



Montgomery St
Rosedale St
University Dr
EXIT 1 MILE

ROAD MAY BE IN
POOR WEATHER



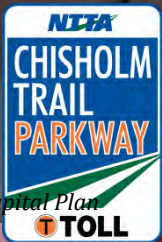
**SPECIAL PROJECTS SYSTEM
FY2016 - FY2020
FIVE-YEAR CAPITAL PLAN**

NITA
NORTH TEXAS TOLLWAY AUTHORITY



CHISHOLM TRAIL PARKWAY: Section 4

Trees are planted along the roadway median in south Fort Worth



READERS' ROADMAP

This Readers' Roadmap is a guide to help the reader navigate through the North Texas Tollway Authority's Special Projects System FY2016 - FY2020 Five-Year Capital Plan. This document is designed to give the NTTA Board of Directors, bondholders, elected officials, stakeholders, the public and staff a detailed look at expected capital spending. The FY2016 - FY2020 Five-Year Capital Plan is divided into five sections. Footnotes and page references are used to direct the reader to other sections of the document for additional detail and explanation.

CAPITAL PLAN OVERVIEW

This section contains a map of the NTTA roadways, an introduction and background for the plan, documents that discuss the types of projects and funding, a long term financial plan with expected revenues and expenses, and a schedule showing expected costs by project type. The section also contains a graphical representation of the flow of funds and other informational graphs.

PROJECT SECTIONS

Projects are grouped into the following categories. The section for each of the categories has a description and summary of projects, a project listing and a project detail form.

1. **Major Maintenance**
2. **Capital Expenditures**
3. **Construction**

APPENDICES

The last section contains the Trust Agreement that outlines the funds created and the order of revenue distribution. Also included is the Capital Plan calendar and documents describing the Capital Plan process, the major revenue source, outstanding debt service, and estimated operating expenditures.

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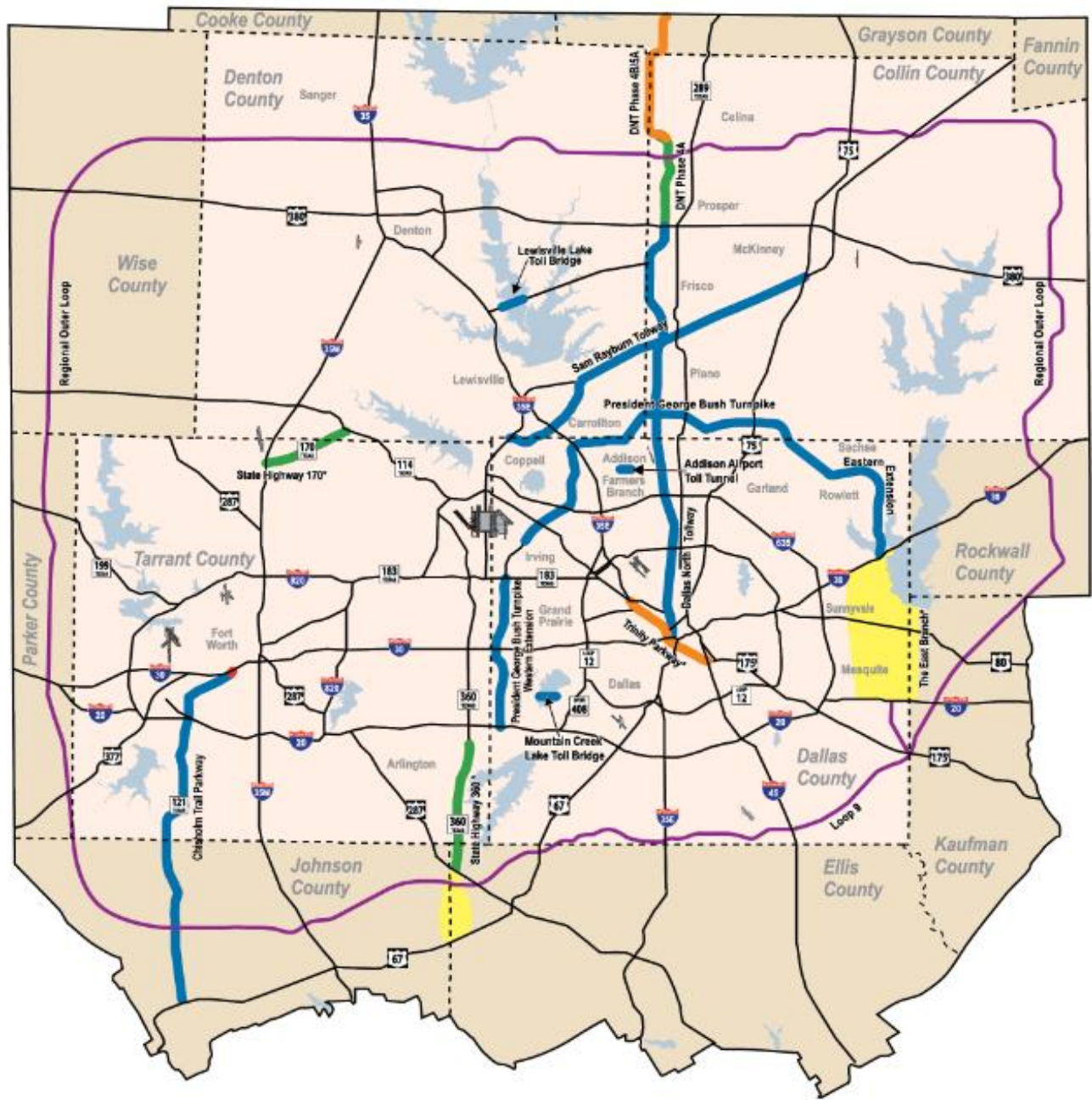
CAPITAL PLAN OVERVIEW SECTION



CHISHOLM TRAIL PARKWAY

Pouring concrete for monument column along CTP near downtown Fort Worth east of the Trinity River





LEGEND

- Existing
- Under Construction
- In Development
- Corridor Study
- Study Area
- Regional Outer Loop
- - - County Line
- Airports

TOLL FACILITIES

	Chisholm Trail Parkway
	President George Bush Turnpike
	Dallas North Tollway
	Sam Rayburn Tollway
	Addison Airport Toll Tunnel
	Lewisville Lake Toll Bridge
	Mountain Creek Lake Toll Bridge

*Projects subject to primacy requirements pursuant to Senate Bill 19, passed by the 82nd Texas Legislature.

October 2014

Facility Map of the North Texas Region



Introduction and Overview

INTRODUCTION

The North Texas Tollway Authority's (NTTA or the Authority) Special Projects System Five-Year Capital Plan (SPS Capital Plan) is developed to plan for the maintenance, renewal, improvement and/or replacement of capital assets.

The SPS Capital Plan includes current year estimated expenditures approved through the annual budget process and five subsequent year estimates to be used for planning purposes only. The subsequent years are reevaluated, updated and/or extended as part of the annual budget process. As a multi-year planning tool, the SPS Capital Plan is comprised of projects carried over from previous years and projects being initiated within the next five years.

The SPS Capital Plan is adopted annually by the NTTA Board of Directors; changes to the plan require Board approval. The projects listed in the SPS Capital Plan and projected expenditures do not constitute a firm commitment by the Authority to fund the project.

LONG TERM FINANCIAL PLANS

Three major factors inform SPS's long term financial plans: traffic and revenue estimates provided by independent traffic and revenue engineers, estimated maintenance expenses provided by the independent general engineering consultant and estimated net debt service provided by independent financial advisors. Cost estimates are guided by the Toll Equity Loan Agreement (TELA) Project Budget.

A. Revenue Fund

Estimated total revenue over the next five years is \$491.2 million. Approximately \$470.7 million or 95.8% of total revenue is based on projections provided by the traffic and revenue engineers (see Major Revenue Source, page 68). Approximately \$20.5 million or 4.2% of total revenue is estimated by the Authority and includes ZipCash administrative fees and estimated interest earnings on projected cash balances. Total revenue growth is projected to average 11.9% per year from FY2016 through FY2020. All SPS revenues on deposit in the Revenue Fund must be distributed to the other funds in accordance with the Trust Agreement with Supplements (see Flow of Funds, pages 45-64).

B. Debt Service Fund

In order to fund SPS construction, NTTA has issued 1st and 2nd Tier debt. NTTA maintains Debt Service Funds to pay these debt obligations. Over the next five years, principal and interest requirements total \$378.2 million. Estimates are provided by the Authority's financial advisor. The funds flow from the Revenue Fund and are expected to match the required debt service (see Flow of Funds, pages 46-49).

The Trust Agreement requires a 1st tier debt service coverage (gross revenues divided by net debt service) of 1.25 times. The debt service coverage ranges from a low of 1.42 in FY2016 to a high of 1.98 in FY2018. (See pages 13)

Introduction and Overview (continued)

C. Operating Fund (OF)

OF expenses for the next five years are estimated at \$130.6 million. These funds are required to run the day-to-day operations of the Authority. According to the Trust Agreement with Supplements, revenues must be transferred to the OF to cover expenses and maintain a reserve balance (see Flow of Funds, pages 49-50, and Cash Balances, pages 49 and 66). A projected \$118.6 million for operating expense will be transferred from the FY2016 – FY2020 revenues to OF. The remaining \$12.5 million will be funded from the General Fund.

The estimated operating expenses for FY2016 are prepared by the individual departments and compared to the general engineering consultant estimates. The operating expenses are expected to increase an average of 8.8% per year between FY2016 and FY2020. (See Appendix F page 71)

D. Major Maintenance Fund (MMF)

This fund was created to account for the reasonable and necessary expenses of repair and maintenance that do not occur at annual or shorter periods, as reasonably determined by the Authority for preserving or extending the useful life of the President George Bush Turnpike – Western Extension (PGBT-WE), and the Chisholm Trail Parkway (CTP) projects and to provide repairs and maintenance of the projects in accordance to the TELA Project Agreement Standards. These expenses include, without limiting the generality of the categories; expenses for periodic roadway resurfacing and repair, replacement of toll collections, vehicle identification, toll integration and video enforcement equipment, and all administrative and engineering expenses related to the major maintenance expenses.

The Authority elected to use the GASB 34 Modified Approach to account for maintenance of infrastructure assets. As required by the Trust Agreement, an annual inspection of the Authority's roadways is conducted by the general engineering consultant. This inspection provides an assessment of conditions of all SPS 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 set minimum level of service. The Authority's goal is to maintain the infrastructure assets at a rating of eight or better (1 to 10 scale) and has established a minimum level for GASB 34 purposes of a condition level of six or greater. These condition levels were adopted by the NTTA Board of Directors by Resolution No. 02-31 on June 19, 2002 and further clarified by Resolution No. 07-169 on December 19, 2008. The roads are maintained at the Project Agreement level in order to enhance the customers driving experience.

The MMF is funded from revenues deposited to the Major Maintenance Reserve Fund in accordance to the TELA. The MMF estimate for FY2016 through FY2020 is \$27.4 million, an average of \$5.5 million per year. This estimate is composed of \$20.6 million of project costs (see Major Maintenance Projects, pages 25-27) and \$6.8 million for professional fees and allocated salary and benefit costs. The MMF will be funded with \$27.4 from the Major Maintenance Reserve Fund.

Introduction and Overview (continued)

E. Capital Expenditures Fund (CEF)

The Capital Expenditures Fund was created to account for the cost of repairs, enlargements, extensions, additions, improvements, reconstruction and replacement of capital assets. In accordance to the TELA Project Agreement the PGBT-WE First Widening project is scheduled to start FY2018. The PGBT-WE Second Widening project is scheduled to start FY2029.

The FY2016 - FY2020 SPS Capital Plan includes \$22.3 million for the PGBT-WE First Widening. These costs will be funded with \$17.3 million from the Capital Expenditures Reserve Fund and \$5.0 million from Construction Fund bond proceeds. The funding is in accordance to the TELA. (see pages 31-33).

F. Construction Fund (CF)

The Authority issued \$400 million of bonds secured by revenues deposited into the NTTA System Capital Improvement Fund. These bonds are subordinate to the Authority's third tier bonds. The proceeds of the bonds were used to finance a portion of the cost of developing the PGBT-WE, and the CTP, (see pages 37-39).

