA.

<b>TABLE 3: COST SUMMARY</b>				
<b>No.</b>	<b>Description</b>	<b>Engineering Report Estimate, March 2006</b>	<b>Estimated Cost, December 2008</b>	<b>Incurred Expenditures, December 2008</b>
1	Section 2 <sup>1</sup>	\$ 92,900,000	\$ 97,200,000	\$ 70,496,280
2	Toll Gantry	\$ 6,100,000	\$ 1,200,000	\$ 99,952
3	Equipment	\$ 500,000	\$ 500,000	\$ 20,829
4	Construction Management	\$ 5,900,000	\$ 5,900,000	\$ 4,784,419
<b>Subtotal (1-4) Construction</b>		<b>\$ 105,400,000</b>	<b>\$ 104,800,000</b>	<b>\$ 75,401,480</b>
5	PS&E (Plans, Specifications, & Estimates)	\$ 3,600,000	\$ 3,600,000	\$ 3,221,897
6	Other Agency Costs	\$ 2,100,000	\$ 3,443,383	\$ 3,443,383
<b>Subtotal (5-6) Engineering</b>		<b>\$ 5,700,000</b>	<b>\$ 7,043,383</b>	<b>\$ 6,665,279</b>
7	Project Contingencies <sup>1</sup>	\$ 11,100,000	\$ 10,356,617	\$ -
<b>Project Total (1-7) <sup>2</sup></b>		<b>\$ 122,200,000</b>	<b>\$ 122,200,000</b>	<b>\$ 82,066,760</b>

**NOTES:**

<sup>1</sup> Incentives authorized by the NTTA Board to recover up to 100 days of schedule delays due to flooding in 2007 and various change orders are included in this line item.

<sup>2</sup> The amount shown above does not include bond discounts, interest during and after construction, and other financing costs.

The estimate of costs for the Project is based on the status of contract and change orders issued to date and is the best information available at the present time. The development of the current cost estimate represents the best good-faith judgment of a design professional familiar with the highway construction industry. It is recognized that neither the NTTA nor the consulting engineers have control over the cost of labor, materials or equipment; the contractors' methods of determining bid prices; or the competitive bidding, market, or negotiating conditions. Therefore, neither the NTTA nor its consulting engineers warrant that the construction costs will not increase and thereby exceed the estimate of construction costs given in progress reports. These costs will be monitored as work progresses on the Project.

The quarterly estimated amount of funds required for the remaining construction costs of the Project, including funds allocated for project contingencies, is shown in Table 4.

<b>TABLE 4 - DRAW SCHEDULE</b>				
<b>Period Ending</b>	<b>Quarterly Estimate, Dec. 2008</b>	<b>Cumulative Estimate, Dec. 2008</b>	<b>Quarterly Actual</b>	<b>Cumulative Actual</b>
12/31/2006	\$ 2,788,043	\$ 2,788,043	\$ 2,788,043	\$ 2,788,043
3/31/2007	\$ 5,471,127	\$ 8,259,170	\$ 5,471,127	\$ 8,259,170
6/30/2007	\$ 8,115,025	\$ 16,374,195	\$ 8,115,025	\$ 16,374,195
9/30/2007	\$ 8,756,597	\$ 25,130,792	\$ 8,756,597	\$ 25,130,792
12/31/2007	\$ 8,332,091	\$ 33,462,883	\$ 8,332,091	\$ 33,462,883
3/31/2008	\$ 9,897,966	\$ 43,360,849	\$ 9,897,966	\$ 43,360,849
6/30/2008	\$ 12,666,360	\$ 56,027,209	\$ 12,666,360	\$ 56,027,209
9/30/2008	\$ 14,215,659	\$ 70,242,868	\$ 14,215,659	\$ 70,242,868
12/31/2008	\$ 11,823,892	\$ 82,066,760	\$ 11,823,892	\$ 82,066,760
3/31/2009	\$ 6,837,466	\$ 88,904,226		
6/30/2009	\$ 6,429,831	\$ 95,334,057		
9/30/2009	\$ 12,925,151	\$108,259,208		
12/31/2009	\$ 8,963,202	\$117,222,410		
3/31/2010	\$ 4,977,590	\$122,200,000		

### **SCHEDULE**

As stated in the Lewisville Lake Toll Bridge Engineering Report, the anticipated open-to-traffic date for the Project is estimated to be August 2, 2009. The construction schedules for several sections of the Lewisville Lake Corridor Project are critical to the schedule for opening the toll bridge to traffic. Planning, design and preparation of construction plans is in progress on several sections. Corridor project status is described as follows:

Section 1: The section opened to traffic in July 2007.

Section 2: Preparation of construction plans and specifications is complete. A construction notice to proceed was issued November 10, 2006. The section is scheduled to open to traffic August 2, 2009.

Section 3: The section opened to traffic in October 2008.

Sections 4, 5 and 6: A Finding of No Significant Impact (FONSI) was issued in January 2007 to complete the environmental evaluation process. Preparation of final construction plans and specifications and right of way acquisition are in progress by Denton County/TxDOT. Construction of this five-mile section is scheduled to begin in 2010 and is expected to open to traffic in 2013, later than previously anticipated.

Section 7: Construction of this one-mile section was completed and open to traffic in April 2004.

Section 8: A Finding of No Significant Impact (FONSI) was issued in January 2007 to complete the environmental evaluation process. Preparation of construction plans and specifications is complete. Construction by TxDOT began in September 2008. It is estimated that the section will open to traffic in September 2010.



December 2008

# Semi-Annual Progress Report

## 121 Tollway

### Progress Report No. 3



Prepared by  
**HNTB**

Issued March 13, 2009

**NTTA**  
NORTH TEXAS TOLLWAY AUTHORITY

***NORTH TEXAS TOLLWAY AUTHORITY***  
***121 TOLLWAY CONSTRUCTION FUND***  
**DECEMBER 2008 PROGRESS REPORT**  
**SUMMARY**

**DESIGN AND CONSTRUCTION PROGRESS**

Requirements as set forth in the Trust Agreement dated July 1, 1989, as supplemented, require the General Consulting Engineers to prepare a progress report at least once every six months during the design and construction of projects financed by bonds.

The 121 Tollway Project extends northeasterly from Business SH 121 in Denton County to U.S. 75 in Collin County and serves as a primary east-west artery in the corridor area of IH 35E and U.S. 75. The project is broken into five segments for purposes of managing and expediting the design and construction.

As of December 2008, the Project is in various stages of design and construction by segment. Segment One (1), from Denton Tap Road/Denton Creek to FM 2281/Old Denton Road, constructed by TxDOT, was opened to traffic in July 2006. The NTTA is responsible for constructing soundwalls, additional signing, pavement markings, landscaping and installing all-electronic toll collection (all-ETC) and Intelligent Transportation System (ITS). All improvements required for service commencement by the NTTA were substantially complete by September 2008.

The TxDOT construction of main lanes and ramps for Segment Two (2), from FM 2281/Old Denton Road to Hillcrest Road, was substantially complete in September 2008. The NTTA is responsible for constructing additional signing, pavement markings, landscaping and installing all-ETC and ITS systems. All improvements required for service commencement by the NTTA were substantially complete by September 2008.

Design for Segment Three (3), from Hillcrest Road to Hardin Boulevard, including improvements at Exchange Parkway requested by Collin County and local cities, has been completed by the NTTA. The existing frontage roads and interchange at Custer Road were previously constructed and opened to traffic by TxDOT. The NTTA is responsible for constructing main lane pavement and bridge structures, signing, pavement markings, landscaping and installing all-ETC and ITS systems. The open to traffic date is scheduled for January 2010.

Design for Segment Four (4), from Hardin Boulevard to one-half mile east of U.S. 75 at Medical Center Drive, has been completed by the NTTA. The NTTA is responsible for constructing a four-level interchange with direct-connect ramps between the 121 Tollway and U.S. 75, including all main lane pavement, bridge structures, signing, pavement markings, landscaping and installation of all-ETC and ITS systems. The open to traffic date is scheduled for January 2011.

Segment Five (5) is currently a three-level interchange at the intersection of the Dallas North Tollway (DNT) and the 121 Tollway. The existing three-level interchange will remain, and the NTTA is responsible for adding the fourth and fifth level direct-connect ramps. Final design for the segment is underway; construction completion is planned for January 2012.

## **PROJECT FUNDS**

The current total estimated cost for the Project (Segments 1 – 5), for the six-lane section, exclusive of interest and financing, but including a contingency allocation, is \$638,810,700, as shown in Table 3, page 10. This excludes \$59,309,300 towards the expansion from six to eight lanes on segments 1 and 2 and segments 3 through 5, projected for January 2012 and 2015, respectively. The estimated cost was developed based on the status of contracts awarded to date and is the best information available as of December 2008. The estimated Project cost reflects our professional judgment of the construction industry. However, due to the nature of the construction industry we cannot, and will not, guarantee that the actual Project cost will not vary from the estimated cost.

Pursuant to the requirements of Section 411 of the Trust Agreement, we submit this current estimate of the following:

1. Construction Status: Construction contracts for the fabrication of steel required for the all-ETC gantries in Segments 1 and 2 were let in November 2007. A construction contract for the construction of the all-ETC tolling sites in Segments 1 and 2 was let in December 2007 and is substantially complete. All NTTA improvements necessary for service commencement on Segments 1 and 2 are substantially complete. The construction contracts for Segment 3N, Segment 3S and Exchange Parkway Improvements are under way, and are expected to open to traffic January 2010. Segment 4 is under construction and scheduled to open to traffic January 2011. Segment 5 is under final design with plans approaching 60% complete. It is expected to begin construction in 2009 and open to traffic in January 2012.
2. The Project cost financed by the NTTA is estimated to be \$638,810,700, including construction contingencies, excluding \$59,309,300 towards the cost of the future expansion from six to eight lanes, as shown on Table 3, page 10. This amount does not include bond discounts, interest during and after construction, and other financing costs.
3. The quarterly estimated funding required for the remaining estimated construction period to meet the Project cost, including funds allocated for project contingencies are as shown in Table 4, page 11.

Respectfully submitted,  
HNTB CORPORATION



Stephanie L. Halliday P.E.  
GEC Project Director

***NORTH TEXAS TOLLWAY AUTHORITY  
121 TOLLWAY CONSTRUCTION FUND  
121 TOLLWAY PROJECT***

**DECEMBER 2008 PROGRESS REPORT**

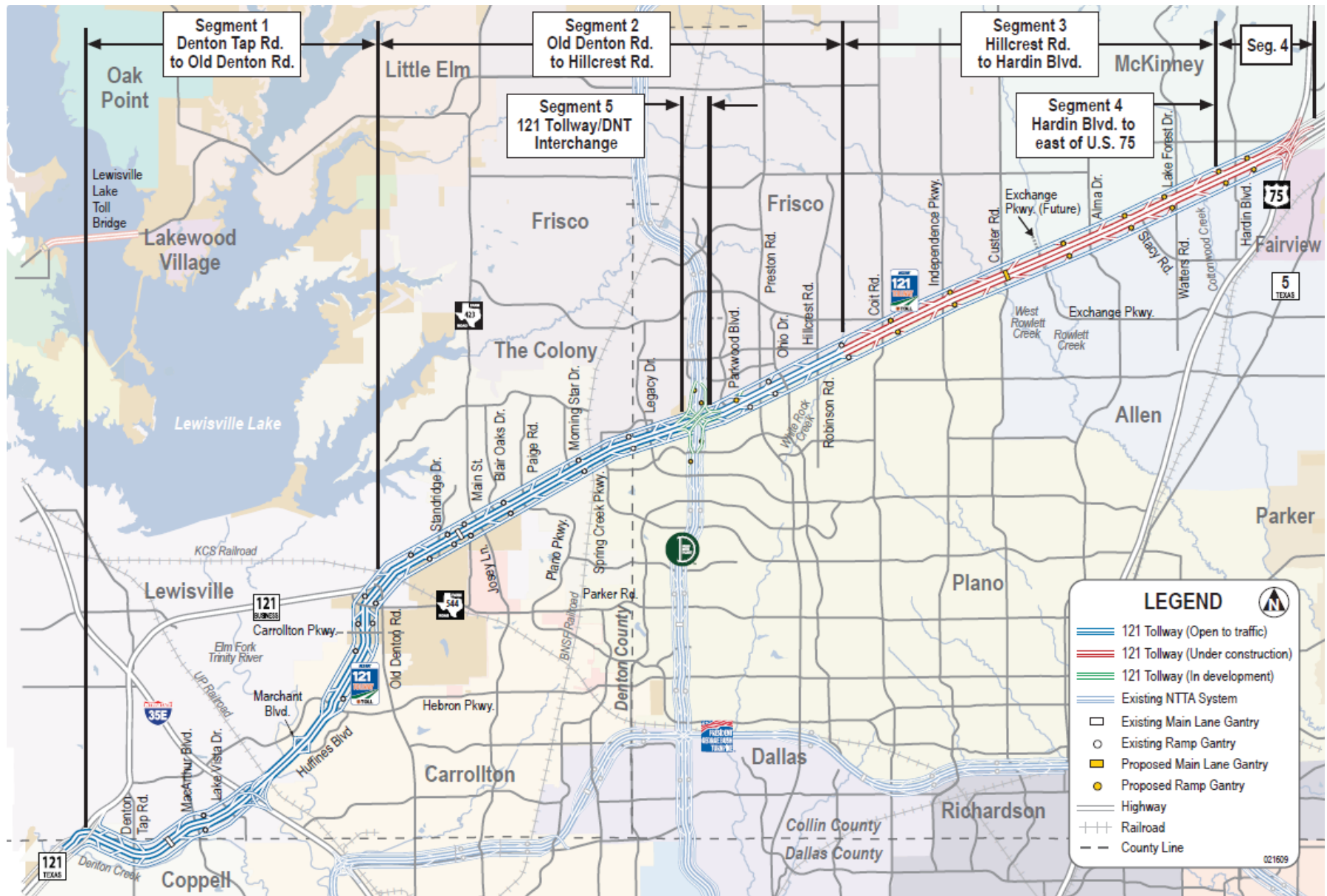
This report describes the location, engineering design features and construction cost estimates of the 121 Tollway Project (the “Project”) in Collin, Dallas and Denton counties from Business SH 121 in Denton County to U.S. Highway 75 (U.S. 75) in Collin County, a distance of approximately 26 miles.

**GENERAL**

The Project extends northeasterly from Business SH 121 in Denton County to U.S. 75 in Collin County and serves as a primary northeast-southwest traffic between IH 35E and U.S. 75. The corridor area served by the 121 Tollway continues to experience significant growth in commercial, retail and residential development. The Project is also a primary arterial serving the Dallas/Fort Worth (DFW) International Airport.

The purpose of the Project described in this report is to complete, expand and improve the roadway to meet the growing traffic demand in Collin, Dallas and Denton counties. The Texas Department of Transportation (TxDOT) has completed and opened to traffic the frontage roads for the entire length of the Project with exception of the frontage road reconstruction work required to reconfigure the 121 Tollway / U.S. 75 interchange in accordance with project requirements. The Project is broken into five segments for purposes of managing and expediting the design and construction (refer to the Project map on page 2).

Figure 1: 121 Tollway Corridor Location and Segments





The entire 121 Tollway Project is expected to include 3 main lane toll gantries and 40 ramp toll gantries, plus an additional four ramp gantries along the Dallas North Tollway as a result of interchange improvements, which will operate as all-ETC to maximize traffic flow. The gantry structures accommodate the overhead placement of ETC equipment. The three main lane gantries are located east of Denton Tap Road (Segment 1), west of Main Street (Segment 2), and east of Custer Road (Segment 3). Each main lane ETC gantry will provide for eight toll collection lanes (four in each direction to accommodate future capacity improvement projects) that will be equipped with both TollTag and TxTag collection capability. All toll collection lanes are dedicated, non-stop express lanes to expedite the flow of traffic through the gantries and provide for ease of maintenance. Refer to Figure 1 for tolled main lane gantry and ramp connection locations.



## DESIGN AND CONSTRUCTION STATUS

### *121 Tollway, Segment 1*

In 2006, TxDOT completed the construction of Segment 1, from Denton Tap Road/Denton Creek to FM 2281 (Old Denton Road). Segment 1 includes three main lanes in each direction, for a length of 7.05 miles, including northbound and southbound frontage roads. It was opened to traffic by TxDOT in July 2006 as an all-electronic tollway utilizing video tolling. A main lane toll gantry was constructed by TxDOT and is located just east of Denton Tap Road for video tolling of all main lanes. Toll gantries are provided at ramps east of MacArthur Boulevard to collect tolls via video tolling from customers accessing the 121 Tollway from service roads. Segment 1 improvements by NTTA include construction of sound walls, main lane gantry, ramp gantries, additional signing, landscaping, pavement markings, tolling and ITS. All improvements required for service commencement by the NTTA were substantially complete by September 2008.

### **Segment 1 (7.05 miles)**

#### **Roadway: From Denton Tap Road/Denton Creek to FM 2281 (Old Denton Road)**

- ◆ Design consultant: Huitt Zollars, Inc.
- ◆ Right of way: Acquired by TxDOT
- ◆ NTTA improvements construction contractor: Austin Bridge & Road, various others
- ◆ Open to traffic date: July 2006
- ◆ Construction status: Main lanes are complete; NTTA improvements necessary for service commencement are complete. Service commencement occurred on September 1, 2008.

### *121 Tollway, Segment 2*

The main lane construction of Segment 2, by TxDOT, was substantially completed by September 2008. Segment 2 begins at the ramps just west of FM 2281 (Old Denton Road) to just east of Hillcrest Road, a length of 9.02 miles. NTTA improvements include construction of a main lane gantry, ramp gantries, additional signing, landscaping, pavement markings, tolling and ITS. A main lane toll gantry was located just west of Main Street for TollTag readers and video tolling



of all main lanes. Toll gantries were placed at 17 ramp locations to collect tolls from customers accessing the 121 Tollway from service roads.