In April 2011, the Authority issued approximately \$1.1 billion in bonds and bond anticipation notes to finance an upfront payment to the Texas Department of Transportation (TxDOT) for PGBT-WE and the development and construction of PGBT-WE and CTP. In November 2011, the Authority issued \$640.5 million in bonds to finance the remaining construction for CTP. This debt is not issued under the NTTA Trust Agreement and is not secured by NTTA System revenues; rather, the bonds are issued under a separate Special Projects System Trust Agreement. Neither PGBT-WE nor CTP is expected to be added to the NTTA System in the foreseeable future.

These construction projects are funded with bond proceeds and amounts from other sources that are specific for the projects. Over the next five years, Construction Fund costs are estimated at \$9.8 million; comprised of \$8.4 million in construction costs and \$1.4 million in professional fees and allocated salary and benefit costs. The majority of the construction costs totaling \$9.1 million are for CTP; \$3.0 million for possible purchase of land for a facility and \$6.1 million to finish out construction items. The remaining bond proceeds of \$28.5 will be used as follows: \$23.5 million to pay debt service and \$5.0 million will be transferred to CEF to pay for PGBT-WE First Widening.

Project Types & Funding Sources

MAJOR MAINTENANCE PROJECTS

Major maintenance and capital replacement projects included in this category are maintenance projects that do not recur on an annual or more frequent basis and replacement of other infrastructure assets as outlined in the TELA. Funding for these projects comes from the remaining revenues available after debt service and operating cost obligations have been satisfied; and/or SPS reserve funds in accordance to the TELA.

CAPITAL EXPENDITURES PROJECTS

Projects that fall into this category include existing roadway expansions, improvements and/or reconstruction. In addition, projects with capital expenses unrelated to new road construction and/or maintenance are included here. Funding for these projects comes from the remaining annual revenues available after debt service, operating cost and reserve maintenance costs have been satisfied; and/or SPS reserve funds in accordance to the TELA.

CONSTRUCTION PROJECTS

Construction Projects that fall into this category include non-NTTA System roadway projects. Funding for these projects comes primarily from the sale of revenue bonds; however, other funding sources such as loans, grants, reimbursements and equity contributions may be considered.

LONG TERM FINANCIAL PLANS

Operating Revenues

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Totals FY2016 - FY2020
REVENUE FUND							
Estimated Beginning Available Cash Balance	-	-	-	-	-	-	-
INFLOWS							
Estimated Toll Revenues	65,542,812	76,764,200	80,908,800	95,351,900	103,467,800	114,161,400	470,654,100
Estimated Other Revenues	2,736,382	3,352,524	3,533,560	4,166,067	4,520,182	4,972,200	20,544,533
TOTAL INFLOWS	68,279,194	80,116,724	84,442,360	99,517,967	107,987,982	119,133,600	491,198,633
OUTFLOWS							
Transfer to:	-	-	-	-	-	-	-
TOTAL OUTFLOWS	-	-	-	-	-	-	-
Total Revenues Available for Debt Service	68,279,194	80,116,724	84,442,360	99,517,967	107,987,982	119,133,600	491,198,633

LONG TERM FINANCIAL PLANS

Debt Service

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Totals FY2016 - FY2020
Net Revenues Available for Debt Service	68,279,194	80,116,724	84,442,360	99,517,967	107,987,982	119,133,600	491,198,633
DEBT SERVICE FUNDS							
Estimated Beginning Available Cash Balance	-	-	-	-	-	-	-
INFLOWS							
Transfer from Construction Funds	16,313,025	5,344,908	18,177,940	-	-	-	23,522,848
Capitalized interest transfer	28,773,885	10,200,504	7,208,968	5,411,750	-	-	22,821,222
Transfer from Revenue Fund	23,317,320	56,402,018	44,664,021	71,831,416	79,145,766	102,649,799	354,693,020
TOTAL INFLOWS	68,404,230	71,947,430	70,050,929	77,243,166	79,145,766	102,649,799	401,037,090
OUTFLOWS							
1st Tier Debt Service	(68,404,230)	(71,947,430)	(69,050,929)	(55,684,179)	(57,586,779)	(81,090,812)	(335,360,129)
2nd Tier Debt Service	-	-	(1,000,000)	(21,558,987)	(21,558,987)	(21,558,987)	(65,676,961)
3rd Tier Debt Service	-	-	-	-	-	-	-
Total Debt Service	(68,404,230)	(71,947,430)	(70,050,929)	(77,243,166)	(79,145,766)	(102,649,799)	(401,037,090)
TOTAL OUTFLOWS	(68,404,230)	(71,947,430)	(70,050,929)	(77,243,166)	(79,145,766)	(102,649,799)	(401,037,090)
Estimated Ending Available Cash Balance	-	-	-	-	-	-	-
Net Revenues Available for Operating Fund	44,961,874	23,714,706	39,778,339	27,686,551	28,842,216	16,483,801	136,505,613
Gross Revenue 1st Tier Debt Service Coverage	2.93	1.42	1.93	1.98	1.88	1.47	1.70
Net Revenue Total Debt Service Coverage	2.11	1.00	1.34	1.02	1.02	0.88	1.02
First Tier Capitalized Interest Fund							
Estimated Beginning Cash Balance	51,595,107	22,821,222	12,620,718	5,411,750	-	-	22,821,222
Transfers from Excess Revenues	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Transfers to Debt Service Fund	(28,773,885)	(10,200,504)	(7,208,968)	(5,411,750)	-	-	(22,821,222)
Estimated Ending Cash Balance	22,821,222	12,620,718	5,411,750	-	-	-	-
Rate Stabilization Fund							
Estimated Beginning Cash Balance	130,870,126	132,152,912	133,352,912	134,652,912	135,952,912	137,252,912	132,152,912
Transfers from Excess Revenues	-	-	-	-	-	-	-
Interest	1,282,786	1,200,000	1,300,000	1,300,000	1,300,000	1,340,000	6,440,000
Transfers to Operating Fund	-	-	-	-	-	-	-
Transfers to Major Maintenance Fund	-	-	-	-	-	-	-
Transfers to Capital Expenditures Fund	-	-	-	-	-	-	-
Estimated Ending Cash Balance	132,152,912	133,352,912	134,652,912	135,952,912	137,252,912	138,592,912	138,592,912

LONG TERM FINANCIAL PLANS
Operating Expenditures

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Totals FY2016 - FY2020
Total Revenues Available for Operations	44,961,874	23,714,706	39,778,339	27,686,551	28,842,216	16,483,801	136,505,613
OPERATIONS AND MAINTENANCE FUND							
Estimated Beginning Available Cash Balance	4,298,419	4,298,419	3,947,951	4,125,826	4,341,884	4,560,485	4,298,419
INFLOWS							
Transfer from Revenue Fund	19,178,839	23,337,238	24,932,828	26,267,363	27,581,509	16,483,801	118,602,738
Transfer from General Funds	-	-	-	-	-	12,485,132	12,485,132
Transfer from Capital Expenditures Reserve Fund	-	-	-	-	-	-	-
Transfer from Rate Stabilization Fund	-	-	-	-	-	-	-
TOTAL INFLOWS	19,178,839	23,337,238	24,932,828	26,267,363	27,581,509	28,968,933	131,087,870
OUTFLOWS							
Estimated Operating Expenses	(19,178,839)	(23,687,706)	(24,754,953)	(26,051,304)	(27,362,908)	(28,739,501)	(130,596,372)
TOTAL OUTFLOWS	(19,178,839)	(23,687,706)	(24,754,953)	(26,051,304)	(27,362,908)	(28,739,501)	(130,596,372)
Estimated Ending Available Cash Balance	4,298,419	3,947,951	4,125,826	4,341,884	4,560,485	4,789,917	4,789,917
Net Revenues Available for Reserve Funds	25,783,035	377,468	14,845,512	1,419,189	1,260,707	(0)	17,902,875
Distribution to Reserve Funds							
Transfers to Major Maintenance Reserve Fund	(7,022,746)	-	(7,802,153)	(1,419,189)	(1,260,707)	-	(10,482,049)
Transfers to Capital Expenditures Reserve Fund	(5,115,412)	-	(2,575,845)	-	-	-	(2,575,845)
Transfers to General Fund	(13,644,877)	(377,468)	(4,467,514)	-	-	-	(4,844,982)
Estimated Ending Cash Balance	(0)	-	-	-	-	-	-

LONG TERM FINANCIAL PLANS
Major Maintenance Projects

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Totals FY2016 - FY2020
Major Maintenance Reserve Fund							
Estimated Beginning Cash Balance	12,042,026	17,806,156	15,045,001	18,597,522	17,724,446	4,364,772	17,806,156
Transfers from Excess Revenues	7,022,746	-	7,802,153	1,419,189	1,260,707	-	10,482,049
Interest	58,000	58,000	35,000	27,600	9,800	4,000	134,400
Transfers to PGBT-WE Major Maintenance Fund	(663,268)	(2,067,426)	(3,588,424)	(1,208,442)	(9,162,822)	(2,468,710)	(18,495,824)
Transfers to CTP Major Maintenance Fund	(653,348)	(751,729)	(696,208)	(1,111,423)	(5,467,359)	(848,976)	(8,875,695)
Estimated Ending Cash Balance	17,806,156	15,045,001	18,597,522	17,724,446	4,364,772	1,051,086	1,051,086
President George Bush Turnpike - Western Extension							
Estimated Available Cash Balance September 1	-	-	-	-	-	-	-
INFLOWS							
Transfer from Major Maintenance Reserve Fund	663,268	2,067,426	3,588,424	1,208,442	9,162,822	2,468,710	18,495,824
TOTAL INFLOWS	663,268	2,067,426	3,588,424	1,208,442	9,162,822	2,468,710	18,495,824
OUTFLOWS							
Capital Replacements:							
Intelligent Transportation System	-	-	(10,537)	(16,239)	-	-	(26,776)
Electronic Toll Collection	-	-	(318,386)	(392,452)	(1,354,225)	(1,490,857)	(3,555,920)
Fiber	-	-	(9,483)	(19,487)	-	-	(28,970)
Dispatch Tech	-	-	-	-	(24,787)	-	(24,787)
Digital Messaging Sign, Travel Time	-	-	(47,415)	(48,718)	-	-	(96,133)
Pavement Maintenance	-	(41,054)	(2,277,148)	-	(1,444,279)	(282,666)	(4,045,147)
Bridge Repair and Beam Coating	-	(1,422,725)	(151,622)	-	(3,749,959)	-	(5,324,306)
Traffic Barrier/Rails, Fences	-	-	(149,680)	-	(914,280)	-	(1,063,960)
Roadway Customer Service - Trucks and Equipment	(79,450)	-	-	(86,187)	-	-	(86,187)
Retaining and Sound Walls	-	-	-	-	(1,010,244)	-	(1,010,244)
Agency Overhead - Engineering Fees, Salaries	(583,818)	(603,647)	(624,153)	(645,359)	(665,048)	(695,187)	(3,233,394)
TOTAL OUTFLOWS	(663,268)	(2,067,426)	(3,588,424)	(1,208,442)	(9,162,822)	(2,468,710)	(18,495,824)
Estimated Ending Available Cash Balance August 31	-	-	-	-	-	-	-
Chisholm Trail Parkway							
Estimated Available Cash Balance September 1	-	-	-	-	-	-	-
INFLOWS							
Transfer from Major Maintenance Reserve Fund	653,348	751,729	696,208	1,111,423	5,467,359	848,976	8,875,695
TOTAL INFLOWS	653,348	751,729	696,208	1,111,423	5,467,359	848,976	8,875,695
OUTFLOWS							
Capital Replacements:							
Intelligent Transportation System	-	-	-	-	(1,050,296)	-	(1,050,296)
Electronic Toll Collection	-	-	-	-	(52,137)	-	(52,137)
Fiber	-	-	-	-	(36,269)	-	(36,269)
Digital Messaging Sign, Travel Time	-	-	-	-	(81,102)	-	(81,102)
Pavement Maintenance	-	-	-	(311,125)	(3,505,642)	-	(3,816,767)
Roadway Customer Service - Trucks and Equipment	-	(77,296)	-	(81,606)	-	(86,156)	(245,058)
Agency Overhead - Engineering Fees, Salaries	(653,348)	(674,433)	(696,208)	(718,692)	(741,913)	(762,820)	(3,594,066)
TOTAL OUTFLOWS	(653,348)	(751,729)	(696,208)	(1,111,423)	(5,467,359)	(848,976)	(8,875,695)
Estimated Ending Available Cash Balance August 31	-	-	-	-	-	-	-

LONG TERM FINANCIAL PLANS
Capital Expenditures Fund Projects

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Totals FY2016 - FY2020
Capital Expenditures Reserve Fund							-
Estimated Beginning Cash Balance	10,451,724	15,595,136	15,623,136	18,226,981	18,254,981	15,912,579	15,595,136
Transfers from Excess Revenues	5,115,412	-	2,575,845	-	-	-	2,575,845
Interest	28,000	28,000	28,000	28,000	28,000	27,933	139,933
Transfers to PGBT-WE Capital Expenditures Fund	-	-	-	-	(2,370,402)	(14,930,000)	(17,300,402)
Estimated Ending Cash Balance	15,595,136	15,623,136	18,226,981	18,254,981	15,912,579	1,010,512	1,010,512
President George Bush Turnpike - Western Extension							
Estimated Available Cash Balance September 1	-	-	-	-	-	-	-
INFLOWS							
Transfer from Capital Expenditures Reserve Fund	-	-	-	-	2,370,402	14,930,000	17,300,402
Transfer from Construction Fund	-	-	-	901,000	4,142,598	-	5,043,598
Transfer from General Fund	-	-	-	-	-	-	-
TOTAL INFLOWS	-	-	-	901,000	6,513,000	14,930,000	22,344,000
OUTFLOWS							
Capital Expenditures:							
PGBT-WE First Widening	-	-	-	(793,180)	(5,760,625)	(13,142,621)	(19,696,426)
PGBT-WE Second Widening	-	-	-	-	-	-	-
Agency Overhead - Professional Fees, Salaries	-	-	-	(107,820)	(752,375)	(1,787,379)	(2,647,574)
TOTAL OUTFLOWS	-	-	-	(901,000)	(6,513,000)	(14,930,000)	(22,344,000)
Estimated Ending Available Cash Balance August 31	-	-	-	-	-	-	-
General Fund							
Estimated Beginning Cash Balance	3,083,849	16,732,426	17,130,294	21,618,008	21,638,308	21,658,608	16,732,426
Transfers from Excess Revenues	13,644,877	377,468	4,467,514	-	-	-	4,844,982
Interest	3,700	20,400	20,200	20,300	20,300	16,400	97,600
Transfers to Operating Fund	-	-	-	-	-	(12,485,132)	(12,485,132)
Estimated Ending Cash Balance	16,732,426	17,130,294	21,618,008	21,638,308	21,658,608	9,189,876	9,189,876

LONG TERM FINANCIAL PLANS
Construction Projects

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Totals FY2016 - FY2020
President George Bush Turnpike - Western Extension							
Estimated Beginning Available Cash Balance September 1	22,184,988	2,165,957	58,040	-	-	-	2,165,957
INFLOWS							
Bond Issues	-	-	-	-	-	-	-
TOTAL INFLOWS	-	-	-	-	-	-	-
OUTFLOWS							
PGBT-WE Expenses	(2,229,600)	(394,000)	(53,000)	-	-	-	(447,000)
Transfer to Bond Interest Fund	(16,313,025)	(1,430,220)	-	-	-	-	(1,430,220)
Allocated Cost: Salaries, Professional Fees, Legal Fees	(267,552)	(283,697)	(5,040)	-	-	-	(288,737)
Retainage Payable	(1,208,854)	-	-	-	-	-	-
TOTAL OUTFLOWS	(20,019,031)	(2,107,917)	(58,040)	-	-	-	(2,165,957)
Estimated Ending Available Cash Balance August 31	2,165,957	58,040	-	-	-	-	-
Chisholm Trail Parkway							
Estimated Beginning Available Cash Balance September 1	108,423,665	39,480,418	26,870,505	8,305,545	7,404,545	3,261,947	39,480,418
INFLOWS							
Reimbursement Agreements							
Developer Improvement Reimbursement	320,000	-	-	-	-	-	-
UPRR	658,900	-	-	-	-	-	-
City of Fort Worth	5,100,600	-	-	-	-	-	-
TOTAL INFLOWS	6,079,500	-	-	-	-	-	-
OUTFLOWS							
CTP Expenses	(72,112,278)	(7,681,000)	(325,000)	-	-	-	(8,006,000)
Transfer to PGBT-WE Capital Expenditures Fund	-	(3,914,688)	(18,177,940)	(901,000)	(4,142,598)	-	(5,043,598)
Transfer to Bond Interest Fund	-	(3,914,688)	(18,177,940)	-	-	-	(22,092,628)
Allocated Cost: Salaries, Professional Fees, Legal Fees	(2,910,469)	(1,014,225)	(62,020)	-	-	-	(1,076,245)
TOTAL OUTFLOWS	(75,022,747)	(12,609,913)	(18,564,960)	(901,000)	(4,142,598)	-	(36,218,471)
Estimated Ending Available Cash Balance August 31	39,480,418	26,870,505	8,305,545	7,404,545	3,261,947	3,261,947	3,261,947

FY2016 - FY2020 CAPITAL PLAN SUMMARY PROJECT COSTS

Project Type	Estimated FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Total FY2016 - FY2020
Major Maintenance Projects (1)	\$1,316,616	\$2,819,155	\$4,284,631	\$2,319,866	\$14,630,181	\$3,317,686	\$27,371,520
Capital Expenditures Projects (2)	0	0	0	901,000	6,513,000	14,930,000	22,344,000
Construction Projects (3)	74,341,878	8,075,000	378,000	0	0	0	8,453,000
Totals	\$75,658,494	\$10,894,155	\$4,662,631	\$3,220,866	\$21,143,181	\$18,247,686	\$58,168,520

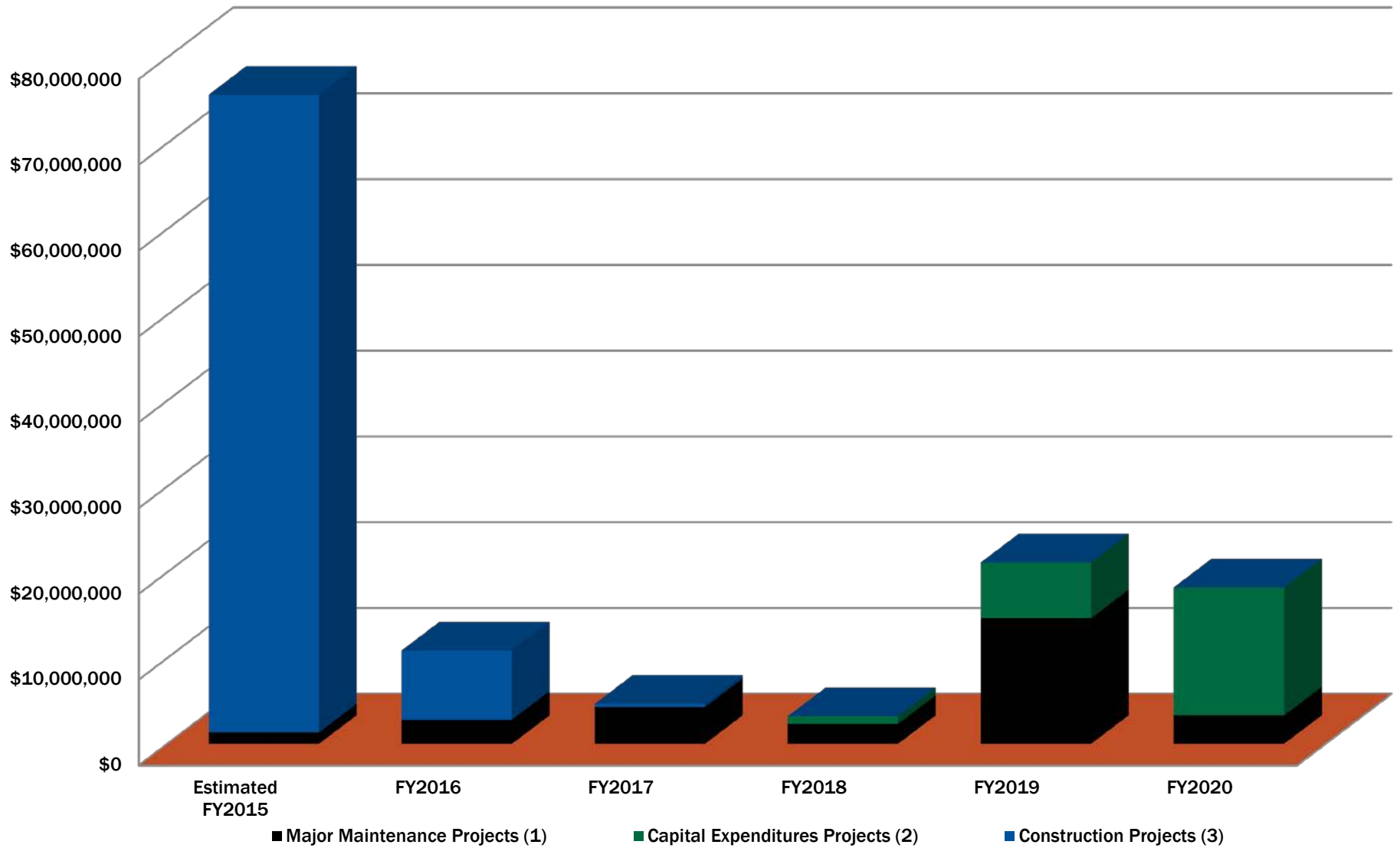
Report contains only project costs and agency overhead.

(1) List of projects see page 26.

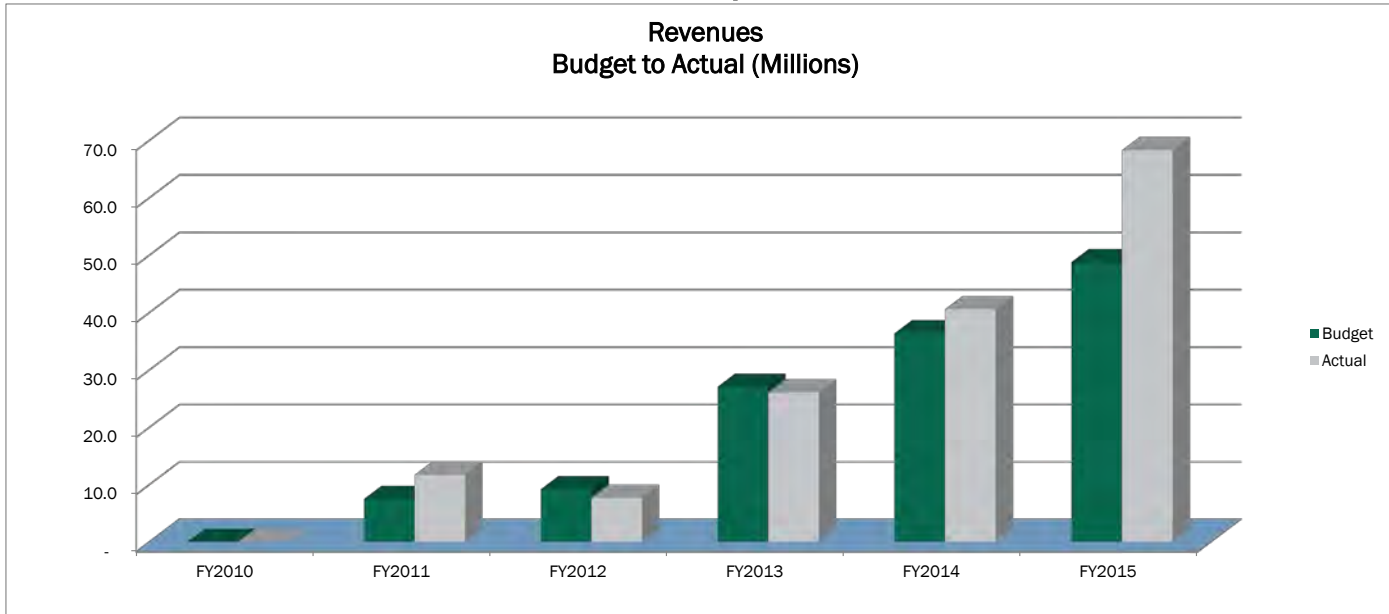
(2) List of projects see page 32.

(3) List of projects see page 38.