### **Segment 2 (9.02 miles)**

#### **Roadway: From FM 2281 (Old Denton Road) to East of Hillcrest Road Overpass**

- ◆ Design consultant: Huitt Zollars, Inc.
- ◆ Right of way: Acquired by TxDOT
- ◆ NTTA improvements construction contractor: Austin Bridge & Road, various others
- ◆ Open to traffic date: September 1, 2008
- ◆ Construction status: Main lane construction and NTTA improvements necessary for service commencement are complete. Service commencement occurred on September 1, 2008.

#### ***121 Tollway, Segment 3S, Segment 3N and Exchange Parkway Improvements***

The main lane construction of Segment 3 begins just east of the Hillcrest Road overpass and extends northeasterly approximately 6.88 miles, terminating at the west side of the Hardin Boulevard/Watters Road overpass. Segment 3 involves design and construction of the six main lanes, main lane and ramp gantries, landscaping, signing, pavement markings, tolling and ITS. Segment 3 is divided into two sections for ease of design and construction. Segment 3S begins just east of the Hillcrest Road overpass and terminates just east of the Custer Road overpass. Segment 3N begins just east of the Custer Road overpass and terminates on the west side of Hardin Boulevard overpass. The grade separated interchange with Exchange Parkway, located between Custer Road and Rowlett Creek, has been added to the Project through partnership with Collin County and the Cities of Allen and McKinney to improve local access. The Exchange Parkway Improvements are being constructed under a separate contract and the Segment 3N project length has been reduced. A main lane toll gantry is located just east of Custer Road for ETC tolling of all main lanes. Toll gantries will be placed at 10 ramp locations along Segment 3 to collect tolls from customers accessing the 121 Tollway from service roads. Segment 3 construction is scheduled for completion by January 2010.

### **Segment 3S (3.28 miles)**

#### **Roadway: East of Hillcrest Road overpass to east of Custer Road overpass**

- ◆ Design consultant: Parsons Brinkerhoff of the Americas
- ◆ Right of way: Acquired by TxDOT
- ◆ Construction contractor: Texas-Sterling Construction, Inc.
- ◆ Open to traffic date: January 2010
- ◆ Construction status: Under construction

### **Segment 3N (2.96 miles)**

#### **Roadway: East of Rowlett Creek to west of Hardin Blvd overpass**

- ◆ Design consultant: Bridgefarmer
- ◆ Right of way: Acquired by TxDOT
- ◆ Construction contractor: Balfour Beatty Infrastructure
- ◆ Open to traffic date: January 2010
- ◆ Construction status: Under construction

### **Exchange Parkway Improvements (0.64 miles)**

#### **Roadway: East of Custer Road overpass to east of Rowlett Creek**

- ◆ Design consultant: Bridgefarmer
- ◆ Right of way: Acquired by TxDOT
- ◆ Construction contractor: Texas-Sterling Construction, Inc.
- ◆ Open to traffic date: January 2010
- ◆ Construction status: Under construction

### ***121 Tollway, Segment 4***

The main lane construction of Segment 4 begins at the west side of the Hardin Boulevard overpass and terminates east of Medical Center Drive intersection, for a length of 2.94 miles. Design and construction of the four-level U.S. 75 interchange with the 121 Tollway and the reconstruction of a portion of U.S. 75 are also included in Segment 4. Toll gantries will be placed at four ramp locations to collect tolls from customers accessing the 121 Tollway from the service roads. Construction is scheduled for completion by January 2011.

#### **Segment 4 (2.94 miles)**

##### **Roadway: From west of Watters Road to Medical Center Drive east of U.S. 75**

- ◆ Design consultant: Jacobs, Inc.
- ◆ Right of way: NTTA to perform acquisition services and TxDOT to pay acquisition costs for four parcels at U.S. 75/121 Tollway
- ◆ Construction contractor: W.W. Webber
- ◆ Open to traffic date: January 2011
- ◆ Construction status: Under construction

#### ***121 Tollway, Segment 5***

Segment 5 involves the design and construction of improvements to the existing three-level interchange at the DNT and the 121 Tollway to provide a fourth and fifth level of direct-connecting ramps between the DNT and the 121 Tollway, as well as new ramp access to the Legacy Business Park area. All 121 Tollway and DNT main lanes and frontage roads in Segment 5 have been constructed and are open to traffic. Construction of the direct-connecting ramps is scheduled for completion by January 2012. Segment 5 main lanes are 0.33 miles long. The environmental assessment document for Segment 5 of the Project is currently in the final review and approval process.

#### **Segment 5 (0.33 miles)**

##### **Roadway: Connecting Ramps from the DNT to the 121 Tollway**

- ◆ Design consultant: Rodriguez Transportation Group
- ◆ Right of way: NTTA to perform acquisition services and TxDOT to pay acquisition costs for three parcels at the 121 Tollway/DNT
- ◆ Construction contractor: TBD
- ◆ Open to traffic date: January 2012
- ◆ Construction status: In design; estimated construction letting in summer 2009

**NORTH TEXAS TOLLWAY AUTHORITY  
121 TOLLWAY PROJECT**

**TABLE 2 - DESIGN AND CONSTRUCTION STATUS REPORT, SEGMENTS 1 - 5**

	Segment 1	Segment 2	Segment 3S	Segment 3N	Exchange Parkway Improvements *	Segment 4	Segment 5
<b>Limits</b>	Denton Tap Road/Denton Creek to FM 2281	FM 2281/Old Denton Road to east of Hillcrest Road	East of Hillcrest Road overpass to east of Custer Road overpass	East of Custer Rd to west of Hardin Blvd overpass	East of Custer Road overpass to east of Rowlett Creek	West of Watters Road to Medical Center Drive east of U.S. 75	Connecting Ramps from DNT to 121 Tollway
Design Consultant	Huitt Zollars	Huitt Zollars	Parsons Brinkerhoff	Bridgefarmer & Associates	Bridgefarmer & Associates	Jacobs	Rodriguez Transportation Group
Design Notice to Proceed	May 21, 2007	May 21, 2007	May 21, 2007	May 21, 2007	September 16, 2008	October 12, 2007	April 16, 2008
Current Status of PS&E	Completed	Completed	Completed	Completed	Completed	Complete	Ongoing
Letting Dates	Nov 2007 through Feb 2008 Multiple Contracts	Nov 2007 through Feb 2008 Multiple Contracts	February 13, 2008	February 13, 2008	October 23, 2008	August 28, 2008	TBD

Construction Contract	Multiple: 02320, 02325, 02334, 02238-SH121-00-CN-EN	Multiple: 02320, 02325, 02334, 02238-SH121-00-CN-EN	02240-SH121-03-CN-EN	02242-SH121-03-CN-EN	02578-SH121-03-CN-PM	02448-SH121-04-CN-EN	TBD
Contractor	Austin Bridge & Road, L.P. Powers Engineering Brookfield Fabricating Corp.	Austin Bridge & Road, L.P. Powers Engineering Brookfield Fabricating Corp.	Texas Sterling Construction Co.	Balfour Beatty	Texas Sterling Construction Co.	W.W. Webber	TBD
Begin Construction Date	November 30, 2007	November 30, 2007	March 25, 2008	March 10, 2008	December 1, 2008	December 13, 2008	TBD
Service Commencement Date	September 1, 2008	September 1, 2008	January 1, 2010	January 1, 2010	January 1, 2010	January 1, 2011	January 1, 2012
Duration (Months)	6	6	33	33	16	45	51
Current Status of Construction	Substantially Complete	Substantially Complete	Under construction	Under construction	Under construction	Under construction	In design
Open To Traffic Date	July 1, 2006	August 31, 2008	January 1, 2010	January 1, 2010	January 1, 2010	January 1, 2011	January 1, 2012

\* Additional grade separated interchange at Exchange Parkway is a cooperative project with Collin County and the cities of Allen and McKinney to improve local access.

## ESTIMATE OF PROJECT FUNDS

The current estimated cost of the Project (Segments 1-5), for the six-lane section, is \$638,810,700. This excludes \$59,309,300 towards capacity improvements on Segments 1 and 2 and Segments 3 through 5, projected for January 2012 and 2015, respectively. The required 350- to 400-foot-wide Project right of way (ROW) was acquired by TxDOT, Collin County, Dallas County, Denton County and the cities of Plano, Frisco, Allen and McKinney. The estimated cost does not include funds for ROW yet-to-be-acquired at the interchanges at the 121 Tollway/U.S. 75 and the 121 Tollway/DNT, where a total of seven parcels (17.98 acres) are required prior to construction, which were to have been acquired by TxDOT at its cost. Under a separate agreement, TxDOT and the NTTA agreed that NTTA would acquire the ROW with reimbursement from TxDOT.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages and changes in economic conditions can significantly affect (escalate or reduce) construction costs. Appropriate contingencies are added to the cost of the Project to cover the unforeseen escalations and are not intended to cover scope additions. The estimated Project cost reflects our professional judgment of the construction industry; it is our belief that the Project can be constructed within the original scope and limits described for the estimated cost given herein. However, due to the nature of the construction industry we cannot, and will not, guarantee that the actual Project cost will not vary from the estimated cost.

**TABLE 3: COST SUMMARY**

No.	Description	Engineering Report Estimate, November 2007	Estimated Cost, December 2008	Incurred Expenditures, December 2008
1	Segments 1, 2	\$ 14,163,718	\$ 14,163,718	\$ 11,358,296
2	Segments 3N <sup>1</sup>	\$ 72,575,945	\$ 69,794,482	\$ 29,706,666
3	Segments 3S	\$ 57,851,840	\$ 55,634,676	\$ 26,975,533
4	Exchange Parkway Improvements <sup>1</sup>	\$ -	\$ 15,362,215	\$ -
5	Segment 4	\$ 155,085,553	\$ 219,856,706	\$ -
6	Segment 5	\$ 92,843,188	\$ 99,881,160	\$ -
7	Toll Gantries, Equipment <sup>2</sup>	\$ 17,626,759	\$ 24,051,615	\$ 23,644,516
8	Construction Management	\$ 33,138,619	\$ 33,138,619	\$ 6,949,193
9	Miscellaneous Construction <sup>3,4</sup>	\$ 21,172,724	\$ 21,172,723	\$ 16,474,565
<b>Subtotal (1-9) Construction</b>		<b>\$ 464,458,346</b>	<b>\$ 553,055,913</b>	<b>\$ 115,108,767</b>
10	PS&E (Plans, Specifications & Estimates) <sup>1,5</sup>	\$ 37,213,460	\$ 37,797,596	\$ 32,848,228
11	PS&E (Administrative)	\$ 11,437,618	\$ 11,437,618	\$ 7,862,090
12	Other Agency Costs	\$ 150,000	\$ 150,000	\$ 131,974
<b>Subtotal (10-12) Engineering</b>		<b>\$ 48,801,078</b>	<b>\$ 49,385,214</b>	<b>\$ 40,842,291</b>
13	Project Contingencies	\$ 125,551,276	\$ 36,369,573	\$ -
<b>Project Total (1-13)<sup>6</sup></b>		<b>\$ 638,810,700</b>	<b>\$ 638,810,700</b>	<b>\$ 155,951,059</b>

**NOTES:**

- 1) A resolution was approved to fund a design change for the Exchange Parkway interchange at an estimated cost of \$15,905,895, of which, the NTTA is anticipating reimbursement for up to \$4.5 M. A deductive change order is expected in the approximate amount of \$5.6 M to remove the Exchange Parkway work limit scope from Segment 3N.
- 2) The Board of Directors approved a resolution in November 2007 to fund the current NTTA toll gantry standard.
- 3) The estimated miscellaneous construction cost includes the costs of construction material testing, utility relocations, proposed right-of-way and easements, landscape and ITS equipment installation. This line includes right-of-way purchases in the amount of \$10,992,079 which are the responsibility of TxDOT per the Two-Party Agreement.
- 4) A Board-authorized cost of \$1,897,038, which was not included in the original Engineering Report Estimate, was added to purchase an 8.71 acre site to support full maintenance service for the northern limits of the NTTA System. As of December 31, 2008, an amount of \$2,061,493 has been spent for the acquisition and legal costs of this site.
- 5) Original Engineering Report Estimate did not include anticipated expenditures for the initial 121 Tollway Asset Condition Inspection Program which total \$681,217 for this reporting period.
- 6) Future capacity improvements along Segments 1-5 not included in the above estimate.

Cost estimates for the Project were prepared based on the status of contracts awarded to date. The current cost estimate represents the best good-faith judgment from a design professional familiar with the highway construction industry. Neither the NTTA nor its consulting engineers have control over the labor, materials or equipment costs; the contractors' methods of determining bid prices; or competitive bidding, market, or negotiating conditions. The estimate of construction costs given in progress reports will be monitored as work progresses on the Project.

The quarterly estimated amount of funds required for the estimated period of construction to meet the cost of the 121 Tollway Project, including funds allocated for project contingencies is shown below in Table 4.

<b>TABLE 4 - DRAW SCHEDULE</b>				
<b>Period Ending</b>	<b>Quarterly Estimate, Dec. 2008</b>	<b>Cumulative Estimate, Dec. 2008</b>	<b>Quarterly Actual</b>	<b>Cumulative Actual</b>
12/31/07	\$ 12,804,925	\$ 12,804,925	\$12,804,925	\$ 12,804,925
3/31/08	\$ 4,443,862	\$ 17,248,787	\$ 4,443,862	\$ 17,248,787
6/30/08	\$ 36,626,953	\$ 53,875,740	\$36,626,953	\$ 53,875,740
9/30/08	\$ 38,609,865	\$ 92,485,605	\$38,609,865	\$ 92,485,605
12/31/08	\$ 63,465,453	\$155,951,059	\$63,465,453	\$155,951,059
3/31/09	\$ 46,135,801	\$202,086,860		
6/30/09	\$ 37,786,694	\$239,873,554		
9/30/09	\$ 47,326,439	\$287,199,993		
12/31/09	\$ 48,555,003	\$335,754,996		
3/31/10	\$ 56,502,955	\$392,257,951		
6/30/10	\$ 38,889,198	\$431,147,150		
9/30/10	\$ 35,695,853	\$466,843,003		
12/31/10	\$ 34,227,828	\$501,070,831		
3/31/11	\$ 35,776,136	\$536,846,967		
6/30/11	\$ 28,593,827	\$565,440,794		
9/30/11	\$ 21,994,492	\$587,435,286		
12/31/11	\$ 6,853,765	\$594,289,051		
3/31/12	\$ 29,574,795	\$623,863,846		
6/30/12	\$ 14,444,451	\$638,308,297		
9/30/12	\$ 263,460	\$638,571,757		
12/31/12	\$ 48,227	\$638,619,984		
3/31/13	\$ 46,766	\$638,666,750		
6/30/13	\$ 47,496	\$638,714,246		
9/30/13	\$ 48,227	\$638,762,473		
12/31/13	\$ 48,227	\$638,810,700		

## SCHEDULE

As stated in the 121 Tollway Engineering Report, the major milestone dates are as follows:

<b>121 Tollway Milestone Schedule Dates</b>			
<i>Segment</i>	<i>Notice To Proceed</i>	<i>Commence Construction</i>	<i>Service Commencement</i>
<b>1 &amp; 2</b>	12-Oct-07	Dec-07	1-Sep-08
<b>3S</b>	12-Oct-07	Mar-08	1-Jan-10
<b>3N</b>	12-Oct-07	Mar-08	1-Jan-10
<b>Exchange Pkwy Improvements</b>	1-Dec-08	Dec-08	1-Jan-10
<b>4</b>	12-Oct-07	Dec-08	1-Jan-11
<b>5</b>	1-Oct-08	Third Qtr 2009	1-Jan-12

Segment 1: Main lanes were open to traffic July 2006. The additional activities for which the NTTA is responsible for are under way. Service Commencement was September 1, 2008.

Segment 2: Main lane construction by TxDOT and completion of the additional activities for which the NTTA is responsible are substantially complete. Service Commencement was September 1, 2008.

Segment 3S: Preparation of construction plans and acquisition of right of way are complete. The project is currently under construction, with an anticipated completion on January 1, 2010.

Segment 3N: Preparation of construction plans and acquisition of right of way is complete. The project is currently under construction, with an anticipated completion on January 1, 2010.

Exchange Parkway Improvements: Preparation of construction plans and acquisition of right of way are complete. The project is currently under construction, with an anticipated completion on January 1, 2010.



Segment 4: Preparation of final construction plans and specifications is complete, right of way acquisition and utility relocation are underway. Construction of this three-mile section began in the fourth quarter 2008. Expected completion is January 1, 2011.

Segment 5: Preparation of final construction plans, specifications, and right of way acquisition are under way. Construction of this 0.33 mile interchange at the DNT is anticipated to begin in third quarter 2009. Expected completion is January 1, 2012.

December 2008

# Semi-Annual Progress Report

## PGBT Eastern Extension Progress Report No. 1



Prepared by  
**HNTB**

Issued March 13, 2009

**NTTA**  
NORTH TEXAS TOLLWAY AUTHORITY

***NORTH TEXAS TOLLWAY AUTHORITY  
CONSTRUCTION FUND  
PRESIDENT GEORGE BUSH TURNPIKE  
EASTERN EXTENSION***

**DECEMBER 2008 PROGRESS REPORT  
SUMMARY**

**DESIGN AND CONSTRUCTION PROGRESS**

Requirements as set forth in the Trust Agreement date July 1, 1989, as supplemented, require the General Consulting Engineers to prepare a progress report at least once every six months during the design and construction of President George Bush Turnpike (“PGBT”) Eastern Extension Project (“the Project”).

The President George Bush Turnpike Eastern Extension Project extends the existing President George Bush Turnpike approximately 9.9 additional miles to the east and south. Beginning from the current terminus at SH 78 and running through the cities of Garland, Sachse, Rowlett and Dallas to IH 30 in Dallas County, the Project creates a direct link from the existing terminus of PGBT to IH 30 and serves as a primary relief route to IH 635. The Project is divided into five sections for purposes of managing and expediting the design and construction.