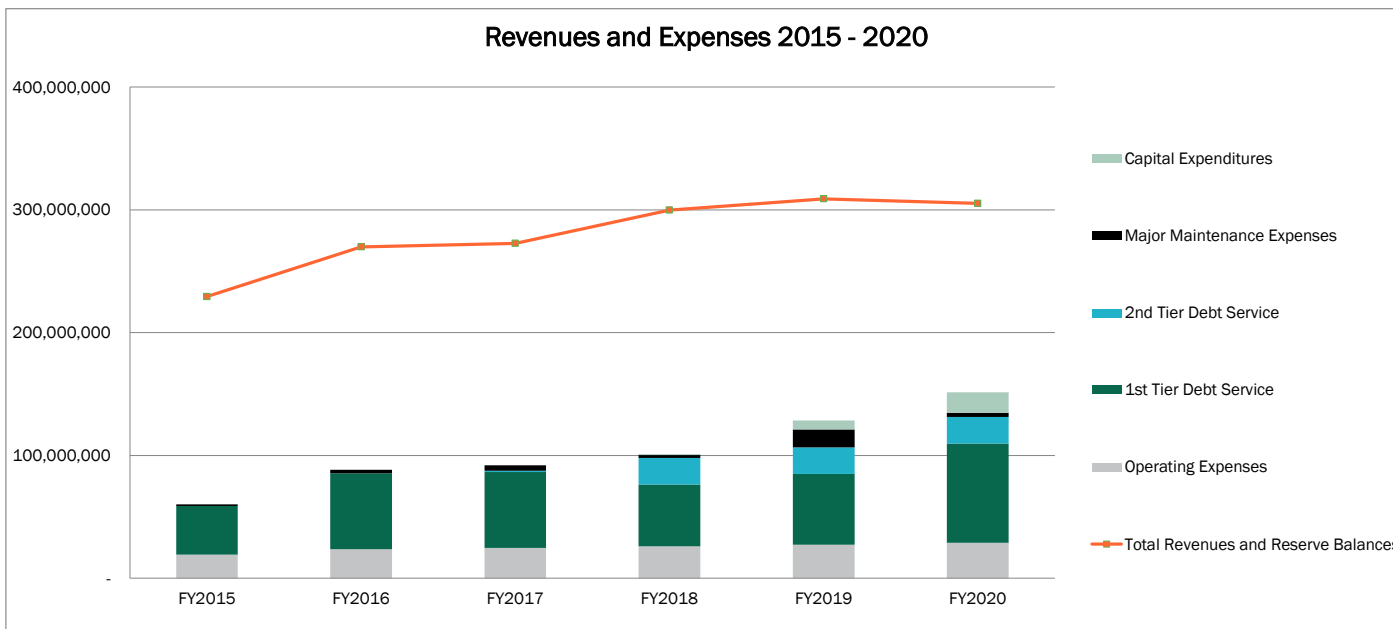
Capital Plan Costs by Project Type



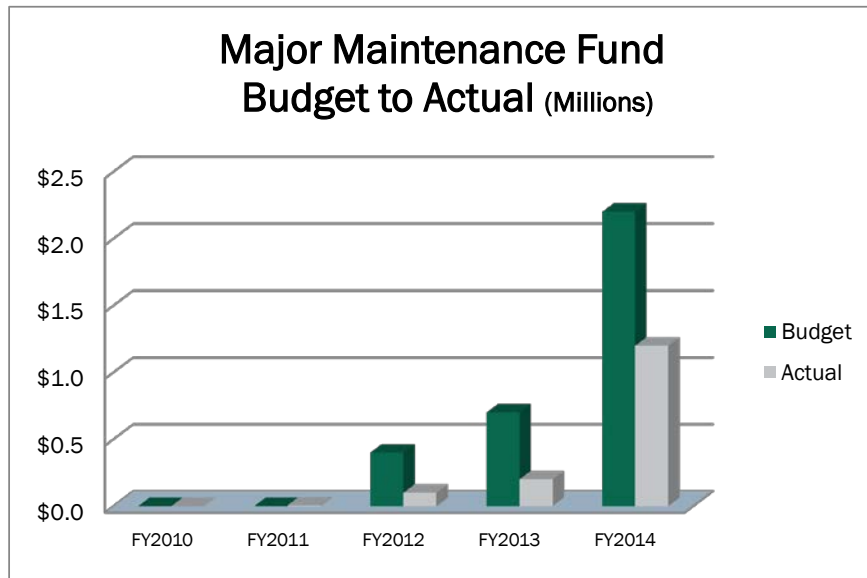
Informational Graphs



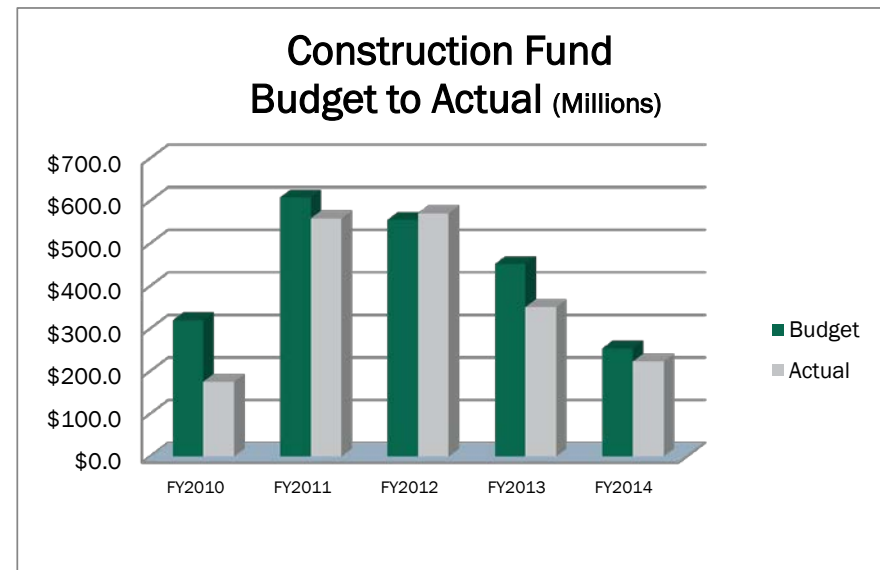
Actual amount for FY2015 is estimated based on actual through May 2015.



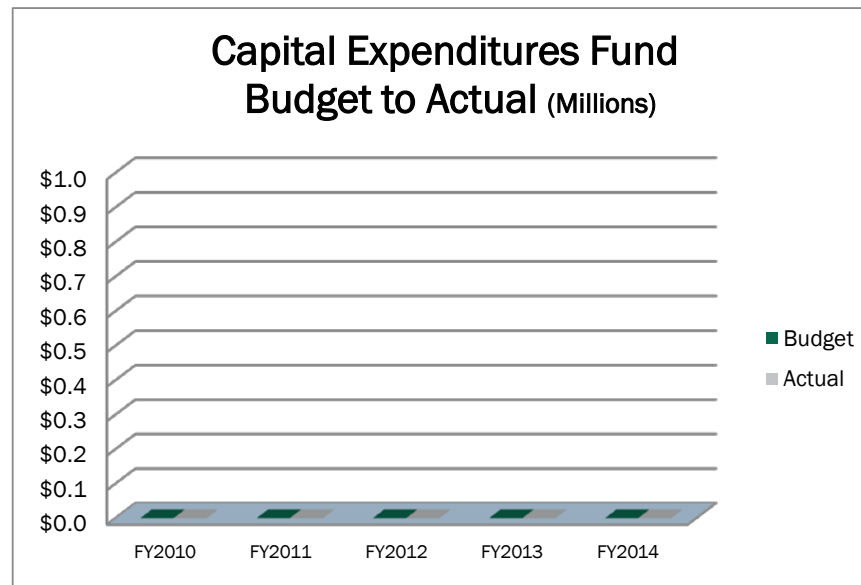
Historical Informational Graphs



MMF Projects re-evaluated and prioritized through out the year.

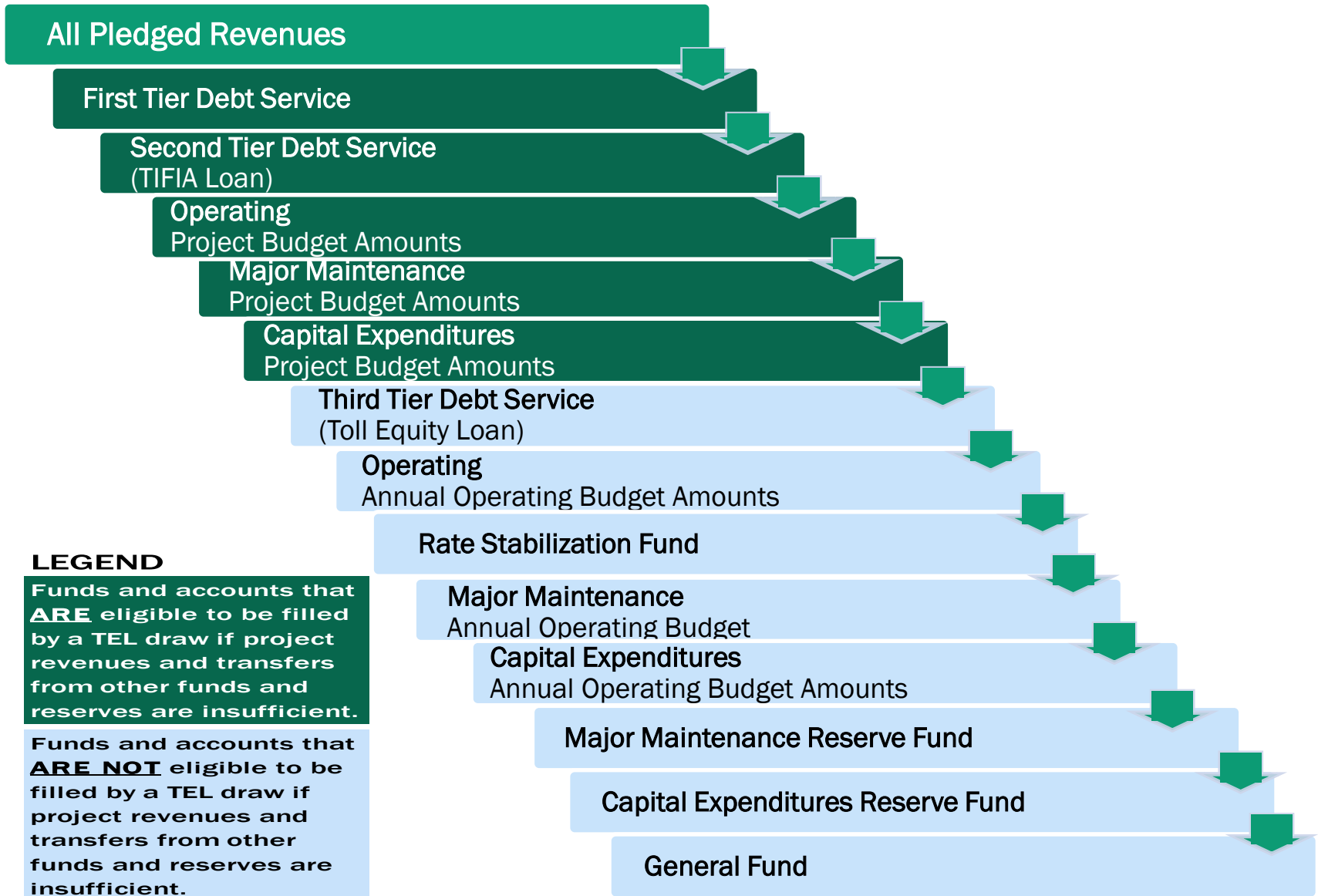


FY2011 start of CTP construction.



CEF Projects not scheduled until FY2018

Flow of Funds



MAJOR
MAINTENANCE
PROJECTS
SECTION



CHISHOLM TRAIL PARKWAY

Pouring concrete for riprap under CTP direct-connectors to I-30



Major Maintenance Projects

Major maintenance and capital replacement projects include repairs and maintenance, painting, renewals, replacements, improvements, and other projects necessary for the safe or efficient operation of SPS toll roads or to prevent loss of revenues. These projects are not typically included as part of the normal, day-to-day operations, but rather should be viewed as part of the overall long term maintenance of SPS assets. The FY2016 – FY2020 Capital Plan includes \$27.4 million for these projects; \$20.6 million for project costs and \$6.8 million for agency overhead which includes engineering fees, annual inspection and allocated salaries and benefits.

FLEET AND EQUIPMENT PURCHASES / ADDITIONAL & REPLACEMENTS

The NTTA replaces fleet vehicles and equipment at specific intervals based on useful life and necessity. Once purchased, fleet vehicles and equipment are used for ongoing operations and maintenance. The Capital Plan includes \$0.3 million for this category and it is aligned with the TELA Project Budget.