Section 28, the most northwesterly portion of the Project, extends east for more than two miles from SH 78 to just west of Miles Road. The NTTA is responsible for constructing main lane and ramp pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement markings; traffic signals; landscaping; intelligent transportation system (ITS) infrastructure; and six ramp toll gantries for all-electronic tolling collection (ETC). This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

Section 29 extends east and southeast for more than two miles from just west of Miles Road to north of the future Merritt Road (the future Merritt/Liberty Grove Connector). The NTTA is responsible for constructing main lane, ramp, and frontage road pavement; bridge and drainage structures; retaining walls; illumination; signing; pavement markings; traffic signals; landscaping; ITS infrastructure; and one main lane gantry for ETC. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

Section 30, the most complex section of the NTTA Project sections, extends south for nearly three miles from north of the future Merritt Road to south of Main Street, and includes an underpass of a future Dallas Area Rapid Transit (DART) rail line. The NTTA is responsible for constructing main lane, ramp, and frontage road pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement markings; traffic signals; landscaping; ITS infrastructure; and two ramp toll gantries for ETC. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

Section 31, the southernmost portion of the NTTA Project sections, extends south for nearly two miles from south of Main Street to the north bank of Lake Ray Hubbard. The NTTA is responsible for constructing main lane, ramp, and frontage road pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement markings; traffic signals; landscaping; ITS infrastructure; and four ramp toll gantries for ETC. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

Section 32, the southernmost section of the overall Project, extends south for more than one mile from the north bank of Lake Ray Hubbard to IH 30. The Texas Department of Transportation (TxDOT) is responsible for constructing the bridge over Lake Ray Hubbard and a multi-level interchange with direct connecting ramps to IH 30, which includes main lane and ramp pavement, bridge and drainage structures, retaining walls,

illumination, signing, pavement markings, traffic signals, landscaping and ITS infrastructure. This section of the project is scheduled to open to traffic along with the remainder of the corridor by late 2011. TxDOT has committed, through the Two-Party Agreement between NTTA and TxDOT, to complete the construction for this section by late 2011.

### **PROJECT FUNDS**

The current total estimated cost for the Project (Sections 28 – 32), exclusive of interest and financing, but including a contingency allocation, is \$1,039,751,554 (adjusted for inflation), as shown in Table 3, page 10. The estimated Project cost reflects a combination of recent bids for construction contracts and our professional judgment of the construction industry. However, due to the nature of the construction industry we cannot, and will not, guarantee that the actual Project cost will not vary from the estimated cost.

Pursuant to the requirements of Section 411 of the Trust Agreement, we submit this current estimate of the following:

1. Construction Status: Construction contracts for Section 28 and 29 were let and the Notice to Proceed (NTP) is anticipated in January 2009. NTP on Section 30 was issued August 2008, and construction began October 2008. An NTP for Section 31 is anticipated in March 2009. Sections 28-31 are scheduled to open to traffic in late 2011. Construction on Section 32 began December 2008, and TxDOT has committed to open the section to traffic in late 2011.
2. The Project cost is estimated to be \$1,039,751,554, including construction contingencies, as shown on Table 3, page 10. This amount does not include bond discounts, interest during and after construction, and other financing costs.

3. The quarterly estimated funding required for the remaining estimated construction period to meet the Project cost, including funds allocated for project contingencies are shown in Table 4, page 12.

Respectfully submitted,  
HNTB CORPORATION

Handwritten signature of Stephanie L. Halliday in black ink.

Stephanie L. Halliday, P.E.  
GEC Project Director

***NORTH TEXAS TOLLWAY AUTHORITY  
CONSTRUCTION FUND  
PRESIDENT GEORGE BUSH TURNPIKE  
EASTERN EXTENSION***

**DECEMBER 2008 PROGRESS REPORT**

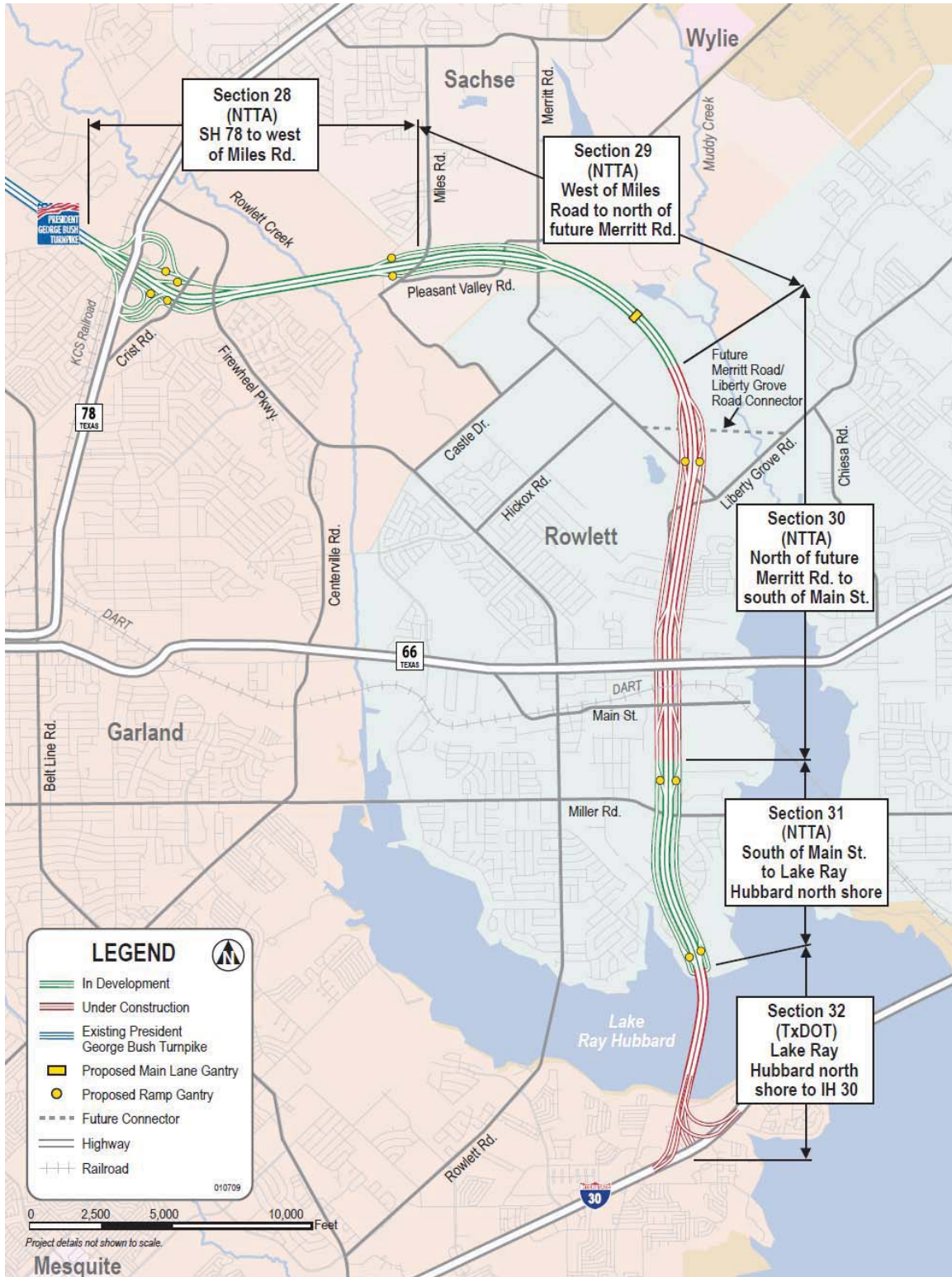
This report describes the location, engineering design features and construction cost estimates of the President George Bush Turnpike (PGBT) Eastern Extension Project (the “Project”) entirely in Dallas County, beginning from the current terminus of PGBT at State Highway (SH) 78 and ending at Interstate Highway (IH) 30 in Garland, a distance of approximately 9.9 miles.

**GENERAL**

The Project begins at the easternmost terminus of PGBT (SH 78 in the city of Garland) and extends east through the city of Sachse, turns south through the cities of Rowlett and Dallas and terminates just east at IH 30 in Garland. The Project will expand the existing PGBT and create a direct link from SH 78 to IH 30 to meet the growing traffic demand in northeast Dallas County. The Project will also create a relief route to LBJ Freeway, IH 635. In late 2005, the NTTA completed construction of the frontage roads from SH 78 to Firewheel Parkway in Garland and opened them to traffic in advance of the opening of Firewheel Mall, located adjacent to the northwest portion of the Project. The Project is divided into five sections for purposes of managing and expediting design and construction (refer to the Project map on page 2). Sections 28-31 were designed and will be constructed by NTTA, while Section 32 was designed and will be constructed by TxDOT.



**Figure 1: PGBT Eastern Extension Project Corridor Location and Sections**





A total of 12 ramp connections to or from the Project will have an overhead gantry to allow for placement of electronic toll collection (ETC) equipment. One main lane ETC gantry, located in Section 29, east of Merritt Road in Rowlett, will provide for six toll collection lanes (three each direction with provision for expansion to eight lanes) equipped with both TollTag and TxTag collection capability. All toll collection lanes are dedicated, non-stop express lanes to expedite the flow of traffic through the gantries, improve traffic safety and air quality, and provide for ease of maintenance. Refer to Figure 1 on the previous page for tolled main lane and ramp gantry locations.



## DESIGN AND CONSTRUCTION STATUS

### *Section 28*

Section 28 begins at SH 78 in Garland, the current terminus of the PGBT, and extends east to just west of Miles Road in Sachse. It includes three main lanes in each direction for 2.33 miles. Construction of this section consists of main lane and ramp pavement, bridge and drainage structures (including a one-mile bridge over Rowlett Creek), retaining and sound walls, illumination, signing, pavement markings, traffic signals, landscaping and intelligent transportation systems (ITS) infrastructure. Gantries for all-electronic toll collection (ETC) will be provided at six ramp locations to allow access to and from the frontage roads at Crist Road, Firewheel Parkway and Miles Road. Ramps will also be provided to and from SH 78. In late 2005, the NTTA completed construction of the frontage roads from SH 78 to Firewheel Parkway and opened them to traffic before

the opening of Firewheel Mall on the north side of the Project. The remaining construction for this section of the Project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

**Section 28 (2.33 miles)**

**Roadway: From west of SH 78 to west of Miles Road**

- ◆ Design consultant: Jacobs Carter & Burgess, Inc.
- ◆ Right of way: Acquisition on schedule (7 of 12 parcels available)
- ◆ Prime Contractor: W.W. Webber LLC
- ◆ Open to traffic date: Late 2011
- ◆ Construction status: NTP anticipated in January 2009

***Section 29***

Section 29 begins just west of Miles Road in Sachse and extends east and southeast for 2.26 miles to north of the future Merritt Road in Rowlett. Construction of this section includes pavement for three main lanes in each direction, two-lane frontage roads between Miles and Merritt Roads, ramps to and from Merritt Road, bridge and drainage structures, retaining walls, illumination, signing, pavement markings, traffic signals, landscaping and ITS infrastructure. A main lane toll gantry will be located near the east end of the section for all-ETC toll collection of all main lanes. This section of the Project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

**Section 29 (2.26 miles)**

**Roadway: From west of Miles Road to north of future Merritt Road**

- ◆ Design consultant: Halff Associates, Inc.
- ◆ Right of way: Acquisition on schedule (18 of 19 parcels available)
- ◆ Prime Contractor: Texas Sterling Construction Co.
- ◆ Open to traffic date: Late 2011
- ◆ Construction status: NTP anticipated in January 2009

### ***Section 30***

Section 30 extends south for 2.75 miles from north of the future Merritt Road to south of Main Street in Rowlett and includes three main lanes in each direction. The most complex of the NTTA Project sections, the majority of this section is depressed below the existing grade and has conflicts with various major utilities. This section is constrained on both sides from recent commercial development and includes an underpass with an existing railroad which is anticipated to be a future Dallas Area Rapid Transit (DART) rail line. Construction of this section consists of main lane, frontage-road and ramp pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement marking; traffic signals; landscaping; and ITS infrastructure. Gantries for all-ETC toll collection will be provided at two ramp locations to allow access to and from the frontage roads, which begin at the future Merritt Road and extend south for the entire Project through the Liberty Grove, SH 66 (Lakeview Parkway), and Main Street intersections. This section of the Project is scheduled to open to traffic along with the remainder of the corridor by late 2011.

### **Section 30 (2.75 miles)**

#### **Roadway: From north of future Merritt Road/Liberty Grove Connector to south of Main Street**

- ◆ Design consultant: Parsons Brinckerhoff Inc.
- ◆ Right of way: Acquisition on schedule (54 of 57 parcels available)
- ◆ Prime Contractor: Zachry Construction Corporation
- ◆ Open to traffic date: Late 2011
- ◆ Construction status: Under construction since mid-October 2008

### ***Section 31***

Section 31, the southernmost NTTA section of the Project, extends south for 1.52 miles from south of Main Street to the north bank of Lake Ray Hubbard in Rowlett and includes three main lanes in each direction. Construction of this section consists of main

lane, frontage-road and ramp pavement; bridge and drainage structures; retaining and sound walls; illumination; signing; pavement marking; traffic signals; landscaping; and ITS infrastructure. Gantries for all-ETC toll collection will be provided at four ramp locations to allow access to and from the frontage roads at SH 66, Main Street, and Miller Road. This section of the projects is scheduled to open to traffic along with the remainder of the corridor by late 2011.

### **Section 31 (1.52 miles)**

#### **Roadway: From south of Main Street to north shore of Lake Ray Hubbard**

- ◆ Design consultant: PBS&J Corporation
- ◆ Right of way: Acquisition on schedule (17 of 24 parcels available)
- ◆ Prime Contractor: Williams Brothers Construction Company, Inc.
- ◆ Open to traffic date: Late 2011
- ◆ Construction status: Notice to proceed anticipated in March 2009

### ***Section 32***

Section 32, the southernmost section of the Project, extends south for 1.04 miles from the north bank of Lake Ray Hubbard in Rowlett and terminates at IH 30 in Garland. This section of the Project was designed and will be constructed and managed by TxDOT. This section includes a one-mile bridge over Lake Ray Hubbard and a multi—level interchange with direct-connecting ramps to and from IH 30, a TxDOT facility. The direct-connecting ramps will provide direct access from southbound PGBT to eastbound and westbound IH 30 and from eastbound and westbound IH 30 to northbound PGBT. Construction of this section includes main lane (PGBT and IH 30), frontage-road (IH 30) and ramp pavement; bridge and drainage structures (including a drainage containment system on the lake bridge per the interlocal agreement with the City of Dallas); retaining walls; illumination; signing; pavement markings; landscaping; and ITS infrastructure. This section of the project is scheduled to open to traffic along with the remainder of the

corridor by late 2011. Per the NTTA-TxDOT Two-Party Agreement, TxDOT has committed to complete the construction of this section by late 2011.

**Section 32 (1.04 miles)**

**Roadway: From the north shore of Lake Ray Hubbard to IH 30**

- ◆ Design consultant: TxDOT
- ◆ Right of way: Acquisition on schedule (40 of 49 parcels available)
- ◆ Prime Contractor: Austin Bridge & Road Inc.
- ◆ Open to traffic date: Late 2011
- ◆ Construction status: Under construction since December 2008

**PGBT EASTERN EXTENSION**

**TABLE 1 – DESIGN AND CONSTRUCTION STATUS REPORT, SECTIONS 28 - 32**

	<b>Section 28</b>	<b>Section 29</b>	<b>Section 30</b>	<b>Section 31</b>	<b>Section 32</b>
<b>Limits</b>	West of SH 78 to west of Miles Road	West of Miles Road to north of future Merritt Road/Liberty Grove Connector	North of future Merritt Road/Liberty Grove Connector to south of Main Street	South of Main Street to north shore of Lake Ray Hubbard	North shore of Lake Ray Hubbard to IH 30
Design Consultant	Jacobs Carter & Burgess, Inc.	Half Associates, Inc.	Parsons Brinckerhoff, Inc.	PBSJ Corporation	TxDOT
Design Notice to Proceed	August 15, 2005	August 15, 2005	August 15, 2005	August 15, 2005	Information Not Available
Current Status of PS&E	Complete	Complete	Complete	Complete	Complete
Letting Dates	August 14, 2008	September 25, 2008	April 17, 2008	November 06, 2008	August 07, 2008

Construction Contract	02007-PGB-06-CN-EN	02009-PGB-06-CN-EN	02011-PGB-06-CN-EN	02013-PGB-06-CN-EN	TxDOT Contract
Contractor	W.W. Webber LLC	Texas Sterling Construction Co.	Zachry Construction Corporation	Williams Brothers Construction Company	Austin Bridge & Road, Inc.
Begin Construction Date	Anticipated February 2009	Anticipated February 2009	Mid-October 2009	Anticipated March 2009	December 2008
End Construction Date	December 2011	December 2011	December 2011	December 2011	December 2011
Current Status of Construction	Under construction	Under construction	Under construction	Awaiting construction	Under construction
Open to Traffic Date	Late 2011	Late 2011	Late 2011	Late 2011	Late 2011

## ESTIMATE OF PROJECT FUNDS

The current estimated cost of the Project (Sections 28-32) for the three-lane section currently being designed is \$1,039,751,554. TxDOT has committed to fund the design and construction of Section 32 (approximately \$251 M). TxDOT is also providing a Toll Equity Grant (approximately \$160 M) to be used for right-of-way acquisition and utility relocations; if the entire Toll Equity Grant is not expended for right-of-way, utility relocation and similar costs, TxDOT and the NTTA have agreed to work cooperatively to identify other Project costs to which it can be applied, it being the shared intent of those parties that the entire amount of that Grant should be made available for the Project. The NTTA has agreed to provide revenue-sharing to TxDOT on the Project.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages and changes in economic conditions can significantly affect (escalate or reduce) construction costs. Appropriate contingencies are added to the cost of the Project to mitigate the impact of unforeseen escalations. The estimated Project cost reflects the most current bids and our professional judgment of the construction industry; it is our belief that the Project can be constructed within the limits described for the estimated cost given herein. However, due to the nature of the construction industry, we cannot and will not guarantee that the actual Project cost will not vary from the estimated cost.