SYSTEMWIDE MAINTENANCE PROJECTS (ROADWAY, BRIDGES, WALLS AND OTHER ASSETS)

The NTTA will maintain the SPS assets at the approved TELA Project Agreement level. Each year after the Annual Asset Condition Inspection is completed by the general engineering consultant; individual projects are prioritized and then selected for inclusion into the following fiscal year budget. The Capital Plan includes \$15.3 million for this category for the next five years, an average of \$3.1 million per year. This amount is completely aligned with the TELA Project Budget.

CAPITAL REPLACEMENTS

Capital replacement projects include intelligent transportation and electronic toll collection systems, fiber, dispatch technology and digital messaging travel time sign technology. The Capital Plan includes \$5.0 million for this category, an average of \$1.0 million per year. This amount is completely aligned with the TELA Project Budget.



**Special Projects System
Major Maintenance Fund - 5020 -Project List
FY2016 - FY2020 CAPITAL PLAN**

Department	Project	Estimated FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Total FY2016 - FY2020
Project Delivery	6100000 - PGBT-Western Extension	663,268	2,067,426	3,588,423	1,208,442	9,162,822	2,468,710	18,495,823
Project Delivery	6200000 - Chisholm Trail Parkway	653,348	751,729	696,208	1,111,424	5,467,359	848,977	8,875,697
	Project Delivery Total	1,316,616	2,819,155	4,284,631	2,319,866	14,630,181	3,317,687	27,371,520
Totals		\$1,316,616	\$2,819,155	\$4,284,631	\$2,319,866	\$14,630,181	\$3,317,687	\$27,371,520

Report contains only project costs and agency overhead.

Project Title: Major Maintenance Fund - PGBT-WE		Department (Name/Dept #): Project Delivery - (20511)/20511				CIP #: 6100000	
Description: Professional, design and construction services to address pavement and bridge repairs, pavement profiling, erosion mitigation, restriping, skid resistance, ect.		Roadway (Name/Fund #): PGBT WE-Major Maintenance Fund - (5474)/5474				Purpose Priority: 2	
		Operational and Maintenance Costs:					
Justification: To maintain assets at the Project Agreement level.		Personnel	FY2016	FY2017	FY2018	FY2019	FY2020
		Supplies Expense	--	--	--	--	--
		Services and Charges	--	--	--	--	--
		Software Annual Support	--	--	--	--	--
		Property Management	--	--	--	--	--
		Totals	--	--	--	--	--
Project Allocation	Budget FY2015	Budget FY2016	Budget FY2017	Budget FY2018	Budget FY2019	Budget FY2020	Five Year Totals FY2016 - FY2020
Administration (01)	--	82,964	85,246	87,590	87,759	97,693	441,252
Traffic Engineering Fees - (521207)	--	20,000	275,000	45,000	35,000	55,000	430,000
General Engineering - (521213)	--	75,000	80,000	85,000	90,000	95,000	425,000
Consulting/Profess Serv Tech - (521301)	--	368,589	178,243	153,607	139,877	161,056	1,001,372
Pavement Markings - (522204)	--	1,170,873	591,000	300,000	--	--	2,061,873
Pavement & Shoulders - (522205)	--	--	1,993,113	400,000	1,444,279	282,666	4,120,058
Vehicles - (531621)	--	--	--	86,187	--	--	86,187
Infrastructure Rdway/Hwy/Bridg - (541401)	--	350,000	385,821	51,058	7,365,907	1,777,295	9,930,081
Total Allocations	--	2,067,426	3,588,423	1,208,442	9,162,822	2,468,710	18,495,823
Reimbursements							--
							--
							--
Total Reimbursement	--	--	--	--	--	--	--
Source of Funds (1)							
Distribution from Reserve Funds	--	2,067,426	3,588,423	1,208,442	9,162,822	2,468,710	18,495,823
Total Funds	--	2,067,426	3,588,423	1,208,442	9,162,822	2,468,710	18,495,823

(1) Provided by Finance

Project Title: Major Maintenance Fund Projects - CTP		Department (Name/Dept #): Project Delivery - (20511)/20511				CIP #: 6200000	
Description: Professional, design and construction services to address pavement and bridge repairs, pavement profiling, erosion mitigation, restriping, skid resistance, ect.		Roadway (Name/Fund #): CTP Major Maintenance Fund - (5483)/5483				Purpose Priority: --	
		Operational and Maintenance Costs:					
Justification: To maintain CTP assets at the Project Agreement levels.			FY2016	FY2017	FY2018	FY2019	FY2020
		Personnel	--	--	--	--	--
		Supplies Expense	--	--	--	--	--
		Services and Charges	--	--	--	--	--
		Software Annual Support	--	--	--	--	--
		Property Management	--	--	--	--	--
		Totals	--	--	--	--	--
	Budget	Budget					Five Year Totals
Project Allocation	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2016 - FY2020
Administration (01)	--	244,194	250,910	106,838	264,899	269,111	1,135,952
Traffic Engineering Fees - (521207)	--	10,000	15,000	350,000	325,000	60,000	760,000
General Engineering - (521213)	--	25,000	30,000	35,000	40,000	45,000	175,000
Consulting/Profess Serv Tech - (521301)	--	395,239	400,298	237,980	619,577	388,710	2,041,804
Pavement Markings - (522204)	--	--	--	300,000	--	--	300,000
Pavement & Shoulders - (522205)	--	--	--	--	2,998,079	--	2,998,079
Vehicles - (531621)	--	77,296	--	81,606	--	86,156	245,058
Infrastructure Rdway/Hwy/Bridg - (541401)	--	--	--	--	1,219,804	--	1,219,804
Total Allocations	--	751,729	696,208	1,111,424	5,467,359	848,977	8,875,697
Reimbursements							
							--
							--
							--
Total Reimbursement	--	--	--	--	--	--	--
Source of Funds (1)							
Distribution from Reserve Funds	--	751,729	696,208	1,111,424	5,467,359	848,977	8,875,697
Total Funds	--	751,729	696,208	1,111,424	5,467,359	848,977	8,875,697

(1) Provided by Finance

CAPITAL EXPENDITURES PROJECTS SECTION



CHISHOLM TRAIL PARKWAY

Nighttime placement of concrete for bridge deck of westbound I-30 frontage road near downtown Fort Worth



Capital Expenditures Projects

The capital expenditures projects include costs of repairs, enlargements, extensions, additions, improvements, reconstruction and replacement of capital assets. In accordance to the TELA Project Agreement the PGBT-WE First Widening project is scheduled to start FY2018. The PGBT-WE Second Widening project is scheduled to start FY2029.

PGBT-WE FIRST WIDENING

President George Bush Turnpike Western Extension (PGBT-WE) is an approximately 11.5-mile extension of PGBT from SH 183 to I-20. TxDOT constructed SH 161 from SH 183 to I-30 and opened the roadway in phases from 2009 through 2010. NTTA constructed Phase 4 of the project, from I-30 to I-20, which was completed in October 2012. The \$22.3 million estimated in FY2018 through FY2020 is for the addition of one main lane in each direction from I-30 to I-20, which is in accordance with the project agreement with TxDOT.



**Special Projects System
Capital Expenditures Fund - 5030 -Project List
FY2016 - FY2020 CAPITAL PLAN**

Department	Project	Estimated FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Total FY2016 - FY2020
Project Delivery	6100000 - PGBT-Western Extension	0	0	0	901,000	6,513,000	14,930,000	22,344,000
Project Delivery	6200000 - Chisholm Trail Parkway	0	0	0	0	0	0	0
	Project Delivery Total	0	0	0	901,000	6,513,000	14,930,000	22,344,000
Totals		\$0	\$0	\$0	\$901,000	\$6,513,000	\$14,930,000	\$22,344,000

Report contains only project costs and agency overhead.

Project Title: PGBT-Western Extension Widening		Department (Name/Dept #): Project Delivery - (20511)/20511				CIP #: 6100000	
Description: Approx 11.5 miles four mainlanes. IH 30 and IH 20 Interchange and Union Pacific Railroad Bridge South of SH 183 to IH 20.		Roadway (Name/Fund #): PGBT WE-Capital Expenditure Fund - (5473)/5473				Purpose Priority: 1	
		Operational and Maintenance Costs:					
Justification: This is the planned widening per the Toll Equity Loan Agreement. It assumes design of Phase 4 begins late 2018; construction begins 2019.			FY2016	FY2017	FY2018	FY2019	FY2020
		Personnel	--	--	--	--	--
		Supplies Expense	--	--	--	--	--
		Services and Charges	--	--	--	--	--
		Software Annual Support	--	--	--	--	--
		Property Management	--	--	--	--	--
		Totals	--	--	--	--	--
	Budget	Budget					Five Year Totals
Project Allocation	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2016 - FY2020
Administration (01)	--	--	--	26,000	177,000	420,000	623,000
Planning (02)	--	--	--	25,000	86,000	120,000	231,000
Design (03)	--	--	--	850,000	630,000	150,000	1,630,000
Construction (04)	--	--	--	--	5,500,000	14,000,000	19,500,000
Equipment/Hardware (05)	--	--	--	--	120,000	240,000	360,000
Total Allocations	--	--	--	901,000	6,513,000	14,930,000	22,344,000
Reimbursements							--
							--
							--
Total Reimbursement	--	--	--	--	--	--	--
Source of Funds (1)							
Distribution from Reserve Funds	--	--	--	--	2,370,402	14,930,000	17,300,402
Bond Proceeds	--	--	--	901,000	4,142,598	--	5,043,598
Total Funds	--	--	--	901,000	6,513,000	14,930,000	22,344,000

(1) Provided by Finance



CHISHOLM TRAIL PARKWAY: Section 1

Setting beams for direct connector near downtown Fort Worth



CONSTRUCTION PROJECTS SECTION



CHISHOLM TRAIL PARKWAY: Section 4

Dynamic message sign is installed over northbound CTP main lanes north of Oakmont Boulevard

Special Projects System



Construction Projects

Special Projects System Construction consists of non-NTTA System projects. These projects are considered stand-alone projects and do not rely on the NTTA System to fund their operating and maintenance costs. These projects are governed by a separate Trust Agreement and are accounted for on TxDOT fiscal year, September through August.

PRESIDENT GEORGE BUSH TURNPIKE WESTERN EXTENSION

President George Bush Turnpike Western Extension (PGBT-WE) is a new, approximately 11.5-mile extension of PGBT from SH 183 to I-20. TxDOT constructed SH 161 from SH 183 to I-30 and opened the roadway in phases from FY2009 through FY2010. NTTA constructed Phase 4 of the project, from I-30 to I-20, which was completed in October 2012. The \$0.7 million estimated in the Capital Plan is for minor landscaping and sand stockpile items.

CHISHOLM TRAIL PARKWAY

Chisholm Trail Parkway (CTP), a new 28-mile toll road, is a limited-access toll road in southwest Tarrant County and northwest Johnson County. It extends from Fort Worth's central business district to southwest Fort Worth, continuing south to Cleburne and provides an alternate north-south route for I-35W. CTP opened to traffic in May 2014. The Capital Plan includes approximately \$8.0 million for completion and finish out work for the project through FY2017.

**Special Project Systems Construction Fund - (5000) - Project List
FY2016 - FY2020 CAPITAL PLAN**



Department	Project	Estimated FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Five Year Total FY2016 - FY2020
Project Delivery	6100000 - PGBT-Western Extension	2,229,600	394,000	53,000	0	0	0	447,000
Project Delivery	6200000 - Chisholm Trail Parkway	72,112,278	7,681,000	325,000	0	0	0	8,006,000
	Project Delivery Total	74,341,878	8,075,000	378,000	0	0	0	8,453,000
Totals		\$74,341,878	\$8,075,000	\$378,000	\$0	\$0	\$0	\$8,453,000

Report contains only project costs and agency overhead.