**TABLE 3: COST SUMMARY**

No.	Description	Proposed Engineering Report Estimate, August 2008	Estimated Cost, December 2008	Incurred Expenditures, December 2008
1	Section 28	\$ 124,785,106	\$ 114,524,686	\$ 15,985,327
2	Section 29	\$ 86,658,563	\$ 57,931,643	\$ -
3	Section 30	\$ 160,936,511	\$ 121,867,756	\$ 19,469,338
4	Section 31	\$ 65,980,548	\$ 56,971,131	\$ -
5	Toll and ITS Equipment <sup>1</sup>	\$ 9,817,500	\$ 9,817,500	\$ -
6	Construction Management	\$ 31,371,535	\$ 31,371,535	\$ 1,669,112
7	Miscellaneous Construction <sup>2</sup>	\$ 8,235,919	\$ 8,235,919	\$ -
<b>Subtotal (1-7) Construction</b>		<b>\$ 487,785,682</b>	<b>\$ 400,720,170</b>	<b>\$ 37,123,778</b>
8	PS&E (Plans, Specs, Estimates) & Admin.	\$ 30,367,525	\$ 30,367,525	\$ 26,035,628
9	ROW Acquisition and Utility Relocations	\$ 166,844,730	\$ 166,844,730	\$ 77,322,813
10	Other Agency Costs	\$ 11,095,916	\$ 11,095,916	\$ 385,810
<b>Subtotal (8-10) Engineering and Agency Costs</b>		<b>\$ 208,308,171</b>	<b>\$ 208,308,171</b>	<b>\$ 103,744,252</b>
11	Project Contingency <sup>3</sup>	\$ 92,643,362	\$ 179,708,874	\$ -
<b>Total Costs (1-11) to NTTA <sup>4</sup></b>		<b>\$ 788,737,215</b>	<b>\$ 788,737,215</b>	<b>\$ 140,868,029</b>
12	Section 32 <sup>5</sup>	\$ 251,014,339	\$ 251,014,339	
<b>Project Total (1-12) <sup>6</sup></b>		<b>\$ 1,039,751,554</b>	<b>\$ 1,039,751,554</b>	

**NOTES:**

<sup>1</sup> The cost of toll gantry and ITS infrastructure construction is included within the construction cost of each section.

<sup>2</sup> Miscellaneous construction cost includes landscaping and other special features.

<sup>3</sup> Project contingency includes the difference between the actual contract awards and the Engineering Report Estimate for each section.

<sup>4</sup> A Toll Equity Grant in the amount of \$160 M has been supplied by TxDOT to accommodate any of the five sections' ROW acquisitions, utility relocations, or any other costs for the Project agreed to mutually between NTTA and TxDOT.

<sup>5</sup> Under the Two Party Agreement, TxDOT is responsible for the design, construction and construction management of Section 32.

<sup>6</sup> The amount shown above does not include bond discounts, interest during and after construction, and other financing costs.



The current cost estimate represents the best good-faith judgment from a design professional familiar with the highway construction industry. Neither the NTTA nor its consulting engineers have control over the labor, materials or equipment costs, the contractors' methods of determining bid prices, competitive bidding, market or negotiating conditions. The estimate of construction costs given in progress reports will be monitored as work progresses on the Project.

The quarterly estimated amount of funds required for the estimated period of construction to meet the cost of the President George Bush Turnpike Eastern Extension Project, including funds allocated for project contingencies is shown on the following page in Table 4.

TABLE 4 - DRAW SCHEDULE				
Period Ending	Quarterly Estimate, Dec. 2008	Cumulative Estimate, Dec. 2008	Quarterly Actual	Cumulative Actual
6/30/05	\$ 4,582,276	\$ 4,582,276	\$ 4,582,276	\$ 4,582,276
9/30/05	\$ 6,360,466	\$ 10,942,741	\$ 6,360,466	\$ 10,942,741
12/31/05	\$ 3,347,862	\$ 14,290,603	\$ 3,347,862	\$ 14,290,603
3/31/06	\$ 816,759	\$ 15,107,362	\$ 816,759	\$ 15,107,362
6/30/06	\$ 1,226,443	\$ 16,333,806	\$ 1,226,443	\$ 16,333,806
9/30/06	\$ 23,583	\$ 16,357,388	\$ 23,583	\$ 16,357,388
12/31/06	\$ 140,824	\$ 16,498,212	\$ 140,824	\$ 16,498,212
3/31/07	\$ 135,499	\$ 16,633,711	\$ 135,499	\$ 16,633,711
6/30/07	\$ 163,229	\$ 16,796,941	\$ 163,229	\$ 16,796,941
9/30/07	\$ 36,022	\$ 16,832,963	\$ 36,022	\$ 16,832,963
12/31/07	\$ 3,714	\$ 16,836,677	\$ 3,714	\$ 16,836,677
3/31/08	\$ -	\$ 16,836,677	\$ -	\$ 16,836,677
6/30/08	\$ -	\$ 16,836,677	\$ -	\$ 16,836,677
9/30/08	\$ 48,775,110	\$ 65,611,787	\$ 48,775,110	\$ 65,611,787
12/31/08	\$ 75,256,242	\$ 140,868,029	\$ 75,256,242	\$ 140,868,029
3/31/09	\$ 76,448,407	\$ 217,316,436		
6/30/09	\$ 43,720,766	\$ 261,037,203		
9/30/09	\$ 37,895,762	\$ 298,932,965		
12/31/09	\$ 39,232,476	\$ 338,165,441		
3/31/10	\$ 102,976,589	\$ 441,142,030		
6/30/10	\$ 24,825,806	\$ 465,967,836		
9/30/10	\$ 28,616,850	\$ 494,584,686		
12/31/10	\$ 27,492,845	\$ 522,077,531		
3/31/11	\$ 29,194,154	\$ 551,271,685		
6/30/11	\$ 22,754,107	\$ 574,025,791		
9/30/11	\$ 24,769,915	\$ 598,795,706		
12/31/11	\$ 23,033,756	\$ 621,829,462		
3/31/12	\$ 154,405,735	\$ 776,235,197		
6/30/12	\$ 12,502,018	\$ 788,737,215		

Note: In 2005, the NTTA completed construction and opened the frontage roads from SH 78 to Firewheel Parkway prior to the opening of Firewheel Mall on the north side of the Project.

## SCHEDULE

The major milestone dates for the Project are as follows:

Section 28: Preparation of construction plans and specifications is complete. A construction Notice to Proceed (NTP) is anticipated in January 2009 to begin construction in February 2009. Expected open-to-traffic date is late 2011.

Section 29: Preparation of construction plans and specifications is complete. A construction NTP is anticipated in January 2009 to begin construction in February 2009. Expected open-to-traffic date is late 2011.

Section 30: Preparation of construction plans and specifications is complete. Construction commenced in mid-October 2008. Expected open-to-traffic date is late 2011.

Section 31: Preparation of construction plans and specifications is complete. A pre-construction meeting is anticipated to be held in March 2009 to issue an NTP for construction. Expected open-to-traffic date is late 2011.

Section 32: TxDOT completed construction plans and specifications and began construction in December 2008. Per the Two Party Agreement between the NTTA and TxDOT, TxDOT has committed to complete the construction of this section by late 2011.

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**APPENDIX E**

**SUMMARY OF CERTAIN PROVISIONS OF THE  
RESOLUTION AND THE AMENDED AND RESTATED TRUST AGREEMENT**

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## SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE AMENDED AND RESTATED TRUST AGREEMENT

The following constitutes a summary of certain provisions of the Resolution and the Amended and Restated Trust Agreement (the "*Amended and Restated Trust Agreement*"). This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Resolution and the Amended and Restated Trust Agreement. Copies of the Resolution and the Amended and Restated Trust Agreement are available for examination at the offices of the Authority.

### Definitions

"*Additional Bond Security*" – any credit enhancement for specified bonds and any funds received or obligations payable to the Authority, other than Net Revenues, which the Authority chooses to include as security for specified First Tier Bonds, Second Tier Bonds and/or Third Tier Bonds pursuant to a Supplemental Agreement;

"*Additional Bonds*" – Additional First Tier Bonds, Additional Second Tier Bonds and Additional Third Tier Bonds;

"*Additional First Tier Bonds*" – those obligations, including bonds and First Tier Credit Agreements, which the Authority reserves the right to issue, enter into, or incur under the Amended and Restated Trust Agreement, which are on a parity with the First Tier Bonds insofar as the lien on Net Revenues is concerned;

"*Additional Second Tier Bonds*" – those obligations, including bonds and Second Tier Credit Agreements, which the Authority reserves the right to issue, enter into, or incur under the Amended and Restated Trust Agreement, which are on a parity with the Second Tier Bonds insofar as the lien on Net Revenues is concerned;

"*Additional Third Tier Bonds*" – those obligations, including bonds and Third Tier Credit Agreements, which the Authority reserves the right to issue, enter into, or incur under the Amended and Restated Trust Agreement, which are on a parity with the Third Tier Bonds insofar as the lien on Net Revenues is concerned;

"*Alternate Credit Facility*" – any substitute or replacement irrevocable letter of credit, surety bond, insurance policy or similar instrument securing the payment of the principal of, premium, if any, and interest on, and the purchase price of, a series of Variable Rate Demand Bonds, delivered in accordance with the provisions of the Resolution in substitution and replacement for the existing Credit Facility for such Series.

"*Annual Budget*" – the budget adopted or in effect for each Fiscal Year as provided in the Amended and Restated Trust Agreement;

"*Assumed Variable Rate*" – in the case of:

- (a) bonds bearing interest at a Variable Rate, the greater of
  - (1) the average interest rate on such bonds for the most recently completed sixty (60) month period or the period such bonds have been Outstanding if it is less than sixty (60) months, or
  - (2) the rate to be determined pursuant to *clause (b)* below assuming the Outstanding bonds bearing interest at a Variable Rate were being issued on the date of calculation; and
- (b) proposed Additional Bonds to be issued at a Variable Rate
  - (1) on the basis that, in the opinion of Bond Counsel to be delivered at the time of the issuance thereof, interest on such Additional Bonds would be excluded from gross income for federal income tax purposes, the greater of (i) the average of the Security Industry and Financial Markets Association Municipal Swap Index ("*SIFMA Index*") for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of the SIFMA Index for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and
  - (2) on a basis other than as described in *clause (1)*, the greater of (i) the average of the London Interbank Offered Rate ("*LIBOR*") for the time period most closely resembling the reset period for the Additional Bonds for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of LIBOR for the time period most closely resembling the reset period for the Additional Bonds for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and provided that if the SIFMA Index or LIBOR ceases to be published, the index to be used in its place will be the index which the Authority, in consultation with the Financial Consultant, determines most

closely replicates such index, as set forth in a certificate of the Chief Financial Officer filed with the Trustee. Notwithstanding the foregoing, in no event may the Assumed Variable Rate be in excess of the maximum interest rate allowed by law on obligations of the Authority;

"Authorized Investments" – (a) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including Treasury Receipts evidencing ownership of future interest and principal payments due on direct obligations of the United States of America;

(b) bonds, participation certificates, or other obligations of any agency or instrumentality of the United States of America, including obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Federal Farm Credit System, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Farmers Home Administration, and Federal Housing Administration;

(c) new housing authority bonds issued by public agencies of a state or of municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America;

(d) direct and general obligations of any state of the United States of America, any municipality or school district of the State of Texas, or any other political subdivision or agency of the State of Texas to the payment of the principal of and interest on which the full faith and credit of such entity, as the case may be, is pledged, provided that such obligations are rated, at the time of purchase, in either of the two highest rating categories, without regard to rating sub-categories, by a nationally recognized municipal or corporate rating agency;

(e) certificates of deposit, whether negotiable or non-negotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, provided that such certificates of deposit are purchased directly from such bank, trust company, or national banking association and are either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in *clauses (a) through (d)*, inclusive, which have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and are lodged with or as directed by the Board, or the bank, trust company, or national banking association issuing such certificates of deposit;

(f) uncollateralized certificates of deposit of financial institutions which certificates of deposit are rated, at the time of purchase, in one of the two highest rating categories, without regard to rating sub-categories, by any nationally recognized municipal or corporate rating agency;

(g) repurchase agreements collateralized by obligations described above in *clauses (a) or (b)* with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by Standard & Poor's, or any commercial bank with the above ratings, provided:

(1) a master repurchase agreement or specific written repurchase agreement governs the transaction,

(2) the securities are held free and clear of any lien by the bond trustee or an independent third party acting solely as agent for the bond trustee, and such third party is (1) a Federal Reserve Bank, (2) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than \$25 million, or (3) a bank approved in writing for such purpose by each Bond Insurer, and the Trustee has received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee,

(3) a perfected first security interest under the Uniform Commerce Code, or book entry procedures prescribed at 31 CFR 306.1 et seq., in such securities is created for the benefit of the Trustee,

(4) the repurchase agreement has a term of six months or less, or the Authority will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation,

(5) the repurchase agreement matures on or before a debt service payment date (or other appropriate liquidation period), and

(6) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to at least 100%;

(h) banker's acceptances, Eurodollar deposits and certificates of deposit (in addition to the certificates of deposit provided for by *clauses (e) and (f)* above) of the domestic branches of foreign banks having a capital and surplus of \$1,000,000 or more, or any bank or trust company organized under the laws of the United States of America or Canada, or



any state or province thereof, having capital and surplus, if located in the State of Texas, in the amount of \$200,000,000, and, if located outside of the State of Texas, in the amount of \$1,000,000,000; provided that the aggregate maturity value of all such banker's acceptances and certificates of deposit held at any time as investments of funds under the Amended and Restated Trust Agreement with respect to any particular bank, trust company, or national association located in the State of Texas may not exceed 10% of the amount of its capital and surplus and with respect to any particular bank, trust company, or national association located outside of the State of Texas may not exceed 5% of its capital and surplus; and provided further that any such bank, trust company, or national association is required to be rated in one of the two highest rating categories, without regard to rating sub-categories, by any nationally recognized municipal or corporate rating agency;

(i) municipal or corporate commercial paper rated, at the time of purchase, either "A-1" or "P-1" or higher, or municipal or corporate bonds or notes rated, at the time of purchase, in one of the two highest rating categories, without regard to rating sub-categories, by any nationally recognized municipal or corporate rating agency;

(j) other unsubordinated securities or obligations issued or guaranteed (including a guarantee in the form of a bank standby letter of credit) by any domestic corporation (including a bank, national banking association, or trust company) which has outstanding, at the time of investment, debt securities rated in one of the two highest rating categories, without regard to rating sub-categories, by any nationally recognized municipal or corporate rating agency;

(k) investments of any type described and permitted by any law of the State of Texas applicable to the Authority; and

(l) money market funds which invest solely in any of the above listed obligations;

*"Balloon Indebtedness"* – a series of bonds of which 25% or more of the original principal matures in the same annual period and is not required by the documents pursuant to which such bonds were issued to be amortized by payment or redemption prior to that annual period (excluding any contingent mandatory redemptions), provided that such bonds will not constitute Balloon Indebtedness and will be assumed to amortize in accordance with its stated terms if the Trustee is provided a certificate of the Chief Financial Officer certifying that such bonds are not to be treated as Balloon Indebtedness;

*"bank"* – any bank, trust company, or national banking association organized or operating under the laws of any state of the United States of America or of the United States of America;

*"Board"* – the Board of Directors of the Authority;

*"Board Representative"* – the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Treasurer and the Director of Finance or such other individuals so designated by the Authority to perform the duties of the Board Representative for the specific purpose under the Amended and Restated Trust Agreement;

*"Board Representative's Certificate"* – the certificate of the Board Representative to be executed and delivered in connection with the initial issuance of each series of bonds and each certificate of the Board Representative to be executed and delivered in connection with exercise of the right of the Authority to effect a conversion.

*"bond," "bonds" or "Turnpike Revenue Bond"* – unless otherwise specifically stated, the Existing Bonds and the Additional Bonds;

*"Bondholder," "holder," "owner," or "registered owner"* – the registered owner of any bond as shown on the Trustee's Bond Registration records and books;

*"Bond Insurance Policy"* – an insurance policy issued by a Bond Insurer insuring or guaranteeing the payment of principal of and interest on any bonds;

*"Bond Insurer"* – an entity that insures or guarantees the payment of principal of and/or interest on any of the bonds;

*"Business Day"* – any day other than a Saturday or a Sunday or a day on which banking institutions are required or authorized by law or executive order to remain closed in the State or the City of New York or in the city in which the designated office of the Trustee or the Securities Depository is located, and with respect to bonds outstanding in any Mode except the fixed-rate mode, a day on which the primary office of the Remarketing Agent is located, if required or authorized by law to remain closed, or the New York Stock Exchange is closed.

*"Chief Financial Officer"* – the Chief Financial Officer, the Treasurer or such other individuals designated by the Board to perform the duties of the Chief Financial Officer under the Amended and Restated Trust Agreement;

*"Consulting Engineers"* – the consulting civil engineer or engineering firm or corporation employed by the Authority pursuant to the Amended and Restated Trust Agreement to carry out the duties imposed thereby;

"Cost" – all obligations and expenses and all items of cost authorized to be incurred or paid under the Turnpike Act and when used with respect to any facility will mean and include all costs related to such facility, and, without intending thereby to limit or restrict any such definition, including the following:

(a) obligations incurred for labor and to contractors, builders and materialmen in connection with the construction of a facility or any part thereof, and obligations incurred for machinery and equipment;

(b) payments to owners and others, for real property, or interests therein, or for options or other property or contractual rights;

(c) all expenses of every kind or character incurred in the acquisition of real property, including all costs and expenses of whatever kind in connection with the exercise of the power of condemnation, and including the cost of title searches and reports, abstracts of title, title certificates and opinions, title guarantees, title insurance policies, appraisals, negotiations and surveys;

(d) the amount of any damages or claimed damages incident to or consequent upon the construction of a facility; also the cost of any litigation and amounts paid by court order or upon settlement of any litigation or of any claim (although not litigated) of any kind during construction or of any claim arising during or out of or related to construction of a facility;

(e) as to toll collection equipment, it is recognized that some manufacturers of such equipment will not sell such equipment outright, and that some manufacturers will sell it; but that it will not be known, until bids are received by the Authority for the acquisition of such equipment, which manufacturer will offer the most advantageous terms to the Authority. The acquisition of toll collection equipment has been determined and declared to be a capital expenditure, and a proper "cost". It is specially provided, however, that if, in the discretion of the Authority, it will be to the advantage of the Authority to do so, and upon the written recommendation of the Consulting Engineers, the Authority may enter into lease-purchase or lease-rental agreements for the acquisition of such equipment with a term not to exceed three years from the date of acceptance of such equipment by the Authority. In such event the Authority is required to so advise the Trustee, and the Trustee is required to set aside and retain the amounts required for the payments under such agreements in the Construction Fund, and is required to make such payments as so required, upon requisitions from the Construction Fund. Any such payments will constitute proper items of "cost" for all purposes;

(f) the cost of any necessary indemnity and surety bonds, the cost of all fidelity bonds, the fees and expenses of the Trustee and the Paying Agent, and premiums on all insurance deemed necessary and advisable by the Authority, until one year after the completion of construction thereof;

(g) the cost of borings and other preliminary investigations to determine foundation or other conditions, all fees, costs, and expenses necessary or incident to determining the feasibility and practicability of constructing a facility, and all fees, costs, and expenses of engineers and others for making traffic studies, surveys, and estimates, and all fees, costs, and expenses of engineering services, plans, specifications, surveys, and estimates of cost and revenues, and all costs of supervising construction, as well as for the performance of all other duties of engineers in relation to the construction of a facility or the issuance of bonds therefor;

(h) the cost of preparing and issuing bonds, including refunding bonds, and all legal, accounting and other professional expenses and fees and financing charges in connection with any bonds and/or any facility, and expenses of administration properly chargeable to the construction of a facility, including salaries and all payments and deductions as provided by law pertaining to the State Retirement System;

(i) the cost of restoring, repairing and placing in its original condition, as nearly as practicable, all public or private property damaged or destroyed in the construction of a facility, or the amount paid by the Authority as compensation for such damage or destruction, and all costs lawfully incurred or damages lawfully payable, with respect to the restoration, relocation, removal, reconstruction or duplication of property or facilities in connection with or made necessary or caused by the construction of a facility, and the cost of building facilities to connect land severed by a facility or severance damages paid in lieu of such facilities;

(j) any obligation or expense heretofore or hereafter incurred by the Authority in connection with any of the foregoing items of cost, and the reimbursement of any obligations or expenses incurred in connection with any of the foregoing items of cost;

(k) utility relocations, buildings and other structures, fencing, landscaping, illumination, communication systems, and safety devices; and

(l) all other items of cost and expense not elsewhere in this definition specified, incident to the construction and equipment of a facility, the financing thereof and the costs of placing a facility in operation, including all costs as defined under the term "Cost" in the Turnpike Act.

"*Credit Agreement*" – a First Tier Credit Agreement, a Second Tier Credit Agreement, or a Third Tier Credit Agreement, as applicable;

"*Credit Facility*" – the irrevocable letter of credit, surety bond, insurance policy or similar instrument securing the payment of the principal of, premium, if any, and interest on, and the Purchase Price of, a Series of Variable Rate Demand Bonds, designated in the Board Representative's Certificate for such series, until such time as an Alternate Credit Facility has been issued in substitution and replacement for such Credit Facility and thereafter "Credit Facility" means such Alternate Credit Facility.

"*Credit Provider*" – the bank or other financial institution designated by the Board Representative acting in its capacity as issuer of the initial Credit Facility with respect to a series of Variable Rate Demand Bonds, and if an Alternate Credit Facility is issued, the issuer of such Alternate Credit Facility, and its successors and assigns.

"*Credit Provider Bonds*" – Variable Rate Demand Bonds purchased with moneys drawn on a Credit Facility and held for the benefit of a Credit Provider.

"*Current Expenses*" – the Authority's reasonable and necessary accrued current expenses of maintaining, repairing and operating the Tollway including, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance and repair, insurance, bridge painting, all operating, policing, administrative and engineering expenses, all payments and deductions as provided in the laws pertaining to the State Retirement System, fees and expenses of the Trustee, legal and accounting expenses, and any other expenses or obligations required to be paid by the Authority under the Amended and Restated Trust Agreement or by law, excluding any deposits or transfers to the credit of the Sinking Funds, Reserve Maintenance Fund and Capital Improvement Fund;

"*Debt Service Requirements*" – for any annual period (any Fiscal Year, or any other consecutive twelve calendar month period), the aggregate amount of interest on and principal of Outstanding bonds specified for the purposes for which Debt Service Requirements is to be calculated, other than any Credit Agreement, and, with respect to any Credit Agreement, the Payment Obligations relating thereto due in such period, as limited and calculated in the following manner:

(a) Except as modified below, (i) for any Fiscal Year while the Authority's Fiscal Year is the same as the calendar year, the aggregate amount of interest on and principal of the bonds, including Payment Obligations, which was paid or redeemed or is scheduled to accrue and be paid or redeemed after January 1 of such Fiscal Year and on the next following January 1; it being understood and intended that for the Authority's currently established Fiscal Year each such January 1 will be in the next following Fiscal Year; and (ii) for any consecutive twelve calendar month period other than the calendar year, whether or not such period constitutes any future Authority Fiscal Year, the aggregate amount of interest on and principal of the bonds, including Payment Obligations, which was paid or redeemed or is scheduled to accrue and be paid or redeemed during such consecutive twelve month period;

(b) As to any annual period prior to the date of any calculation, such requirements are required to be calculated solely on the basis of bonds which were Outstanding as of the first day of such period; and as to any future year such requirements are required to be calculated solely on the basis of bonds Outstanding as of the date of calculation plus any bonds then proposed to be issued as Additional Bonds;

(c) Notwithstanding the foregoing, all amounts which are deposited to the credit of the Bond Interest Accounts from original proceeds from the sale of any First Tier Bonds, Second Tier Bonds or Third Tier Bonds, as applicable, or from any other lawfully available source (other than the Revenue Fund and the investment income from the Operation and Maintenance Fund, the Sinking Funds, and the Reserve Maintenance Fund), and which are used or scheduled to be used to pay interest on such bonds during any annual period, are required to be deemed to reduce the Debt Service Requirements for any such annual period to the extent of such deposits; and the amount of such deposits are required to be excluded from and will not constitute Debt Service Requirements for any such annual period;

(d) If any of the bonds or proposed Additional Bonds bear interest at a Variable Rate the interest rate on such bonds or Additional Bonds for all periods for which the interest rate is not known, is required to be assumed and deemed to be the Assumed Variable Rate;

(e) If any of the bonds or proposed Additional Bonds constitute Balloon Indebtedness or Short-Term Indebtedness, then such amounts thereof as constitute Balloon Indebtedness or Short-Term Indebtedness are required to be treated as if such bonds are to be amortized in substantially equal annual installments of principal and interest over the useful life of the improvements financed with the proceeds of such Balloon Indebtedness or Short-Term Indebtedness as calculated by, and set forth in, a certificate of the Chief Financial Officer. Anything to the contrary notwithstanding, during the annual period preceding the final maturity date of such Balloon Indebtedness or, in the case of Short-Term Indebtedness, in each annual period, all of the principal

thereof is required to be considered to be due on the Stated Maturity or due date of such Balloon Indebtedness or Short-Term Indebtedness unless the Authority provides to the Trustee, prior to the beginning of such annual period, a certificate of a Financial Consultant certifying that, in its judgment, the Authority will be able to refund such Balloon Indebtedness or Short-Term Indebtedness through the issuance of Additional Bonds, in which event the Balloon Indebtedness or Short-Term Indebtedness is required to be amortized over the term of such proposed refunding Additional Bonds and is required to be deemed to bear the interest rate specified in the certificate of the Financial Consultant;

(f) Notwithstanding anything to the contrary in *clause (e)* above, with respect to Short-Term Indebtedness that is part of a commercial paper or similar program of the Authority, the amount of debt service of such Short-Term Indebtedness taken into account during any annual period is required to be equal to the principal component of debt service calculated using the outstanding principal amount of such Short-Term Indebtedness on the date of calculation amortized over the period ending on the date of the maximum maturity date under such program on a level debt service basis at an interest rate deemed to be the Assumed Variable Rate determined as if such Short-Term Indebtedness were Variable Rate Indebtedness; and

(g) Notwithstanding anything to the contrary contained in (a) through (e) above, the Debt Service Requirements for each annual period for a series of Additional Bonds issued (i) in conjunction with one or more Qualified Credit Agreements will be deemed to be the total net payments which the Board Representative certifies the Authority expects to pay in such annual period with respect to such series of Additional Bonds after taking into account the principal and interest payments and the Payment Obligations under such Qualified Credit Agreements made or to be made in such annual period and the amounts received or to be received from the Qualified Credit Provider under such Qualified Credit Agreement in such annual period or (ii) as a series of Variable Rate bonds, or one or more maturities within a series, of equal par amounts, issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such bonds taken as a whole, such composite fixed rate is required to be used in determining the Debt Service Requirement with respect to such bonds;

"*Effective Date*" – the date on which a new Interest Rate Period for a Bond takes effect.

"*Event of Default*" – as defined under the caption "*Events of Default and Remedies*";

"*Existing Bonds*" – after the issuance of the Series 2009 Bonds, the North Texas Tollway Authority Dallas North Tollway System Revenue Refunding Bonds, Series 1997, the North Texas Tollway Authority Dallas North Tollway System Revenue Refunding Bonds, Series 1997A, the North Texas Tollway Authority Dallas North Tollway System Revenue Bonds, Series 1998, the North Texas Tollway Authority Dallas North Tollway System Revenue Bonds, Series 2003A, the North Texas Tollway Authority Dallas North Tollway System Revenue Bonds, Series 2005A, the North Texas Tollway Authority Dallas North Tollway System Variable Rate Revenue Bonds, Series 2005C, the North Texas Tollway Authority System Revenue Refunding Bonds, Series 2008A, Series 2008B, Series 2008C, Series 2008D, Series 2008E, Series 2008G, Series 2008H, Series 2008I, Series 2008J, Series 2008K and Series 2008L, the Series 2009 Bonds, the Payment Obligations of the Authority under the Standby Bond Purchase Agreement entered into between the Authority and Depfa Bank plc relating to the Series 2005C Bonds, and the Payment Obligations of the Authority under the ISDA Master Agreements entered into between the Authority and each of JPMorgan Chase Bank, N.A. and Citibank N.A., New York, with an aggregate notional amount of \$178,290,000;

"*Financial Consultant*" – a nationally recognized firm of independent professional financial consultants knowledgeable in the financial operation of toll roads and having a favorable reputation for skill and experience in the field of financial consultation relating to toll roads;

"*First Tier Bonds*" – unless otherwise specifically stated, all Existing Bonds, including the related Credit Agreements, and any bond, bonds, note, notes, other obligation or obligations, including any First Tier Credit Agreement, issued, incurred or entered into pursuant to the Amended and Restated Trust Agreement as Additional First Tier Bonds, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the Amended and Restated Trust Agreement and any supplement thereto;

"*First Tier Credit Agreement*" – collectively, an obligation entered into on a parity with the Outstanding First Tier Bonds in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase bonds, purchase or sale agreement, interest rate swap, cap and floor agreement, or commitment or other contract or agreement authorized, recognized and approved by the Authority as a First Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the First Tier Bonds in connection with which it is executed;

"*First Tier Payment Obligations*" – unless otherwise specifically stated, all amounts payable by the Authority under a First Tier Credit Agreement less any amounts of principal or interest payable with respect to any Additional First Tier Bonds pledged under a First Tier Credit Agreement as collateral for the amounts due thereunder; and all such First Tier Payment Obligation payments are required to be deemed to constitute principal payments of First Tier Bonds, and are required to be paid from the First Tier Redemption Account as provided in the Amended and Restated Trust Agreement; provided, however, that, if provided in a First Tier Credit Agreement or in the proceedings approved by the Authority in connection therewith, some or all of the amounts payable under a First Tier Credit Agreement may be designated as Second Tier Payment Obligations or Third Tier Payment Obligations;

"*First Tier Required Reserve*" – as of any date an amount equal to the average annual Debt Service Requirements of all First Tier Bonds Outstanding or to be Outstanding as of such date;

"*First Tier Reserve Surety Agreement*" – any substitute for cash and Authorized Investments in the First Tier Reserve Account as provided for in the Amended and Restated Trust Agreement;

"*Fiscal Year*" – presently, the same as the calendar year; or any other period hereafter designated by the Authority as its Fiscal Year in accordance with law;

"*Net Revenues*" – with respect to any consecutive 12-month period or Fiscal Year, the aggregate revenues or estimated aggregate revenues derived or estimated to be derived from the ownership and operation of the Tollway in any such period or year, including all investment income from the Revenue Fund, the Operation and Maintenance Fund, the Bond Interest Accounts, the Redemption Accounts, the Reserve Accounts, the Reserve Maintenance Fund, and the Capital Improvement Fund, and the investment income from the Construction Fund which is deposited or estimated to be deposited to the credit of the Bond Interest Accounts, less the Current Expenses for any such period or year; provided, however, any toll revenues collected by the Authority that must be paid to TxDOT as revenue sharing payments pursuant to a project agreement between the Authority and TxDOT will not constitute revenues of the Tollway for purposes of the Amended and Restated Trust Agreement;

"*Outstanding*" – with respect to the bonds, at any date of which the amount of the Outstanding bonds is to be determined, the aggregate of all bonds secured by the Amended and Restated Trust Agreement, except:

- (a) bonds cancelled or delivered to the Paying Agent for cancellation at or prior to such date;
- (b) bonds for the full payment of the principal of, premium, if any, and interest on which cash has been theretofore deposited with the Paying Agent and which (i) have matured by their terms, or otherwise have become payable, but have not been surrendered for payment or (ii) have been purchased by the Trustee but have not been presented for payment;
- (c) bonds deemed paid as described in *clause (b)* under the caption "*Defeasance*"; and
- (d) bonds in exchange or in lieu of which other bonds have been delivered under the Amended and Restated Trust Agreement;

"*Paying Agent*" – the Trustee;

"*Payment Obligations*" – First Tier Payment Obligations, Second Tier Payment Obligations and Third Tier Payment Obligations;

"*Qualified Credit Agreement*" – a First Tier Credit Agreement, a Second Tier Credit Agreement, or a Third Tier Credit Agreement, as applicable, entered into with a Qualified Credit Provider;

"*Qualified Credit Provider*" – a Credit Provider (or its corporate parent as guarantor of its obligations under a Credit Agreement) whose long term debt is rated or whose credit rating is, at the time the Qualified Credit Agreement is entered into, in one of the three highest rating categories by Moody's, S&P or Fitch, without regard to rating sub-categories;

"*Registered Bonds*" – bonds registered in the name of the owner;

"*Registrar*" – the Trustee;

"*Required Reserve*" – the First Tier Required Reserve, the Second Tier Required Reserve, or the Third Tier Required Reserve, as applicable;

"*Reserve Surety Agreement*" – a First Tier Reserve Surety Agreement, a Second Tier Reserve Surety Agreement or a Third Tier Reserve Surety Agreement, as applicable;

"*Second Tier Bonds*" – unless otherwise specifically stated, any bond, bonds, note, notes, other obligation or obligations, including any Second Tier Credit Agreement, issued, incurred or entered into pursuant to the Amended and

Restated Trust Agreement as Additional Second Tier Bonds, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the Amended and Restated Trust Agreement and any supplement thereto;

*"Second Tier Credit Agreement"* – collectively, an obligation entered into on a parity with the Outstanding Second Tier Bonds in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase bonds, purchase or sale agreement, interest rate swap, cap and floor agreement, or commitment or other contract or agreement authorized, recognized and approved by the Authority as a Second Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the bonds in connection with which it is executed;

*"Second Tier Payment Obligations"* – unless otherwise specifically stated, all amounts payable by the Authority under a Second Tier Credit Agreement less any amounts of principal or interest payable with respect to any Additional Second Tier Bonds pledged under a Second Tier Credit Agreement as collateral for the amounts due thereunder; and all such Second Tier Payment Obligation payments will be deemed to constitute principal payments of Second Tier Bonds, and will be paid from the Second Tier Redemption Account as provided in the Amended and Restated Trust Agreement; provided, however, that, if so provided in a Second Tier Credit Agreement or in the proceedings approved by the Authority in connection therewith, some or all of the amounts payable under a Second Tier Credit Agreement may be designated to be Third Tier Payment Obligations; and provided further, that, all payment obligations under a First Tier Credit Agreement which are designated to be Second Tier Payment Obligations will be treated as and constitute Second Tier Payment Obligations for all purposes under the Amended and Restated Trust Agreement;

*"Second Tier Required Reserve"* – as of any date the amount set forth in a Supplemental Agreement authorizing Second Tier Bonds Outstanding or to be Outstanding as of such date;

*"Second Tier Reserve Surety Agreement"* – any substitute for cash and Authorized Investments in the Second Tier Reserve Account as provided for in a Supplemental Agreement;

*"Short-Term Indebtedness"* – all bonds that mature in less than 365 days and are issued as Short-Term Indebtedness pursuant to the Amended and Restated Trust Agreement. In the event a Credit Provider has extended a line of credit or the Authority has undertaken a commercial paper or similar program, only amounts actually borrowed under such line of credit or program and repayable in less than 365 days will be considered Short-Term Indebtedness and the full amount of such commitment or program will not be treated as Short-Term Indebtedness;

*"Stated Maturity"* – for any bond, the scheduled maturity date or final mandatory sinking fund redemption date of such bond;

*"Supplemental Agreement"* – any supplement to the Amended and Restated Trust Agreement, now or hereafter duly authorized and entered into in accordance with the Amended and Restated Trust Agreement;

*"Third Tier Bonds"* – unless otherwise specifically stated, any bond, bonds, note, notes other obligation or obligations, including any Third Tier Credit Agreement, issued, incurred or entered into pursuant to the Amended and Restated Trust Agreement as Third Tier Bonds, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the Amended and Restated Trust Agreement and any supplement thereto;

*"Third Tier Credit Agreement"* – collectively, an obligation entered into on a parity with the Outstanding Third Tier Bonds in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase bonds, purchase or sale agreement, interest rate swap, cap and floor agreement, or commitment or other contract or agreement authorized, recognized and approved by the Authority as a Third Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the bonds in connection with which it is executed;

*"Third Tier Payment Obligations"* – unless otherwise specifically stated, all amounts payable by the Authority under a Third Tier Credit Agreement less any amounts of principal or interest payable with respect to any Additional Third Tier Bonds pledged under a Third Tier Credit Agreement as collateral for the amounts due thereunder; and all such Third Tier Payment Obligation payments will be deemed to constitute principal payments of Third Tier Bonds, and will be paid from the Third Tier Redemption Account or sub-account therein as provided in the Amended and Restated Trust Agreement and specified in a Supplemental Agreement; and all payment obligations under a First Tier Credit Agreement or a Second Tier Credit Agreement which are designated to be Third Tier Payment Obligations will be treated as and constitute Third Tier Payment Obligations for all purposes under the Amended and Restated Trust Agreement;

*"Third Tier Required Reserve"* – as of any date the amount set forth in the Supplemental Agreements authorizing Third Tier Bonds Outstanding or to be Outstanding as of such date;

*"Third Tier Reserve Surety Agreement"* – any substitute for cash and Authorized Investments in the Third Tier Reserve Account as provided for in a Supplemental Agreement;

"*Toll Rate Schedule*" – the schedule of tolls to be collected by the Authority established by the Board under the Amended and Restated Trust Agreement, including future increases or decreases approved by the Board;

"*Tollway*" or "*NTTA System*" – the presently existing turnpike system, as defined in the Amended and Restated Trust Agreement (including all bridges, tunnels, overpasses, underpasses, interchanges, toll plazas, and administration, storage, and other buildings, facilities, and improvements which the Authority has deemed necessary for the operation of the presently existing Tollway), together with all property rights, easements and interests acquired by the Authority for the construction or the operation of the presently existing Tollway, and together with all future improvements, extensions, and enlargements or additions of the presently existing Tollway, and together with any other turnpike project or facilities added to, grouped with, or otherwise constituted and declared to be a part of the Tollway by the Authority in accordance with law and pursuant to resolutions adopted by the Board;

"*Traffic Engineers*" – the traffic engineer or engineering firm or corporation employed by the Authority pursuant to the Amended and Restated Trust Agreement to carry out the duties imposed thereby;

"*Turnpike Act*" – Chapter 366 of the Texas Transportation Code, as amended;

"*Value of Authorized Investments*" – the amortized value of any Authorized Investments, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series will be valued at par and those obligations which are redeemable at the option of the holder will be valued at the price at which such obligations are then redeemable. Computations of such definition include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. "Amortized value", when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (a) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (b) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price; and

"*Variable Rate*" – interest on a bond which does not have a predetermined fixed rate or rates to maturity.