Project Title: PGBT-Western Extension		Department (Name/Dept #): Project Delivery - (20511)/20511				CIP #: 6100000	
Description: Approx 11.5 miles four mainlanes. IH 30 and IH 20 Interchange and Union Pacific Railroad Bridge South of SH 183 to IH 20.		Roadway (Name/Fund #): PGBT WE-Construction Fund-PGBT-W - (5481)/5481				Purpose Priority: 1	
		Operational and Maintenance Costs:					
Justification: Payments for major construction finished in 2013 with ancillary construction like landscaping and sand stockpile facility construction continuing.		Personnel	FY2016	FY2017	FY2018	FY2019	FY2020
		Supplies Expense	--	--	--	--	--
		Services and Charges	--	--	--	--	--
		Software Annual Support	--	--	--	--	--
		Property Management	--	--	--	--	--
		Totals	--	--	--	--	--
Project Allocation	Budget FY2015	Budget FY2016	Budget FY2017	Budget FY2018	Budget FY2019	Budget FY2020	Five Year Totals FY2016 - FY2020
Administration (01)	153,500	144,000	44,000	--	--	--	188,000
Construction (04)	1,529,100	250,000	9,000	--	--	--	259,000
Equipment/Hardware (05)	547,000	--	--	--	--	--	--
Total Allocations	2,229,600	394,000	53,000	--	--	--	447,000
Reimbursements							--
							--
							--
Total Reimbursement	--	--	--	--	--	--	--
Source of Funds (1)							
Bond Proceeds	2,229,600	394,000	53,000	--	--	--	447,000
Total Funds	2,229,600	394,000	53,000	--	--	--	447,000

(1) Provided by Finance

Project Title: Chisholm Trail Parkway		Department (Name/Dept #): Project Delivery - (20511)/20511				CIP #: 6200000	
Description: Approx 27.7 miles - IH 30 to US 67, IH 30 to Altamesa, six mainlanes; Altamesa Blvd to FM 1187 - Four mainlanes; and FM 1187 to US 67 - Two mainlanes.		Roadway (Name/Fund #): Chisolm Trail Parkway-Construct - (5482)/5482				Purpose Priority: 1	
		Operational and Maintenance Costs:					
Justification: Payments for major construction completed in 2015 with ancillary minor construction items and right of way continuing.			FY2016	FY2017	FY2018	FY2019	FY2020
		Personnel	--	--	--	--	--
		Supplies Expense	--	--	--	--	--
		Services and Charges	--	--	--	--	--
		Software Annual Support	--	--	--	--	--
		Property Management	--	--	--	--	--
		Totals	--	--	--	--	--
	Budget	Budget					Five Year Totals
Project Allocation	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2016 - FY2020
Right-of-Way (06)	1,783,400	3,000,000	--	--	--	--	3,000,000
Administration (01)	2,200,000	900,000	175,000	--	--	--	1,075,000
Design (03)	345,200	31,000	--	--	--	--	31,000
Construction (04)	36,203,750	3,550,000	150,000	--	--	--	3,700,000
Equipment/Hardware (05)	907,500	--	--	--	--	--	--
Other (176999)	--	200,000	--	--	--	--	200,000
Total Allocations	41,439,850	7,681,000	325,000	--	--	--	8,006,000
Reimbursements							--
							--
							--
Total Reimbursement	--	--	--	--	--	--	--
Source of Funds (1)							
Bond Proceeds	41,439,850	7,681,000	325,000	--	--	--	8,006,000
Total Funds	41,439,850	7,681,000	325,000	--	--	--	8,006,000

(1) Provided by Finance

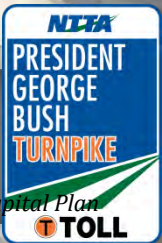
APPENDICES SECTION



PGBT WESTERN EXTENTION: Phase 4

Construction of center barrier around new I-30 direct connector columns

Special Projects System



Appendix-A

TRUST AGREEMENT

BY AND BETWEEN

NORTH TEXAS TOLLWAY AUTHORITY

AND

WELLS FARGO BANK, NATIONAL ASSOCIATION,

SECURING

SPECIAL PROJECTS SYSTEM REVENUE OBLIGATIONS

Dated as of April 1, 2011

ARTICLE IV FUNDS AND ACCOUNTS

Section 401. Creation of Funds. In addition to any other funds created by Supplemental Agreement, the following funds are hereby created and amounts deposited therein shall be held in trust by the Trustee until applied as hereinafter directed:

- a) Construction Fund, and within such fund, a CIF Construction Account and a Series 2011 Construction Account;
- b) Revenue Fund;
- c) First Tier Debt Service Fund, and within such fund, a First Tier Interest Account, a First Tier Principal Account and a First Tier Capitalized Interest Account;
- d) Second Tier Debt Service Fund, and within such fund, a Second Tier Interest Account and a Second Tier Principal Account;
- e) Operating Fund, and within such fund, a Project Budget Account and an Annual Operating Budget Account;
- f) Major Maintenance Fund, and within such fund, a Project Budget Account and an Annual Operating Budget Account;
- g) Capital Expenditures Fund, and within such fund, a Project Budget Account and an Annual Operating Budget Account;
- h) Third Tier Debt Service Fund, and within such fund, a Third Tier Interest Account and a Third Tier Principal Account;
- i) Rate Stabilization Fund;
- j) Major Maintenance Reserve Fund;
- k) Capital Expenditures Reserve Fund; and
- l) General Fund, and within such fund, a General Account, a Current Year Revenue Account and a TIFIA Prepayment Account.

In addition, the BANs Construction Fund, and within such fund, a BAN Capitalized Interest Account, are hereby created and amounts deposited therein shall be held in trust by the Trustee until applied as hereinafter directed. The BANs Construction Fund (including the BAN Capitalized Interest Account therein) shall be held by the Trustee in accordance with the terms and provisions of this Trust Agreement, solely for the benefit of the Authority. Amounts on deposit in the BANs Construction Fund shall be used solely for the purposes set forth herein. The BANs Construction Fund shall not be part of the Trust Estate and shall not be security for the Obligations.

Section 403. Revenue Fund; Agreements With Other Turnpikes.

(a) *Deposits to Revenue Fund.* The Authority covenants that all Revenues (excepting investment income from all Funds and Accounts other than the Revenue Fund which shall be retained in such Funds and Accounts except as otherwise required to be transferred as provided herein) will be deposited daily, as far as practicable, with the Trustee or in the name of the Trustee with the Depository to the credit of the Revenue Fund.

(b) *Agreement With Other Turnpikes.* To the extent now or hereafter authorized by law, the Authority may enter into agreements with any commission, authority or other similar legal body operating a turnpike whether or not connected to the Project (but not with itself or a related entity), for the collection and application of tolls charged for trips over all or a portion of one or more turnpikes, which, on the basis of the revenues to be received by any such agreement, will result in the receipt by the Authority of its allocable portion of such tolls (less fees and expenses associated with such arrangement).

Amounts relating to the Project and received by the Authority from such other commission, authority or other similar legal body or pursuant to the Master Custodial Account Agreement, in accordance with such agreements, shall be deposited with the Trustee for Credit to the Revenue Fund and shall constitute Revenues. Any agreement entered into pursuant to this **Section 403** shall be made available to the Trustee and TxDOT upon their request.

(c) *Flow of Funds.* Except as otherwise provided, transfers from the Revenue Fund shall be made on the fourth Business Day prior to the first day of each month (each such date a "*Transfer Date*").

Transfers shall be made for the below listed purposes or to the credit of the below-listed funds and accounts in the order of priority listed, *provided that*, if in any prior month the full amount required to be deposited in a fund or account set forth below is not so deposited, then the amount to be deposited into such fund for the current Transfer Date shall include all amounts required to be deposited in any prior month to such fund in accordance with the applicable provisions of this Article IV but not so deposited as of the current Transfer Date (the "*Shortfall Amount*"). The amount deposited for the current Transfer Date will not include a Shortfall Amount if and to the extent part or all of such Shortfall Amount was transferred to such fund from another fund in accordance with this Article IV or from a draw under the Toll Equity Loan Agreement prior to such Transfer Date. In the event that in any month the Trustee submits a Draw Request under the Toll Equity Loan Agreement pursuant to **Section 420**, and the amount received by the Trustee pursuant to such Draw Request is insufficient to pay all amounts requested in such Draw Request, the Trustee shall apply the amounts received under such Draw Request, first, to any amounts required to be deposited in the First Tier Debt Service Fund on such date pursuant to Section 405, including any Shortfall Amount, second, to any amounts required to be deposited in the Second Tier Debt Service Fund on such date pursuant to Section 406, including any Shortfall Amount, third, to any amounts required to be deposited in the Project Budget Account of the Operating Fund on such date pursuant to Section 407, including any Shortfall Amount, fourth, to any amounts required to be deposited in the Project Budget Account of the Major Maintenance Fund on such date pursuant to Section 408, including any Shortfall Amount, and fifth, to any amounts required to be deposited in the Project Budget Account of the Capital Expenditures Fund on such date pursuant to Section 409, including any Shortfall Amount.

- (1) Payment of arbitrage rebate in accordance with **Section 404**;
- (2) To the First Tier Debt Service Fund, in the amounts specified in **Section 405**;

- (3) To the Second Tier Debt Service Fund, in the amounts specified in **Section 406**;
- (4) To the Project Budget Account of the Operating Fund, in the amounts specified in **Section 407**;
- (5) To the Project Budget Account of the Major Maintenance Fund, in the amounts specified in **Section 408**;
- (6) To the Project Budget Account of the Capital Expenditures Fund, in the amounts specified in **Section 409**;
- (7) To the Third Tier Debt Service Fund, in the amounts specified in **Section 410**;
- (8) To the Annual Operating Budget Account of the Operating Fund, in the amounts specified in **Section 411**;
- (9) To the Rate Stabilization Fund, in the amount specified in **Section 412**;
- (10) To the Annual Operating Budget Account of the Major Maintenance Fund, in the amounts specified in **Section 413**;
- (11) To the Annual Operating Budget Account of the Capital Expenditures Fund, in the amounts specified in **Section 414**;
- (12) To the Major Maintenance Reserve Fund, in an amount specified in **Section 415**;
- (13) To the Capital Expenditures Reserve Fund, in the amount specified in **Section 416**; and
- (14) To the General Fund, in the amount specified in **Section 417**.

Section 404. Payment of Rebate. The Authority covenants to calculate and to pay directly to the government of the United States of America all amounts due for payment of "arbitrage rebate" under Section 148(a) of the Code with respect to any Obligations. Nevertheless, the Authority in the future may direct the Trustee to pay arbitrage rebate from amounts held in any fund hereunder for any or all Series of Obligations (which direction shall specify the procedures for collection and payment of amounts due in respect of arbitrage rebate) if (a) required under any amendments to Section 148(a) of the Code or (b) the Authority otherwise determines that the payment of arbitrage rebate is necessary or appropriate.

Section 405. First Tier Debt Service Fund. In addition to the accounts established in the First Tier Debt Service Fund specified in **Section 401**, the Authority may direct the Trustee to create additional accounts in the First Tier Debt Service Fund pursuant to a Supplemental Agreement (for the avoidance of doubt, entry into any such Supplemental Agreement shall be subject to the consents required pursuant to **Section 1103**).

On each Transfer Date, after first having made or provided for the payments required by **Section 404** (if applicable), the Trustee shall withdraw from the Revenue Fund and deposit to the First Tier Interest Account and the First Tier Principal Account the amounts required to be deposited therein with respect to First Tier Obligations in accordance with the

Supplemental Agreements authorizing such First Tier Obligations; *provided, however*, that credit shall be given with respect to any such deposits for the amount of any available investment income from investments on deposit in the First Tier Interest Account or the First Tier Principal Account, as applicable; *provided, further*, that so long as accrued investment income or amounts for capitalized interest are available in the First Tier Capitalized Interest Account of the First Tier Debt Service Fund for payment of interest on a Series of First Tier Obligations, such money will first be transferred from the First Tier Capitalized Interest Account to the First Tier Interest Account of the First Tier Debt Service Fund before any transfers from the Revenue Fund are made.

The money in the First Tier Interest Account and First Tier Principal Account shall be held by the Trustee in trust for the benefit of the First Tier Obligations, to the extent the foregoing are payable from such accounts, and, to said extent and pending application, shall be subject to a lien and charge in favor of the owners of the First Tier Obligations until paid out or transferred as hereinafter provided. The Trustee shall withdraw from the First Tier Interest Account and the First Tier Principal Account from time to time and set aside and hold in trust pursuant to **Section 418** sufficient money for paying the interest on and the Principal of the First Tier Obligations as the same shall become due, except to the extent such interest, Principal or other amounts are payable from a fund or account other than the First Tier Debt Service Fund as may be provided in any Supplemental Agreement.