"*Variable Rate Demand Bonds*" – Bonds in the Flexible Mode, Daily Mode and the Weekly Mode.

### **Certain Covenants of the Authority**

*Payment of Principal, Interest, and Premium.* The Authority has covenanted that it will promptly pay the principal of and the interest on every bond, including Payment Obligations, at the places, on the dates and in the manner provided in the Amended and Restated Trust Agreement and in said bonds, and any premium required for the retirement of said bonds by redemption, according to the true intent and meaning thereof. The principal, interest (except interest paid from proceeds of the bonds) and premiums are payable solely in the priorities and from the sources described in the Amended and Restated Trust Agreement, including the tolls and other revenues derived from the ownership and operation of the Tollway.

*Progress Reports; Audits during Construction; Certificate as to Date of Opening for Traffic.* The Authority has covenanted that, at least once in every six-month period during the construction of any portion of the Tollway which it finances in whole or in part with bonds, it will cause the Consulting Engineers to prepare a progress report in connection with the acquisition of real property for any project, and a progress report in connection with such construction, including their then current estimates of the:

- (a) date on which such project will be opened for traffic, unless such project has been opened for traffic prior to the date of such report,
- (b) date on which the construction of such project will be completed,
- (c) cost of the project but excluding any bond discount and the interest during construction and for one year after completion of construction, and
- (d) amount of funds required each six (6) months during the remaining estimated period of construction to meet the aforesaid cost of such project exclusive of funds provided for construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between the actual times elapsed and the actual costs, and the original estimates of such times and costs. Copies of such progress reports are required to be filed with the Trustee and the Authority and mailed by the Authority to each bondholder who has filed his name with the Board Representative.

At least once in every twelve-month period during the construction of such project the Authority is required to cause an audit to be made by an independent certified public accountant of recognized ability and standing covering all receipts and money of the Authority then on deposit with or in the name of the Trustee, all Depositories, and the Authority, and any

security specifically pledged therefor, any investments thereof, and all disbursements made from the Construction Fund. Reports of each such audit are required to be filed with the Trustee and the Authority and mailed by the Authority to the Consulting Engineers and each bondholder who has filed his name with the Board Representative.

*Consulting Engineers.* The Authority covenants that it will cause the Consulting Engineers employed by it to make an inspection of the Tollway on or before the 90th day prior to the end of each Fiscal Year and to submit to the Authority a report setting forth (a) their findings whether the Tollway has been maintained in good repair, working order and condition, (b) their advice and recommendations as to the proper maintenance, repair, and operation of the Tollway during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes, including their recommendations as to the total amounts and classifications of items and amounts that should be provided for Current Expenses and the Reserve Maintenance Fund in the Annual Budget for the next ensuing Fiscal Year, and (c) their advice and recommendations as to the amounts and types of insurance which should be carried during the ensuing Fiscal Year with respect to the Tollway described below under the caption "*Insurance.*" Copies of such reports are required to be filed with the Trustee and the Authority and mailed by the Authority to each bondholder who has filed his name with the Board Representative.

*Budgets, Hearings Thereon, Payments into Reserve Maintenance Fund, and Payments for Maintenance, Repair, and Operation.* The Authority has covenanted that on or before the 60th day prior to the end of each Fiscal Year it will adopt a preliminary budget of Current Expenses and payments into the Reserve Maintenance Fund for the ensuing Fiscal Year. Copies are required to be filed with the Trustee and the Authority and mailed by the Authority to the Consulting Engineers and each bondholder who has filed his name and address with the Board Representative.

If the holders of at least five percent (5%) in aggregate principal amount of the bonds then Outstanding request in writing on or before the 60th day prior to the end of any Fiscal Year, the Authority is required to hold a public hearing on or before the 30th day prior to the end of such Fiscal Year at which any bondholder may appear in person or by agent or attorney and present any objections he may have to the final adoption of such budget. Notice of the time and place of such hearing is required to be mailed, at least ten (10) days before the date fixed by the Authority for the hearing by the Authority, to the Trustee, the Consulting Engineers, and each bondholder who has filed his name and address with the Board Representative. The Authority has further covenanted that on or before the first day of each Fiscal Year it will finally adopt the budget of Current Expenses and payments into the Reserve Maintenance Fund for such Fiscal Year (hereinafter sometimes called the "*Annual Budget*"). Copies of the Annual Budget are required to be filed with the Trustee and mailed by the Authority to the Consulting Engineers and each bondholder who has filed his name with the Board Representative.

If for any reason the Authority has not adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year or, if there is none prepared, the budget for the preceding Fiscal Year, will, until the adoption of the Annual Budget, be deemed to be in force and will be treated as the Annual Budget as herein described.

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, and when so adopted the Annual Budget as so amended or supplemented will be treated as the Annual Budget under the Amended and Restated Trust Agreement; provided, however, that before the adoption of any such amended or supplemental Annual Budget, the Authority is required to have obtained and filed with the Trustee the recommendations of the Consulting Engineers in connection therewith. Copies of any such amended or supplemental Annual Budget are required to be filed with the Trustee and mailed by the Authority to the Consulting Engineers and each bondholder who has filed his name with the Board Representative.

The Authority covenants that all payments for maintenance, repair and operation in any Fiscal Year will not exceed the reasonable and necessary amount required therefor, and that it will not expend any amount or incur any obligations for maintenance, repair, and operation in excess of the amounts provided for Current Expenses in the Annual Budget, or amended or supplemental Annual Budget, except as provided in the Amended and Restated Trust Agreement and except amounts payable from the Reserve Maintenance Fund and Capital Improvement Fund. Nothing described herein limits the amount which the Authority may expend for Current Expenses in any Fiscal Year provided any amounts expended therefor in excess of the Annual Budget are received by the Authority from some source other than the Net Revenues of the Tollway for such Fiscal Year.

*Compliance with Requirements; No Liens or Charges upon Tollway, Tolls or Other Revenues; Payment of Charges.* The Authority has covenanted that it will duly observe and comply with all valid requirements of any governmental authority relative to the Tollway or any part thereof, that it will not create or suffer to be created any lien or charge upon the Tollway or any part thereof or upon the tolls or other revenue therefrom except the lien and charge of the bonds secured by the Amended and Restated Trust Agreement upon such tolls and revenue, unless any such lien or charge is junior and subordinate in all respects to the lien and charge of the bonds secured by the Amended and Restated Trust Agreement, it being understood that the Authority may issue bonds, notes, or other obligations payable from, or secured by, money in the Capital Improvement Fund to the extent now or hereafter permitted by law without violating the foregoing covenant. The Authority has further covenanted that, from such revenues or other available funds, it will pay or cause to be discharged, or will make adequate



provision to satisfy and discharge, within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Tollway or any part thereof or the tolls or other revenue therefrom; provided, however, that nothing will require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

*Accurate Records; Monthly Reports; Annual Audits; Additional Reports or Audits, Annual Report.* The Authority has covenanted that it will keep an accurate record of the daily tolls and other revenues collected, of the number and class of vehicles using the Tollway and of the application of such tolls. Such record will be open to the inspection of the bondholders and their agents and representatives.

The Authority has further covenanted that once each month it will cause to be filed with the Trustee and mailed to the Consulting Engineers, the Traffic Engineers, and each bondholder who has filed his name with the Board Representative, copies of any revision of the Toll Rate Schedule during the preceding calendar month and a report setting forth in respect of the preceding calendar month:

- (a) the income and expense accounts of the Tollway,
- (b) the number of vehicles in each class using the Tollway,
- (c) all payments, deposits and credits to and any payments, transfers and withdrawals from each Fund and Account created under the Amended and Restated Trust Agreement,
- (d) all bonds issued, paid, purchased or redeemed,
- (e) the amounts at the end of such month to the credit of each Fund and Account, showing the respective amounts to the credit of each such Fund and Account, and any security held therefor, and showing the details of any investments thereof, and
- (f) the amounts of the proceeds received from any sales of property described herein under the caption "*Covenant Against Sale or Encumbrance; Exception.*"

The Authority has further covenanted that during the month following the end of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the Tollway for the previous Fiscal Year by an independent certified public accountant of recognized ability and standing. Promptly thereafter reports of each audit are required to be filed with the Authority and the Trustee, and copies of such report are required to be mailed by the Authority to the Consulting Engineers, the Traffic Engineers, and each bondholder who has filed his name with the Board Representative. Each such audit is required to set forth in respect to the preceding Fiscal Year the same matters as are hereinabove required for the monthly reports, and also the findings of such certified public accountants whether the money received by the Authority under the Amended and Restated Trust Agreement have been applied in accordance therewith. Such monthly reports and annual audit reports are required to be open to the inspection of the bondholders and their agents and representatives.

The Authority has further covenanted to furnish to the Trustee such other information concerning the Tollway or the operation thereof as the Trustee may reasonably request.

*Covenant Against Sale or Encumbrance; Exception.* The Authority has covenanted that, until the bonds and interest thereon have been paid or provision for such payment has been made, and except as otherwise permitted in the Amended and Restated Trust Agreement, it will not sell, lease or otherwise dispose of or encumber the Tollway or any part thereof and will not create or permit to be created any charge or lien on the revenues derived therefrom unless such charge or lien is made junior and subordinate in all respects to the charge and lien of the Amended and Restated Trust Agreement made for the benefit of the bonds; provided that the Authority may lease or contract with respect to the operation of service stations or other facilities referred to in Section 12 of the Turnpike Act. The Authority may, however, from time to time, sell, exchange or otherwise dispose of any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of bonds issued on account of the Tollway or from the revenues thereof or otherwise, if the Authority determines that such articles are no longer needed or are no longer useful in connection with the construction or operation and maintenance of the Tollway, and the proceeds thereof are applied to the replacement of the properties so sold or disposed of or are paid to the Trustee to be held for the credit of the Construction Fund, the Reserve Maintenance Fund, the Capital Improvement Fund or the Sinking Funds, as the Authority directs. The Authority may from time to time sell, exchange or otherwise dispose of any real property or release, relinquish or extinguish any interest therein as the Authority by resolution declares is not needed or serves no useful purpose in connection with the maintenance and operation of the Tollway, and the proceeds thereof, if any, are required to be applied as provided above for the proceeds of the sale or disposal of movable property. Notwithstanding the foregoing, it is acknowledged and agreed that nothing in the Amended and Restated Trust Agreement will prevent the Authority from re-conveying or allowing the reversion of property leased or otherwise acquired upon the termination of the lease or agreement pursuant to which such property was originally acquired.

Upon any disposition of property as described herein, the Authority is required to notify the Trustee thereof and the amount and disposition of the proceeds thereof.

#### *Insurance*

**Recommendations.** The Authority covenants that, during each Fiscal Year while any bonds are Outstanding, it will obtain from the Consulting Engineers, on or before the 90th day prior to the end of each Fiscal Year, the report of the Consulting Engineers containing their advice and recommendations concerning the amounts and types of insurance which should be carried with respect to the Tollway during the ensuing Fiscal Year or years. The Authority covenants that it will follow the recommendations of the Consulting Engineers with respect to insurance, and will carry with a qualified and responsible insurance company or companies such insurance with respect to the Tollway as is then required by law and otherwise as is recommended by the Consulting Engineers in accordance with the Amended and Restated Trust Agreement.

**Self Insurance.** The Authority may, upon the recommendation of the Consulting Engineers, establish programs for self insurance against various risks and losses, to the extent and in the manner as may be deemed advisable.

**Schedule of Insurance Policies; Settlement of Insurance Claims.** Within the first three (3) months of each Fiscal Year the Authority is required to mail to the Consulting Engineers and the Trustee a schedule of all insurance policies or self insurance plans which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and risks covered thereby, and also stating the details of each self insurance program established by the Authority. All such insurance policies are required to be open to the inspection of the bondholders and their representatives at all reasonable times. The Trustee is authorized, but is not obligated, in its own name to demand, collect, sue and receipt for any insurance money which may become due and payable under any policies payable to it. Any appraisal or adjustment of any loss or damage under any policy payable to the Trustee and any settlement or payment of indemnity under such policy which may be agreed upon between the Authority and any insurer is required to be evidenced to the Trustee by a certificate, signed by the Chairman or Vice Chairman and a Board Representative, which certificate may be relied upon by the Trustee as conclusive. The Trustee will in no way be liable or responsible for the collection of insurance money in case of any loss or damage.

**Insurance During Construction of the SRT.** The Authority agrees that during the construction of the SRT it will carry such builders' risk insurance, if any, that is recommended by the Consulting Engineers, and that from the time when the contractors engaged in constructing any bridge or elevated structure, the construction cost of which is in excess of \$1,000,000, will no longer be responsible under the respective contracts for the construction of the bridge or elevated structure, for loss or damage to the bridge or elevated structure occurring from any cause, the Authority will insure the bridge, or elevated structure, until the bonds and the interest on the bonds, have been paid or provision for such payment has been made, with a responsible insurance company authorized under the laws of the State of Texas to assume the risk thereof, against physical loss or damage, with such exceptions as are ordinarily required by insurers of structures or facilities of similar type, in an amount not less than 80% of the replacement value of each such bridge or elevated structure, less depreciation, as certified by the Consulting Engineers. The amount of insurance, however, must at all times comply with any legal or contractual requirement which, if broken, would result in assumption by the Authority of a portion of any loss or damage as a co-insurer, and that such insurance may provide for the deduction from each claim for loss or damage (except in case of a total loss) of not more than 2% of the total amount of insurance required by the application of the co-insurance clause, unless the Consulting Engineers shall recommend a higher deduction. Moreover, if the Authority shall be unable to obtain such insurance to the extent required, either in the amount or as to the risks covered thereby, it will not constitute an event of default under the provisions of the Trust Agreement if the Authority shall maintain such insurance to the extent reasonably obtainable.

All insurance policies will be for the benefit of the Trustee and the Authority, and the insurance policies will be made payable to the Trustee, and will be held by the Trustee. The Trustee will have the sole right to receive the proceeds of such insurance. The proceeds of any insurance will be held by the Trustee as security for the bonds until the bonds are paid out in accordance with the Resolution.

The Authority agrees that, immediately after any damage to or destruction of the NTTA System or any part thereof, competent engineers will prepare plans and specifications for repairing, replacing, or reconstructing the damaged or destroyed property (either in accordance with the original or a different design) and an estimate of the cost thereof. Copies of such estimate will be mailed by the Authority to the Trustee and to the Consulting Engineers unless such engineers are the Consulting Engineers.

The proceeds of all insurance will be available for, and to the extent necessary be applied to, the repair, replacement, or reconstruction of the damaged or destroyed property, and will be disbursed by the Trustee. If the proceeds are more than sufficient for such purpose, the balance remaining will be placed in the Revenue Fund. If the insurance proceeds are insufficient for such purpose, the deficiency will be supplied by the Authority from any surplus unpledged, uncommitted, and

available moneys in the Capital Improvement Fund and the Reserve Maintenance Fund, in that order, to the extent required or available.

The Authority agrees that, if the cost of repairing, replacing, or reconstructing the damaged or destroyed property as estimated does not exceed the proceeds of insurance and other moneys available for such purpose, it will commence with the repair, replacement, or reconstruction of the damaged or destroyed property according to plans and specifications prepared or approved by the Consulting Engineers.

The proceeds of any insurance not applied within 18 months after their receipt to repairing, replacing, or reconstructing the damaged or destroyed property must be deposited to the credit of the Reserve Maintenance Fund, unless the Authority advises the Trustee that it has been prevented from so repairing, replacing, or reconstructing because of conditions beyond its control, or unless the Authority, with the consent of the holders of a majority in principal amount of all the bonds then outstanding, shall otherwise direct.

#### *Covenants Regarding Tax Exemption*

Except with respect to Bonds issued as "taxable bonds," the Authority agrees to refrain from taking any action which would adversely affect, and to take any action required to ensure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation (other than with respect to the taxable Bonds).

#### *Construction and Completion of the SRT and the PGBT EE*

The Authority has agreed that it will acquire any property as may be necessary to construct the SRT and the PGBT EE and when deemed necessary and feasible, it will exercise the right of condemnation in order to acquire any real property or other property located either within or outside the boundaries of any county, city, town, village, or other political subdivision of the State of Texas and owned either privately or by any county, city, town, village, or other political subdivision of the State of Texas, provided that such right to condemnation will be exercised as to land, only when the acquisition of such land is deemed necessary by the Authority for highway and right-of-way purposes for the SRT and the PGBT EE, including land necessary for access, approach, and interchange roads.

The Authority has agreed that it will construct and complete the SRT and the PGBT EE substantially as described in the engineering reports of the Consulting Engineers with such changes or additions to the SRT and the PGBT EE as may be recommended by such firms or the Consulting Engineers and approved by the Authority, provided that such changes or additions will not, in the opinion of the Traffic Engineers, substantially adversely affect the revenues of the NTTA System or the volume or character of the traffic expected to use the NTTA System. The Authority agrees that the SRT and the PGBT EE will be constructed and completed with all expedition practicable in accordance with plans and specifications approved by the Authority and by the Consulting Engineers and in conformity with law.

The Authority will use its best efforts to issue any additional revenue bonds or other debt necessary for the purpose of completing the SRT and the PGBT EE and placing them in operation, and that such bonds will be issued pursuant to the provisions of the Act or other applicable law, as it then exists.

The Authority agrees that before entering into any construction contract it will get the approval of the Consulting Engineers of the contract and of the plans and specifications referred to in the contract, and that it will require each person, firm, or corporation with whom it may contract for labor or materials to furnish a performance bond and payment bond in the full amount of any contract exceeding \$25,000 and to carry such insurance as may be required by law and by the Authority. The Authority further agrees that the proceeds of any such performance bond will be applied toward the completion of the pertinent contract. No such contract may provide that payments must be made by the Authority in excess of 98% of monthly estimates approved by the Consulting Engineers of moneys due the contractor for work performed or materials furnished during the preceding month except payment of the final balance due under any such contract.

#### **Investments**

*Investment of Money in Funds and Accounts.* All money held for the credit of the Construction Fund will, as nearly as may be practicable, be invested and reinvested by the Trustee, as directed by the Authority, in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, in such amounts and at such times as will be required to provide money when needed to pay the Costs payable from the Construction Fund. Money held for the credit of the Reserve Accounts will, as nearly as may be practicable, be invested and reinvested by the Trustee, as directed by the Authority, in Authorized Investments which will mature, or will be subject to redemption by the holder thereof at the option of such holder, not later than five years after the date of such investment. Money held for the credit of the Reserve Maintenance Fund may be invested and reinvested by the Authority in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, not later than five years after the date of such investment. Money held for the credit of the Capital Improvement Fund may be invested in any of the

Authorized Investments or in any other manner authorized by the Board. Money held for the credit of the Operation and Maintenance Fund will be invested and reinvested by the Authority, and the Revenue Fund, the Bond Interest Accounts, and the Redemption Accounts will be invested and reinvested by the Trustee, as directed by the Authority, in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates which will allow money to be available in each of said Funds and Accounts for use at the appropriate times and for the purposes for which they were created.

In lieu of the investments as provided above, and at the option of the Authority, and in any other case where the Authority deems it advisable, the Authority may make interest bearing time deposits, invest in certificates of deposit, or make other similar arrangements with the Trustee or any other depository in connection with money in any Fund or Account created by the Amended and Restated Trust Agreement, as may be permitted by law, and which will allow money to be available in each of the Funds and Accounts created by the Amended and Restated Trust Agreement for use at the appropriate times and for the purposes for which they were created, provided that all such time deposits, certificates of deposit, and other similar agreements will be secured in the manner provided in the Amended and Restated Trust Agreement.

*Other Investment Matters.* Obligations purchased as an investment of money in any Fund or Account created under the Amended and Restated Trust Agreement and all time deposits or similar arrangements made in connection therewith, will be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and any profit realized from any investment will be credited to such Fund or Account, and any loss resulting from any investment will be charged to such Fund or Account; provided, however, that the provisions described under the caption "*Sinking Funds; Bond Interest Accounts, Reserve Accounts, and Redemption Accounts*" will be applicable at all times to the Reserve Accounts and the excess investment earnings from the Reserve Accounts.

At the option of the Authority, during the period of construction or completion of construction of any project, the Authority may direct the Trustee to transfer from the Construction Fund and deposit to the credit of the applicable Bond Interest Account, from the investment earnings deposited in the Construction Fund and/or the Reserve Maintenance Fund all or any part of an amount, which, together with the amount then available in the applicable Bond Interest Account, will be sufficient to pay the interest coming due on the bonds on each interest payment date, respectively. The Trustee is required to account for all amounts at any time on hand in the Construction Fund attributable to all investment earnings, regardless of their source, and to make the deposits required above to the extent of such investment earnings on hand at the time each such deposit is required to be made. In the event that such investment earnings are not sufficient to supplement the applicable Bond Interest Account in an amount required to enable the Trustee to pay from the applicable Bond Interest Account the interest coming due on the bonds on any interest payment date, then the Trustee, without further authorization or requisition, is required to use the corpus of the Construction Fund (original bond proceeds) to the extent necessary to provide the required supplement to the applicable Bond Interest Account.

The Trustee, any other depositories, and the Authority, as the case may be, are required to sell at the best price obtainable in the exercise of reasonable diligence, or present for payment or redemption, any obligations so purchased, whenever and to the extent it is necessary so to do, in order to provide money required to meet any payment or transfer from any Fund or Account. The Trustee, any other depositories, and the Authority, as the case may be, are required to present for payment all such obligations when they mature or when they are called for redemption and the proceeds thereof are required to be reinvested promptly, unless needed to meet any such payment or transfer. Neither the Trustee, any other depositories, nor the Authority will be liable or responsible for making any such investment or for any loss resulting from any such investment, but any resulting deficiency in any Fund or Account is required to be restored from the first money available therefor in accordance with the Amended and Restated Trust Agreement. The Trustee and any other depositories are required to advise the Authority in writing, on or before the fifth day of each month, of the details of all money and investments held by them for the credit of any such Fund or Account.

The provisions of the Amended and Restated Trust Agreement which relate to the deposit and to the investment of money are subject to any applicable laws of the State of Texas.

All Authorized Investments purchased as an investment of any Fund or Account are required to be valued at the Value of Authorized Investments. Reserve Accounts are required to be valued by the Authority as of the last Business Day of the current Fiscal Year, and semiannually thereafter as of the last Business Day of the sixth and twelfth months, respectively, of each Fiscal Year.

Notwithstanding any other provisions of the Amended and Restated Trust Agreement, if investment income derived from any Fund or Account maintained pursuant hereto is required to be rebated to the United States of America, as required by the tax covenants of the Authority in order to prevent any bonds from being "arbitrage bonds", such investment income will be so rebated from the appropriate Fund or Account, and the amount of such rebate will not be considered to be revenues of the Tollway. The Trustee is required, upon the request and direction of the Authority, to transmit any such rebate amounts held by it to the United States of America.

## Events of Default and Remedies

*Events of Default.* Each of the following events is hereby declared an "Event of Default," that is to say: if

(a) the Authority defaults in the payment of the principal of or premium, if any, on any of the bonds when the same become due and payable, either at maturity or by proceedings for redemption; or

(b) the Authority defaults in the payment of any installment of interest on any bond when the same becomes due and payable; or

(c) any part of the Tollway is destroyed or damaged to the extent of impairing its efficient operation and adversely affecting its gross or net revenues and is not promptly repaired, replaced or reconstructed (whether such failure to repair, replace or reconstruct the same be due to the impracticability of such repair, replacement or reconstruction or to lack of funds therefor or for any other reason); or

(d) judgment for the payment of money is rendered against the Authority if such judgment is under any circumstances payable from the revenues of the Tollway and any such judgment is not discharged within ninety (90) days from the entry thereof or an appeal is not taken therefrom or from the order, decree or process upon which or pursuant to which such judgment has been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, decree or process or the enforcement thereof; or

(e) an order or decree is entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of the Tollway or any part thereof or of the tolls or other revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Authority, is not vacated or discharged or stayed within ninety (90) days after the entry thereof; or

(f) any proceeding is instituted, with the consent or acquiescence of the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the revenues of the Tollway; or

(g) the Authority defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the bonds or in the Amended and Restated Trust Agreement on the part of the Authority to be performed, and such default continues for sixty (60) days after written notice specifying such default and requiring it to be remedied has been given to the Authority by the Trustee, which may give such notice in its discretion and is required to give such notice at the written request of the holders of not less than ten percent (10%) in principal amount of the bonds then Outstanding; and the Trustee is required to investigate and consider any allegation of such default or Event of Default of which any Bond Insurer of record notifies the Trustee in writing; or

(h) the occurrence and continuance of an event of default by the Authority under a Credit Agreement or Reserve Surety Agreement.

A payment default under paragraphs (a) or (b) above with respect to a Second or Third Tier Bond will not constitute an Event of Default with respect to First Tier Bonds. A payment default under paragraphs (a) or (b) above with respect to a Third Tier Bond will not constitute an Event of Default with respect to Second Tier Bonds.

*Enforcement of Remedies.* Upon the happening and continuance of any Event of Default specified under the caption "*Events of Default*," then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding is required to proceed (subject to receiving adequate indemnity), to protect and enforce its rights and the rights of the bondholders under the Turnpike Act and under the Amended and Restated Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained in the Amended and Restated Trust Agreement or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights. Acceleration of the principal of or interest on the bonds upon the occurrence of an Event of Default is not a remedy available under the Amended and Restated Trust Agreement and in no event may the Trustee, the owners or other parties have the ability, upon the occurrence of an Event of Default, to declare the principal of or interest on the bonds immediately due and payable.

In enforcing any remedy under the Amended and Restated Trust Agreement the Trustee is entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Authority for principal, interest or otherwise under the Amended and Restated Trust Agreement or of the bonds and unpaid, with interest on overdue payments at the rate or rates of interest borne by such bonds, together with any and all costs and expenses of collection and of all proceedings under the Amended and Restated Trust Agreement and under such bonds,

without prejudice, to any other right or remedy of the Trustee or of the bondholders, and to recover and enforce judgment or decree against the Authority, but solely as provided in the Amended and Restated Trust Agreement and in such bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from money in the applicable Sinking Fund and any other money available for such purposes) in any manner provided by law, the money adjudged or decreed to be payable.

*Pro Rata Application of Funds.* If at any time the money in the First Tier Sinking Fund, the Second Tier Sinking Fund, the Third Tier Sinking Fund, the Reserve Maintenance Fund or any other sinking funds established under the Amended and Restated Trust Agreement is not sufficient to pay the principal of or the interest on the bonds as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of the remedies set forth in the Amended and Restated Trust Agreement or otherwise, are required to be applied (subject to the right of the Trustee to compensation and indemnification) as follows (provided, however, amounts on deposit in a fund or account (i) dedicated to the payment or security of the First Tier Bonds, the Second Tier Bonds or Third Tier Bonds or (ii) constituting Additional Bond Security for the benefit of one or more specific series of bonds will not be applied as provided below but will be used only for the purpose for which such deposits were made):

(a) Unless the principal of all the First Tier Bonds is then due and payable, all such money is required to be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the First Tier Bonds, in the order of the maturity of the installments of such interest, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the First Tier Bonds; and second: to the payment of the principal of any First Tier Bonds which have matured, and, if the amount available is not sufficient to pay all of such matured First Tier Bonds, then to the payment thereof ratably, according to the amount due; or if no First Tier Bonds have matured, to the retirement of First Tier Bonds in accordance with the Amended and Restated Trust Agreement.

(b) If the principal of all the First Tier Bonds is then due and payable, all such money is required to be applied to the payment of the principal and interest then due and unpaid upon the First Tier Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any First Tier Bond over any other First Tier Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the First Tier Bonds.

(c) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Bonds but the principal of, premium, if any, or interest on Second Tier Bonds has not been paid when due, unless the principal of all the Second Tier Bonds is then due and payable, all such money is required to be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Second Tier Bonds, in the order of the maturity of the installments of such interest, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Second Tier Bonds; and second: to the payment of the principal of any Second Tier Bonds which have matured, and, if the amount available is not sufficient to pay all of such matured Second Tier Bonds, then to the payment thereof ratably, according to the amount due; or if no Second Tier Bonds have matured, to the retirement of Second Tier Bonds in accordance with the Amended and Restated Trust Agreement.

(d) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Bonds, but the principal of all the Second Tier Bonds is then due and payable, all such money is required to be applied to the payment of the principal and interest then due and unpaid upon the Second Tier Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Second Tier Bond over any other Second Tier Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Second Tier Bonds.

(e) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Bonds and Second Tier Bonds but the principal of, premium, if any, or interest on Third Tier Bonds has not been paid when due, unless the principal of all the Third Tier Bonds is then due and payable, all such money is required to be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Third Tier Bonds, in the order of priority established in the Supplemental Agreement entered into in conjunction with the issuance of such Third Tier Bonds, and within a class of Third Tier Bonds, in the order of the maturity of the installments of such interest, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference within a class of Third Tier Bonds except as to any difference in

the respective rates of interest specified in the Third Tier Bonds; and second: to the payment of the principal of any Third Tier Bonds, in the order of priority established in the Supplemental Agreement entered into in conjunction with the issuance of such Third Tier Bonds, which have matured, and, if the amount available is not sufficient to pay all of such matured Third Tier Bonds within such class, then to the payment thereof ratably, according to the amount due; or if no Third Tier Bonds have matured, to the retirement of Third Tier Bonds in accordance with the Supplemental Agreement executed and delivered in conjunction with the issuance of such Third Tier Bonds.

(f) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Bonds and Second Tier Bonds, but the principal of all the Third Tier Bonds is then due and payable, all such money is required to be applied to the payment of the principal and interest then due and unpaid upon the Third Tier Bonds of each class, in the order of priority established in the Supplemental Agreement entered into in conjunction with the issuance of such Third Tier Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Third Tier Bond over any other Third Tier Bond within the same class, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Third Tier Bonds.

Whenever money is to be applied by the Trustee as described herein, such money is required to be applied by the Trustee at such times as the Trustee in its sole discretion determines, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such money with the Paying Agent, or otherwise setting aside such money, in trust for the proper purpose will constitute proper application by the Trustee; and the Trustee will incur no liability whatsoever to the Authority, to any bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with the Amended and Restated Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it is required to fix the date (which will be an interest payment date unless the Trustee deems another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date will cease to accrue. The Trustee is required to give such notice as it deems appropriate of the fixing of any such date, and is not required to make payment to the holder of any unpaid bond or the interest thereon unless such bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

*Effect of Discontinuance of Proceedings.* In case any action taken by the Trustee on account of any default is discontinued or abandoned for any reason, then the Authority, the Trustee, any Bond Insurer of record, and the bondholders will be restored to their former positions and rights under the Amended and Restated Trust Agreement, and all rights, remedies, powers and duties of the Trustee will continue as if no action had been taken.

*Majority of Bondholders May Control Proceedings.* Anything in the Amended and Restated Trust Agreement to the contrary notwithstanding, the holders of not less than a majority in principal amount of the First Tier Bonds then Outstanding hereunder (or, if no First Tier Bonds are then Outstanding, then the holders of not less than a majority in principal amount of the Second Tier Bonds then Outstanding, or, if no First Tier Bonds or Second Tier Bonds are then Outstanding, then the holders of not less than a majority in principal amount of the Third Tier Bonds then Outstanding) have the right (subject to the Trustee's right to indemnity), by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial actions to be taken by the Trustee, provided that such direction is not in contradiction of law or the Amended and Restated Trust Agreement. The Trustee has the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to bondholders not parties to such direction.

*Restrictions upon Action by Individual Bondholder.* No holder of any of the Outstanding bonds has any right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust under the Amended and Restated Agreement or the protection or enforcement of any right under the Amended and Restated Trust Agreement or any resolution of the Authority authorizing the issuance of bonds, or any right under the Turnpike Act or the laws of Texas, excepting only an action for the recovery of overdue and unpaid principal, interest or redemption premium, unless such holder has previously given to the Trustee written notice of the Event of Default or breach of trust or duty on account of which such suit or action is to be taken, and unless the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, have accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted under the Amended and Restated Trust Agreement, granted by the Turnpike Act or by the laws of Texas, or to institute such action, suit or proceeding in its or their name, and unless, also, there has been offered to the Trustee reasonable security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Amended and Restated Trust Agreement or for any other remedy thereunder or

under the Turnpike Act or the laws of Texas. It is understood and intended that no one or more holders of the bonds secured by the Amended and Restated Trust Agreement will have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of the Amended and Restated Trust Agreement, or to enforce any right thereunder or under the Turnpike Act or the laws of Texas with respect to the bonds or the Amended and Restated Trust Agreement, except in the manner therein provided, and that all proceedings at law or in equity will be instituted, had and maintained in the manner therein provided and for the benefit of all holders of the Outstanding bonds, except as otherwise permitted therein with reference to over-due and unpaid principal, interest or redemption premium.

*Actions by Trustee.* All rights of action under the Amended and Restated Trust Agreement or under any of the bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee is required to be brought in its name for the benefit of all the holders of such bonds, subject to the Amended and Restated Trust Agreement.

*No Remedy Exclusive.* No remedy under the Amended and Restated Trust Agreement conferred upon or reserved to the Trustee, any Bond Insurer, or to the holders of the bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy will be cumulative and will be in addition to every other remedy given thereunder or now or hereafter existing at law or in equity or by statute.