If at the time the Trustee is required to make a deposit into the First Tier Debt Service Fund from the Revenue Fund pursuant to the second paragraph of this **Section 405** the money therein shall not be sufficient for such purpose, or if on the fourth Business Day prior to the date interest on and/or the Principal of and premium on the First Tier Obligations shall become due the money therein shall not be sufficient for such payments, the Trustee shall withdraw the amount of such deficiency from the money on deposit in the following funds or accounts and transfer the same to the First Tier Debt Service Fund in the following order of priority to the extent that funds are available therein: the Revenue Fund, the Current Year Revenue Account of the General Fund, the General Account of the General Fund, the Capital Expenditures Reserve Fund, the Major Maintenance Reserve Fund, the Annual Operating Budget Account of the Capital Expenditures Fund, the Annual Operating Budget Account of the Major Maintenance Fund, the Rate Stabilization Fund, the Annual Operating Budget Account of the Operating Fund and, only upon the occurrence and continuance of an Event of Default, the Project Budget Account of the Capital Expenditures Fund. If, after making such transfers, on the fourth Business Day prior to the date interest on and/or the Principal of and premium on the First Tier Obligations shall become due the money in the First Tier Debt Service Fund is insufficient to make such payment, the Trustee shall make a draw under the Toll Equity Loan Agreement by submitting a Draw Request in accordance with **Section 420** in an amount sufficient to satisfy any such shortfall, to the extent that funds are available thereunder. Amounts drawn under the Toll Equity Loan Agreement for the foregoing purpose as described in this **Section 405** shall be deposited by the Trustee directly to the First Tier Debt Service Fund for application as set forth in this **Section 405**.

Section 406. Second Tier Debt Service Fund. In addition to the accounts established in the Second Tier Debt Service Fund specified in **Section 401**, the Authority may instruct the Trustee to create additional accounts in the Second Tier Debt Service Fund pursuant to a Supplemental Agreement (for the avoidance of doubt, entry into any such Supplemental Agreement shall be subject to the consents required pursuant to **Section 1103**).

On each Transfer Date, after first having made or provided for the payments, deposits, and transfers required by **Sections 404** through **405**, the Trustee shall withdraw from the Revenue Fund and deposit to the Second Tier Interest Account and the Second Tier Principal Account the amounts required to be deposited therein with respect to Second Tier Obligations in accordance with the Supplemental Agreements authorizing such Second Tier Obligations; *provided, however*, that credit shall be given with respect to any such deposits for the amount of any available investment income from investments on deposit in the Second Tier Interest Account or the Second Tier Principal Account, as applicable.

The money in the Second Tier Principal Account and the Second Tier Interest Account shall be held by the Trustee in trust for the benefit of the Second Tier Obligations, to the extent the foregoing are payable from such accounts, and, to said extent and pending application, shall be subject to a lien and charge in favor of the owners of the Second Tier Obligations until paid out or transferred as hereinafter provided. The Trustee shall withdraw from the Second Tier Interest Account and the Second Tier Principal Account from time to time and set aside and hold in trust pursuant to **Section 418** sufficient money for paying the interest on and the Principal of the Second Tier Obligations as the same shall become due, except to the extent such interest, Principal or other amounts are payable from a fund or account other than the Second Tier Debt Service Fund as may be provided in any Supplemental Agreement.

If at the time the Trustee is required to make a deposit into the Second Tier Debt Service Fund from the Revenue Fund pursuant to the second paragraph of this **Section 406** the money therein shall not be sufficient for such purpose, or if on the fourth Business Day prior to the date interest on and/or the Principal of and premium on the Second Tier Obligations shall become due the money therein shall not be sufficient for such payments, the Trustee shall withdraw the amount of such deficiency from the money on deposit in the following funds or accounts and transfer the same to the Second Tier Debt Service Fund in the following order of priority to the extent that funds are available therein: the Revenue Fund, the Current Year Revenue Account of the General Fund, the General Account of the General Fund, the Capital Expenditures Reserve Fund, the Major Maintenance Reserve Fund, the Annual Operating Budget Account of the Capital Expenditures Fund, the Annual Operating Budget Account of the Major Maintenance Fund, the Rate Stabilization Fund, the Annual Operating Budget Account of the Operating Fund and, only upon the occurrence and continuance of an Event of Default, the Project Budget Account of the Capital Expenditures Fund. If, after making such transfers, on the fourth Business Day prior to the date interest on and/or the Principal of and premium on the Second Tier Obligations shall become due the money in the Second Tier Debt Service Fund is insufficient to make such payment, the Trustee shall make a draw under the Toll Equity Loan Agreement by submitting a Draw

Request in accordance with **Section 420** in an amount sufficient to satisfy any such shortfall, to the extent that funds are available thereunder; *provided that*, the Trustee shall not include in any such Draw Request interest calculated at the Default Rate (as defined in the TIFIA Loan Agreement) due and owing on the TIFIA Note in an amount in excess of the interest calculated at the stated interest rate on the Second Tier Obligations as set forth in Section 6 of the TIFIA Loan Agreement (such excess amount, the "Default Interest Amount"). Amounts drawn under the Toll Equity Loan Agreement for the foregoing purpose as described in this **Section 406** shall be deposited by the Trustee directly to the Second Tier Debt Service Fund for application as set forth in this Section 406; *provided that*, any Default Interest Amount shall not be paid out of amounts drawn under the Toll Equity Loan Agreement.

Section 407. Operating Fund—Project Budget Amounts. On each Transfer Date, after first having made or provided for the payments, deposits, and transfers required by **Sections 404** through **406**, the Trustee shall transfer from the Revenue Fund to the credit of the Project Budget Account of the Operating Fund, on written request of the Authority, an amount which a Board Representative shall certify to be required to make the total amount in the Project Budget Account of the Operating Fund equal to the lesser of (i) one-sixth (1/6) of the amount of the total Operating Expenses scheduled for the then current Fiscal Year in the Project Budget, and (ii) one-sixth (1/6) of the amount of the total Operating Expenses scheduled for the then current Fiscal Year in the then current Annual Operating Budget. If amounts on deposit in the Revenue Fund are insufficient to make such transfer, the Trustee shall transfer amounts held in the following funds in the following order of priority in an amount sufficient to satisfy any such shortfall to the extent that funds are available therein: Current Year Revenue Account of the General Fund, the General Account of the General Fund, the Capital Expenditures Reserve Fund, the Major Maintenance Reserve Fund, the Annual Operating Budget Account of the Capital Expenditures Fund, the Annual Operating Budget Account of the Major Maintenance Fund, the Rate Stabilization Fund, the Annual Operating Budget Account of the Operating Fund and, only upon the occurrence and continuance of an Event of Default, the Project Budget Account of the Capital Expenditures Fund. If there remains a shortfall, the Trustee shall make a draw under the Toll Equity Loan Agreement by submitting a Draw Request in accordance with **Section 420** in an amount sufficient to satisfy any such shortfall, to the extent that funds are available thereunder. Amounts drawn under the Toll Equity Loan Agreement for the foregoing purpose described in this **Section 407** shall be deposited by the Trustee directly to the Project Budget Account of the Operating Fund.

At the written direction of the Authority, the Trustee shall disburse funds to the Authority or its designee from the Operating Fund for the payment of Operating Expenses in accordance with the Annual Operating Budget, and the funds from the Operating Fund shall be used for no other purpose; *provided that*, the Authority covenants that in no event shall Revenues be used to pay for Operating Expenses relating to the operation of the Project at standards higher than the Project Agreement Standards. The Trustee shall disburse funds to pay the costs of Operating Expenses first from the Project Budget Account of the Operating Fund and then, to the extent amounts in such account are insufficient, from the Annual Operating Budget Account of the Operating Fund; provided, however, that the Authority shall not instruct the Trustee to, and the Trustee shall

not withdraw from the Operating Fund for payment of Operating Expenses in any Fiscal Year an aggregate amount in excess of the total amount of Operating Expenses provided for in the Annual Operating Budget for such Fiscal Year. In directing disbursements from the Operating Fund, the Authority shall be deemed to be certifying that obligations in the stated amounts have been or will be incurred by the Authority and that each item thereof was or will be properly incurred as an Operating Expense and shall be due and payable no later than 30 days after the Authority directs the Trustee to disburse funds for the payment of such obligation, and has not been paid previously. With each disbursement direction for payment of amounts out of the Operating Fund, the Authority shall either (i) certify to the Trustee that the Annual Operating Budget on file with the Trustee for the then current Fiscal Year has not been amended or supplemented, or (ii) file with the Trustee any amendment or supplement to such Annual Operating Budget.

During an O&M Step-In, the Trustee shall disburse funds to TxDOT or its designee from the Operating Fund (first from the Project Budget Account of the Operating Fund and then, to the extent amounts in such account are insufficient after making the transfers from the other funds and accounts as provided in the first paragraph of this Section 407 and the second paragraph of Section 411, from the Annual Operating Budget Account of the Operating Fund) upon written request of TxDOT to pay Operating Expenses pursuant to, and in accordance with, Section 6.02(d) of the Toll Equity Loan Agreement, *provided that* (i) disbursements are made for payment of Operating Expenses in accordance with (A) the provisions of this **Section 407** (and, with respect to amounts from the Annual Operating Budget Account of the Operating Fund, **Section 411**), (B) the priorities of any transfers required pursuant to **Sections 405** and **406** and (C) the Annual Operating Budget, and (ii) such Operating Expenses have not been the subject of prior transfers out of the Funds and Accounts. Subject to the preceding sentence, should such Operating Expenses amount to more than the total available amount in the Operating Fund (after transfers to the Operating Fund from the other Funds and Accounts pursuant to the first paragraph of this Section 407 and the second paragraph of Section 411) at the time of the request for disbursement and TxDOT pays for such excess costs with funds that are not part of the Trust Estate, then the Trustee shall pay such excess amount to TxDOT upon written request of TxDOT from any future deposits to the Operating Fund not needed to pay current Operating Expenses at the time.

Section 408. Major Maintenance Fund—Project Budget Amounts. On each Transfer Date, after first having made or provided for the payments, deposits and transfers required by **Sections 404** through **407**, the Trustee shall, to the extent the transfer from the Major Maintenance Reserve Fund pursuant to **clause (4)** of **Section 415** is insufficient for such purpose, transfer from the Revenue Fund to the credit of the Project Budget Account of the Major Maintenance Fund an amount equal to the lesser of (i) one-twelfth (1/12) of the amount of the total Major Maintenance Expenses scheduled for the then current Fiscal Year in the Project Budget, and (ii) one-twelfth (1/12) of the amount of the total Major Maintenance Expenses scheduled for the then current Fiscal Year in the then current Annual Operating Budget. If amounts on deposit in the Revenue Fund are insufficient to make such transfer, the Trustee shall transfer amounts held in the following funds in the following order of priority in an amount sufficient to satisfy any such shortfall to the extent that funds are available therein: Current Year

Revenue Account of the General Fund, the General Account of the General Fund, the Capital Expenditures Reserve Fund, the Annual Operating Budget Account of the Capital Expenditures Fund, the Annual Operating Budget Account of the Major Maintenance Fund, the Rate Stabilization Fund, the Annual Operating Budget Account of the Operating Fund and, only upon the occurrence and continuance of an Event of Default, the Project Budget Account of the Capital Expenditures Fund. If there remains a shortfall, the Trustee shall make a draw under the Toll Equity Loan Agreement by submitting a Draw Request in accordance with **Section 420** in an amount sufficient to satisfy any such shortfall, to the extent that funds are available thereunder. Amounts drawn under the Toll Equity Loan Agreement for the foregoing purpose described in this **Section 408** shall be deposited by the Trustee directly to the Major Maintenance Fund.

At the written direction of the Authority, the Trustee shall disburse funds to the Authority or its designee from the Major Maintenance Fund for the payment of Major Maintenance Expenses of the Project in accordance with the Annual Operating Budget, and the funds from the Major Maintenance Fund shall be used for no other purpose; *provided that*, the Authority covenants that in no event shall Revenues be used to pay for Major Maintenance Expenses relating to the maintenance of the Project at standards higher than the Project Agreement Standards. The Trustee shall disburse funds to pay the costs of Major Maintenance Expenses first from the Project Budget Account of the Major Maintenance Fund and then, to the extent amounts in such account are insufficient, from the Annual Operating Budget Account of the Major Maintenance Fund; *provided, however*, that the Authority shall not instruct the Trustee to, and the Trustee shall not withdraw from the Major Maintenance Fund for payment of Major Maintenance Expenses in any Fiscal Year an aggregate amount in excess of the total amount of Major Maintenance Expenses provided for in the Annual Operating Budget for such Fiscal Year. In directing disbursements from the Major Maintenance Fund, the Authority shall be deemed to be certifying that obligations in the stated amounts have been or will be incurred by the Authority and that each item thereof was or will be properly incurred as a Major Maintenance Expense and shall be due and payable no later than 30 days after the Authority directs the Trustee to disburse funds for the payment of such obligation, and has not been paid previously. With each disbursement direction for payment of amounts out of the Major Maintenance Fund, the Authority shall either (i) certify to the Trustee that the Annual Operating Budget on file with the Trustee for the then current Fiscal Year has not been amended or supplemented, or (ii) file with the Trustee any amendment or supplement to such Annual Operating Budget.