*Delay or Omission Not Waiver; Repeated Exercise of Powers; Waiver of Default.* No delay or omission of the Trustee or of any holder of the bonds to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by the Amended and Restated Trust Agreement to the Trustee and the holders of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the holders of not less than a majority in principal amount of the bonds then Outstanding is required to, waive any default which in its opinion has been remedied before the completion of the enforcement of any remedy under the Amended and Restated Trust Agreement, but no such waiver will extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

*Notice of Default.* The Trustee is required to mail to each Bond Insurer of record, and each bondholder of record written notice of the occurrence of any Event of Default, within thirty (30) days after the Trustee has knowledge of such Event of Default. If in any Fiscal Year the total amount of deposits to the Sinking Funds is less than the amounts required to be deposited under the Amended and Restated Trust Agreement, the Trustee, on or before the first day of the second month of the next succeeding Fiscal Year, is required to mail to each Bond Insurer of record, and all bondholders of record written notice of the failure to make such deposits. The Trustee will not be subject to any liability to any bondholder by reason of its failure to mail any such notice.

*Bond Insurer's Rights.* Notwithstanding any other provisions described under the caption "*Events of Default and Remedies*," if there has been filed with the Trustee a Bond Insurance Policy, or a certified copy thereof, with respect to any bond, all enforcement remedies and rights to waive defaults with respect to such bond may be exercised by the registered bondholders only with the written consent of such Bond Insurer, and, in the alternative, at the option of the Bond Insurer, such Bond Insurer may enforce any such remedies or waive any default with respect to such bond without the consent of the registered bondholder, and in such event such Bond Insurer will be deemed to be the bondholder for such purpose. Any Bond Insurer under a Bond Insurance Policy, or certified copy thereof, which has been filed with the Trustee and is then in effect will, for all purposes of the Amended and Restated Trust Agreement, constitute and may be called a Bond Insurer of record.

#### **Certain Matters Regarding the Trustee**

*General.* The Trustee has accepted and agreed to execute the trusts imposed upon it by the Amended and Restated Trust Agreement. The Trustee is entitled to the benefit of certain protections under the Amended and Restated Trust Agreement, including the right to rely on certificates required or permitted to be filed with it, to buy, sell own, hold and deal in any of the bonds issued under and secured by the Amended and Restated Trust Agreement, to rely on the opinion of certain experts such as attorneys, engineers or accountants, and to indemnification against any liabilities except for those liabilities resulting from the negligence or willful misconduct of the Trustee.

The Authority is required to pay the Trustee reasonable compensation for all services performed by it under the Amended and Restated Trust Agreement and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts thereby created and the performance of their powers and duties under the Amended and Restated Trust Agreement. If the Authority fails to make any payment to the Trustee pursuant to the Amended and Restated Trust Agreement, the Trustee may make such payments from any money in its possession under the Amended and Restated Trust Agreement and will be entitled to a preference therefor over any of the bonds Outstanding.



The Trustee is under no obligation to institute any suit, or to take any remedial proceeding under the Amended and Restated Trust Agreement, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts thereby created or in the enforcement of any rights and powers thereunder, until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it, without indemnity, and in any such case the Authority is required to reimburse the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority fails to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the Amended and Restated Trust Agreement and is entitled to a preference therefor over any of the bonds Outstanding.

Except as otherwise provided in the Amended and Restated Trust Agreement, the Trustee will not be obliged to take notice or be deemed to have notice of any Event of Default hereunder, unless specifically notified in writing of such Event of Default by the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding or by any Bond Insurer of record.

*Resignation of Trustee.* The Trustee may resign and be discharged from the trusts created pursuant to the Amended and Restated Trust Agreement, by notice in writing to the Authority and mailed to each bondholder of record not less than sixty (60) days before the resignation is to take effect, but such resignation will take effect immediately upon the appointment of a new Trustee, if such new Trustee is appointed before the time limited by such notice and accepts such trusts; provided, however, such resignation will not become effective until and unless a successor trustee is appointed and accepts such trusts. If no successor trustee has been appointed and accepted such trusts within ninety (90) days after the date the resignation is to take effect, the schedule of fees and charges of the Trustee then in effect will terminate, and the Trustee may establish such fees and charges for its services as it deems necessary to reasonably compensate it for such services under the circumstances then existing.

*Removal of Trustee.* The Trustee may be removed at any time by an instrument or instruments in writing, signed by the holders of not less than a majority in principal amount of the bonds secured under the Amended and Restated Trust Agreement and Outstanding and filed with the Authority. No removal of a Trustee will be effective until and unless a qualified successor trustee has been appointed and accepted the trusts under the Amended and Restated Trust Agreement. The Trustee may also be removed at any time, for any reason, in the sole discretion of the Authority, by a resolution duly adopted by the Authority; provided that such resolution names a successor Trustee as described below, and directs the successor Trustee to mail written notice of such change in Trustee to each registered bondholder on or before the next interest payment date or redemption date, whichever is first.

*Appointment of Successor Trustee.* If at any time the Trustee resigns, or is removed, dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee will thereupon become vacant. If the position of Trustee becomes vacant for any reason, the Authority is required to appoint a Trustee to fill such vacancy. The Authority is required to publish notice of any such appointment once in each week for four successive weeks in a financial journal of general circulation published in the Borough of Manhattan, City and State of New York or mail notice to each bondholder of record.

At any time within one year after any such vacancy has occurred, the owners of a majority in principal amount of the bonds then Outstanding, by an instrument or instruments in writing, signed by such bondholders or their attorneys in fact, may appoint a successor Trustee, which will supersede any Trustee theretofore appointed by the Authority. If no appointment of a successor Trustee is made, the owner of any bond Outstanding under the Amended and Restated Trust Agreement or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any Trustee appointed is required to be a bank or trust company duly organized and doing business under the laws of the United States of America and located in the State of Texas, authorized under such laws to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having, at the time of its appointment, a combined capital and surplus aggregating not less than \$100,000,000.00.

Any Trustee which is replaced by a successor Trustee is required to promptly turn over to such successor Trustee all funds, books, and records pertaining to the Amended and Restated Trust Agreement.

### **Modification of the Amended and Restated Trust Agreement**

*Supplemental Agreements by Authority and Trustee.* The Authority and the Trustee may, from time to time and at any time, without the consent of the owners of the bonds, enter into such agreements supplemental to the Amended and Restated Trust Agreement as will not be in conflict with the terms and provisions thereof (which supplemental agreements will thereafter form a part thereof),

- (a) to cure any ambiguity or formal defect or omission in the Amended and Restated Trust Agreement or in any Supplemental Agreement, or
- (b) to grant to or confer upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustee, or
- (c) to close the Amended and Restated Trust Agreement against or provide limitations and restrictions, in addition to the limitations and restrictions contained in the Amended and Restated Trust Agreement, with respect to the future issuance of Additional Bonds, or
- (d) to set forth additional covenants and provisions with respect to any improvements, extensions, enlargements, or projects in connection with the Tollway, and any bonds issued in connection therewith, or
- (e) to set forth additional provisions, if deemed necessary or advisable, with respect to the issuance of the Additional Bonds, including provisions for the use and functioning of a Construction Fund for additional projects, and the addition of certain other funds and accounts necessary or convenient for effecting the payment of principal of or interest on such bonds or creation and maintenance of a reserve fund for such bonds, or
- (f) to comply with additional requirements to the extent necessary in the opinion of Bond Counsel to preserve the exemption from federal income taxation of interest on the bonds under Section 103 of the Code, or
- (g) to make any changes or amendments requested by Standard & Poor's, Fitch or Moody's, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Authority, materially adversely affect the interests of the owners of the Outstanding bonds or any Bond Insurer of record, or
- (h) to the extent permitted by law, to permit the Authority to enter into Qualified Credit Agreements or to issue Additional Bonds in foreign denominated currencies; provided, however, no such amendment may be made unless the Authority has received a letter from Standard & Poor's, Fitch and Moody's to the effect that such amendment will not result in any of such rating agencies lowering the assigned rating on the then Outstanding bonds, or
- (i) upon direction of the Authority, provided that the Trustee receives a written confirmation from each rating agency then maintaining a rating on the First Tier Bonds and the Second Tier Bonds to the effect that the execution and delivery of such Supplemental Agreement will not in and of itself cause such rating agency to reduce or withdraw the then current rating on the First Tier Bonds and the Second Tier Bonds, together with the prior written consent of each Bond Insurer and other Credit Provider then providing credit support for any series of bonds, provided, however, that no such amendment will have the effect of amending a provision of the Amended and Restated Trust Agreement that would otherwise require the consent of the holders of not less than 51% in aggregate principal amount of bonds Outstanding.

*Modification of Agreements with Consent of Holders of 51% of Bonds; Restrictions on Modification; Notices.*

Except as set forth below and except as set forth above under the caption "*Supplemental Agreements by Authority and Trustee*," the holders of not less than 51% in aggregate principal amount of the bonds then Outstanding, or if less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding, will have the right, from time to time, notwithstanding anything contained in the Amended and Restated Trust Agreement to the contrary, to consent to and approve the execution by the Authority and the Trustee of such agreement or agreements supplemental to the Amended and Restated Trust Agreement as is deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Amended and Restated Trust Agreement or any Supplemental Agreement; provided, however, that nothing therein contained will permit (a) an extension of the principal of or the interest on any bond, or (b) a reduction in the principal amount of any bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with (to the extent not permitted thereunder) the lien or pledge created by the Amended and Restated Trust Agreement, or (d) a preference or priority of any First Tier Bonds, Second Tier Bonds or Third Tier Bonds, as the case may be, over any other First Tier Bonds, Second Tier Bonds, or Third Tier Bonds (except, in the case of Third Tier Bonds, as is set forth in the Supplemental Agreement pursuant to which a series of Third Tier Bonds are issued), or (e) a reduction in the aggregate principal amount of the bonds required for consent to such Supplemental Agreement.

If at any time the Authority requests that the Trustee to enter into a Supplemental Agreement for the purposes described herein, the Trustee is required, at the expense of the Authority, to cause notice of the proposed execution of such Supplemental Agreement to be published once in each week for four successive weeks in a financial journal of general circulation published in the Borough of Manhattan, City and State of New York or to cause such notice to be mailed, postage

prepaid, to all registered owners of bonds then Outstanding at their addresses as they appear on the registration books. Said notice is required to briefly set forth the nature of the proposed Supplemental Agreement and to state that a copy thereof is on file at the office of the Trustee for inspection by all bondholders. The Trustee will not be subject to any liability to any bondholder by reason of its failure to mail the notice described herein, and any such failure will not affect the validity of such Supplemental Agreement when consented to and approved as provided for herein.

Whenever, at any time within one year after the date of the first publication of such notice or the date of mailing of such notice, as applicable, the Authority is required to deliver to the Trustee an instrument or instruments purporting to be executed by the holders of not less than 51% in aggregate principal amount of the bonds then Outstanding (or, in the case that less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding at the time of the execution), which instrument or instruments are required to refer to the proposed Supplemental Agreement described in such notice and to specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such Supplemental Agreement in substantially such form, without liability or responsibility to any holder of any bond, whether or not such holder has consented thereto.

If the holders of not less than 51% in aggregate principal amount of the bonds Outstanding at the time of the execution (or, in the case that less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding at the time of the execution) of such Supplemental Agreement have consented to and approved the execution thereof, no holder of any bond will have any right to object to the execution of such Supplemental Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Supplemental Agreement as described herein, the Amended and Restated Trust Agreement will be modified and amended in accordance therewith, and the respective rights, duties, and obligations under the Amended and Restated Trust Agreement of the Authority and the Trustee and all holders of bonds then Outstanding will thereafter be determined, exercised and enforced thereunder, subject in all respects to such modifications and amendments.

*Modification of Amended and Restated Trust Agreement with Consent of all Holders.* Notwithstanding anything contained in the Amended and Restated Trust Agreement, the rights and obligations of the Authority and of the holders of the bonds and the terms and provisions of the bonds and the Amended and Restated Trust Agreement or any Supplemental Agreement, may be modified or altered in any respect with the consent of the Authority and the consent of the holders of all of the bonds then Outstanding.

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**APPENDIX F**

**AMORTIZATION SCHEDULE FOR THE ISTEAL LOAN**

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## AMORTIZATION SCHEDULE FOR THE ISTEAL LOAN

The ISTEA Loan. The ISTEAL Loan is subordinate to the Third Tier Bonds and its payment schedule is as follows (see "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – ISTEAL Loan Payments**"):

12 Months Ending January 1 <sup>(1)</sup>	Estimated Net Revenues Available for ISTEAL Loan Payments <sup>(2)</sup>	Scheduled ISTEAL Loan Payments	Estimated Revenues Remaining After ISTEAL Loan Payments <sup>(3)</sup>
2010	27,679,268	7,750,000	19,929,268
2011	27,256,549	8,250,000	19,006,549
2012	27,098,431	8,250,000	18,848,431
2013	27,959,194	8,250,000	19,709,194
2014	28,845,192	8,000,000	20,845,192
2015	29,766,819	8,000,000	21,766,819
2016	30,758,342	8,000,000	22,758,342
2017	32,506,819	8,000,000	24,506,819
2018	33,690,294	9,000,000	24,690,294
2019	34,908,116	10,500,000	24,408,116
2020	36,622,842	12,250,000	24,372,842
2021	67,025,971	15,322,396	51,703,575
2022	68,558,808	15,322,396	53,236,412
2023	70,019,836	15,322,396	54,697,440
2024	73,157,213	15,322,396	57,834,817
2025	74,533,330	15,322,396	59,210,933
2026	126,761,842	15,322,396	111,439,446
2027	128,940,780	15,322,396	113,618,383
2028	131,038,280	15,322,396	115,715,883
2029	133,034,976	15,322,396	117,712,580

<sup>(1)</sup> The Amended and Restated Trust Agreement provides for debt service coverage to be calculated using Net Revenues for the 12 months ending December 31 in any given year and Debt Service Requirements (as defined in the Amended and Restated Trust Agreement) for the 12 months ending on the immediately following January 1. For the purpose of this table, amounts shown for net revenues available for ISTEAL Loan Payments are for the 12 months ending on December 31 (the day immediately preceding the January 1 date as shown in the table).

<sup>(2)</sup> Estimated net revenues available for ISTEAL Loan Payments equals net revenues less debt service on bonds and CP Notes less amounts, if any, deposited in Reserve Maintenance Fund and the Debt Service Reserve Account.

<sup>(3)</sup> See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – ISTEAL Loan**."

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**APPENDIX G**  
**FORM OF CO-BOND COUNSEL OPINION**  
**(SERIES 2009A)**

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**FORMS OF CO-BOND COUNSEL OPINION  
SERIES 2009A**

**Proposed Form of Opinion of Bond Counsel**

*An opinion in substantially the following form will be delivered by McCall,  
Parkhurst & Horton L.L.P. and Mahomes Bolden Warren Sigmon PC, Co-Bond Counsel, upon the delivery of the  
Series 2009A Bonds, assuming no material changes in facts or law.*

\_\_\_\_\_, 2009

NORTH TEXAS TOLLWAY AUTHORITY  
SYSTEM REVENUE BONDS, SERIES 2009A,

DATED \_\_\_\_\_, 2009

§ \_\_\_\_\_

AS CO-BOND COUNSEL for the North Texas Tollway Authority (the "*Authority*"), we have examined the legality and validity of the issue of bonds described above (the "*Bonds*"), which bear interest from the dates and mature on the dates specified on the face of the Bonds, all in accordance with the resolution of the Board of Directors of the Authority (the "*Board*") authorizing the issuance of such Bonds (the "*Bond Resolution*"). Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Authority, and other pertinent instruments relating to the authorization, issuance, and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Authority upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Authority is a body corporate and politic and a political subdivision of the State of Texas, created by Senate Bill 370 enacted by the 75th Legislative Session of the Texas Legislature and functioning under Chapter 366, Texas Transportation Code, as amended (the "*Act*"); that the Bonds have been duly authorized; and that the Bonds have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Authority which are payable as to principal and interest from the sources provided in the Bond Resolution and the Amended and Restated Trust Agreement between the Authority and Wells Fargo Bank, N.A., dated as of April 1, 2008, as supplemented through the date hereof (as supplemented, the "*Amended and Restated Trust Agreement*"), (ii) the covenants and agreements in the Amended and Restated Trust Agreement constitute valid and binding obligations of the Authority, (iii) the Bonds constitute valid and legally binding obligations of the Authority secured as First Tier Bonds, on a parity with other Outstanding First Tier Bonds, under the Amended and Restated Trust Agreement, (iv) the Bonds are payable in accordance with the priorities established in the Amended and Restated Trust Agreement from the sources provided therein, and (v) the Amended and Restated Trust Agreement is authorized by law, has been duly executed and delivered, and is valid and legally binding upon and enforceable by the parties thereto in accordance with its terms and provisions.

THE AUTHORITY has reserved the right, subject to the restrictions stated in the Amended and Restated Trust Agreement, to issue Additional Bonds which also may be secured by the Amended and Restated Trust Agreement on the terms and conditions described therein.

THE AUTHORITY also has reserved the right to amend the Amended and Restated Trust Agreement in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of fifty-one percent of all outstanding bonds affected by such amendment and secured by the Amended and Restated Trust Agreement.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than as described in the Amended and Restated Trust Agreement.

IT IS FURTHER OUR OPINION THAT, (a) except as discussed below, under existing statutes, judicial decisions, regulations, and published rulings of the Internal Revenue Service, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and (b) assuming compliance with the below mentioned representations and covenants, the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "*Code*"). In expressing the aforementioned opinions, we have relied on, and assume compliance by the Authority with, certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that failure by the Authority to comply with such representations and covenants may cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

WE CALL YOUR ATTENTION TO THE FACT THAT the interest on tax-exempt obligations, such as the Bonds, is (a) included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by section 55 of the Code; (b) subject to the branch profits tax imposed on foreign corporations by section 884 of the Code; and (c) included in the passive investment income of an S corporation and subject to the tax imposed by section 1375 of the Code.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local income tax consequences of acquiring, carrying, owning, or disposing of the Bonds.

WE EXPRESS NO OPINION as to any insurance policies or credit facilities issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies or credit facilities issued in the future.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "*Service*"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Authority as the taxpayer. We observe that the Authority has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE HAVE ACTED AS CO-BOND COUNSEL for the Authority for the purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes. We have not been requested to investigate or verify, and have not investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Authority and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

/s/ McCall, Parkhurst & Horton L.L.P.

/s/ Mahomes Bolden Warren Sigmon PC

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