During an O&M Step-In, the Trustee shall disburse funds to TxDOT or its designee from the Major Maintenance Fund (first from the Project Budget Account of the Major Maintenance Fund and then, to the extent amounts in such account are insufficient after making the transfers from the other funds and accounts as provided in the first paragraph of this **Section 408** and in **Section 413**, from the Annual Operating Budget Account of the Major Maintenance Fund) upon written request of TxDOT to pay Major Maintenance Expenses pursuant to, and in accordance with, Section 6.02(d) of the Toll Equity Loan Agreement, *provided that* (i) disbursements are made for payment of Major Maintenance Expenses in accordance with (A) the provisions of this Section 408 (and, with respect to amounts from the Annual Operating Budget Account of the Major

Maintenance Fund, **Section 413**), (B) the priorities of any transfers required pursuant to **Sections 405, 406 and 407** and (C) the Annual Operating Budget, and (ii) such Major Maintenance Expenses have not been the subject of prior transfers out of the Funds and Accounts. Subject to the preceding sentence, should such Major Maintenance Expenses amount to more than the total available amount in the Major Maintenance Fund (after transfers to the Major Maintenance Fund from the other Funds and Accounts pursuant to the first paragraph of this **Section 408** and **Section 413**) at the time of the request for disbursement and TxDOT pays for such excess costs with funds that are not part of the Trust Estate, then the Trustee shall pay such excess amount to TxDOT upon written request of TxDOT from any future deposits to the Major Maintenance Fund not needed to pay current Major Maintenance Expenses at the time.

Section 409. Capital Expenditures Fund—Project Budget Amounts. On each Transfer Date, after first having made or provided for the payments, deposits and transfers required by **Sections 404** through **408**, the Trustee shall, to the extent funds are not available in the Construction Fund for payment of Project Capacity Improvements Capital Expenditures for the month after the Transfer Date, and to the extent the transfer from the Capital Expenditures Reserve Fund pursuant to **clause (5) of Section 416** is insufficient for such purpose, but only if no Event of Default has occurred and is continuing in accordance with the third paragraph of this Section 409, transfer from the Revenue Fund to the credit of the Project Budget Account of the Capital Expenditures Fund an amount equal to the lesser of (i) the Project Capacity Improvements Capital Expenditures budgeted in the Project Budget for such month, and (ii) the Project Capacity Improvements Capital Expenditures budgeted in the current Fiscal Year's Annual Operating Budget for such month. If amounts on deposit in the Revenue Fund are insufficient to make such transfer, the Trustee shall transfer amounts held in the following funds in the following order of priority in an amount sufficient to satisfy any such shortfall to the extent that funds are available therein, but only if no Event of Default has occurred and is continuing in accordance with the third paragraph of this Section 409: Current Year Revenue Account of the General Fund, the General Account of the General Fund, the Major Maintenance Reserve Fund, the Annual Operating Budget Account of the Capital Expenditures Fund, the Annual Operating Budget Account of the Major Maintenance Fund, the Rate Stabilization Fund and the Annual Operating Budget Account of the Operating Fund. If there remains a shortfall, the Trustee may, at the written direction of the Authority, make a draw under the Toll Equity Loan Agreement by submitting a Draw Request in accordance with **Section 420** in an amount sufficient to satisfy any such shortfall, to the extent that funds are available thereunder; provided that the Trustee shall not be entitled to submit a Draw Request to pay any such shortfall so long as the Trustee is prevented from transferring, disbursing or applying funds in the Project Budget Account of the Capital Expenditures Fund as set forth in the third paragraph of this **Section 409**. Amounts drawn under the Toll Equity Loan Agreement for the foregoing purpose described in this **Section 409** shall be deposited by the Trustee directly to the Capital Expenditures Fund.

At the written direction of the Authority, but only if no Event of Default has occurred and is continuing, the Trustee shall disburse funds to the Authority or its designee from the Capital Expenditures Fund for the payment of Project Capacity

Improvements Capital Expenditures in accordance with the Annual Operating Budget, and the funds from the Capital Expenditures Fund shall be used for no other purpose. The Trustee shall disburse funds to pay the costs of Project Capacity Improvements Capital Expenditures first from funds available in the Construction Fund for payment of such Project Capacity Improvements Capital Expenditures, next from the Project Budget Account of the Capital Expenditures Fund if such amounts are available for such purpose in accordance with this **Section 409** and then, to the extent amounts in such account are insufficient, from the Annual Operating Budget Account of the Capital Expenditures Fund if such amounts are available for such purpose in accordance with **Section 414**; provided, however, that the Authority shall not instruct the Trustee to, and the Trustee shall not withdraw from the Capital Expenditures Fund for payment of Capital Expenditures in any Fiscal Year an aggregate amount in excess of the total amount of Capital Expenditures provided for in the Annual Operating Budget for such Fiscal Year. In directing disbursements from the Capital Expenditures Fund, the Authority shall be deemed to be certifying that obligations in the stated amounts have been or will be incurred by the Authority and that each item thereof was or will be properly incurred as a Project Capacity Improvements Capital Expenditure and shall be due and payable no later than 30 days after the Authority directs the Trustee to disburse funds for the payment of such obligation and has not been paid previously; *provided* in no event shall the Authority direct the Trustee to use Revenues to pay for Project Capacity Improvements Capital Expenditures relating to the Project at standards higher than the Project Agreement Standards. With each disbursement direction for payment of amounts out of the Capital Expenditures Fund, the Authority shall either (i) certify to the Trustee that the Annual Operating Budget on file with the Trustee for the then current Fiscal Year has not been amended or supplemented, or (ii) file with the Trustee any amendment or supplement to such Annual Operating Budget.

Notwithstanding the foregoing paragraphs of this **Section 409**, if the Trustee is notified as to the occurrence and continuance of an Event of Default by the Controlling Creditor for any Event of Default other than a TIFIA Loan Agreement Default or the TIFIA Lender with respect to any TIFIA Loan Agreement Default (or any of the Controlling Creditor and the TIFIA Lender in the event that the Event of Default is both a TIFIA Loan Agreement Default and an Event of Default hereunder other than that described in **Section 802(e)**), then the Trustee shall not transfer, disburse or apply funds from the Project Budget Account of the Capital Expenditures Fund in accordance with the direction of the Authority as provided in the foregoing paragraphs of this **Section 409** until such time that written notice is provided to the Trustee by the Controlling Creditor for any Event of Default other than a TIFIA Loan Agreement Default or the TIFIA Lender with respect to any TIFIA Loan Agreement Default (or both the Controlling Creditor and the TIFIA Lender in the event that the Event of Default is both a TIFIA Loan Agreement Default and an Event of Default hereunder other than that described in **Section 802(e)**) that such Event of Default has been waived or cured to its satisfaction or that the Trustee otherwise may release funds from the Project Budget Account of the Capital Expenditures Fund for the payment of any part or all of the Project Capacity Improvements Capital Expenditures that would have been payable in accordance with the preceding paragraphs of this **Section 409** had there been no such Event of Default; provided, however, that during the continuance of such Event of Default, amounts on

deposit in the Project Budget Account of the Capital Expenditures Fund shall be transferred by the Trustee on the Transfer Date for the following purposes in the following order of priority:

- 1) to the First Tier Debt Service Fund to cure any deficiency therein in accordance with **Section 405**;
- 2) to the Second Tier Debt Service Fund to cure any deficiency therein in accordance with **Section 406**;
- 3) to the Project Budget Account of the Operating Fund to cure any deficiency therein in accordance with **Section 407**; and
- 4) to the Project Budget Account of the Major Maintenance Fund to cure any deficiency therein in accordance with **Section 408**.

During a Construction Step-In, if amounts on deposit in the Construction Fund and the BANs Construction Fund are insufficient to satisfy the disbursements permitted to TxDOT pursuant to **Section 402(m)** and the amounts in the General Fund transferred in accordance with the third to the last paragraph of **Section 417** are insufficient to satisfy such disbursements, the Trustee shall transfer amounts held in the Capital Expenditures Fund (first from the Project Budget Account of the Capital Expenditures Fund, and then, to the extent amounts in such account are insufficient after making the transfers from the other funds and accounts as provided in the first paragraph of this **Section 409** (without regard to the existence of any Event of Default) and the second paragraph of **Section 414** (without regard to the existence of any Event of Default), from the Annual Operating Budget Account of the Capital Expenditures Fund) to TxDOT in an amount sufficient to satisfy any such shortfall. Such transfer shall be made only if all of the conditions and requirements for disbursements pursuant to **Section 402(m)** are satisfied as if such disbursements were payments from the Construction Fund or the BANs Construction Fund in accordance therewith. If at the time that TxDOT delivers a request to the Trustee pursuant to **Section 402(m)**, the documented Costs of the Project for which disbursement is sought by TxDOT amount to more than the total available in the Construction Fund and BANs Construction Fund, the General Fund and the Capital Expenditures Fund (after transfer of all available amounts in the Capital Expenditures Reserve Fund) collectively at the time of the request for disbursement and TxDOT pays for such excess costs with funds that are not part of the Trust Estate, then the Trustee shall transfer to TxDOT at its written request such excess amount from any future deposits into the Capital Expenditures Fund (to the extent that deposits to the General Fund are unavailable for such purpose), subject to the limitations of **Section 402(m)**.

During an O&M Step-In, the Trustee shall disburse funds to TxDOT or its designee from the Capital Expenditures Fund (first from the Project Budget Account of the Capital Expenditures Fund and then, to the extent amounts in such account are insufficient after making the transfers from the other funds and accounts as provided in the first paragraph of this **Section 409** and the second paragraph of **Section 414**, from the Annual Operating Budget Account of the Capital Expenditures Fund) upon written request of TxDOT to pay Operating Expenses and Major Maintenance Expenses pursuant to, and in accordance with, Section 6.02(d) of the Toll Equity Loan Agreement, *provided that* (i) funds in the Operating Fund and the

Major Maintenance Fund are insufficient for such purposes in accordance with the last paragraph of **Section 407** and **Section 408**, respectively, (ii) disbursements are made for payment of such expenses in accordance with (A) the provisions of this **Section 409** (and, with respect to amounts from the Annual Operating Budget Account of the Capital Expenditures Fund, Section 414), (B) the priorities of any transfers required pursuant to **Sections 405, 406, 407** and **408** and (C) the Annual Operating Budget, and (iii) such expenses have not been the subject of prior transfers out of the Funds and Accounts. Subject to the preceding sentence, should such expenses amount to more than the total available amount in the Capital Expenditures Fund (after transfers to the Capital Expenditures Fund from the other Funds and Accounts pursuant to the first paragraph of this **Section 409** and **Section 414**) at the time of the request for disbursement and TxDOT pays for such excess costs with funds that are not part of the Trust Estate, then the Trustee shall pay such excess amount to TxDOT upon written request of TxDOT from any future deposits to the Capital Expenditures Fund not needed to pay current Capital Expenditures at the time.

Section 410. Third Tier Debt Service Fund. On each Transfer Date, and provided no Third Tier Subordination Event has occurred and is continuing, after first having made or provided for the payments, deposits and transfers required by **Sections 404** through **409**, but subject to the provisions of **Section 214**, the Trustee shall transfer from the Revenue Fund to the applicable account in the Third Tier Debt Service Fund the amounts due in respect of Third Tier Obligations in accordance with the terms specified herein or in the Supplemental Agreement authorizing such Third Tier Obligations.

The money in the Third Tier Principal Account and the Third Tier Interest Account shall be held by the Trustee in trust for the benefit of the Third Tier Obligations, to the extent the foregoing are payable from such accounts, and, to said extent and pending application, shall be subject to a lien and charge in favor of the owners of the Third Tier Obligations until withdrawn to pay Principal of and interest on the Third Tier Obligations. Subject to the provisions of **Section 214**, the Trustee shall withdraw from the Third Tier Interest Account and the Third Tier Principal Account from time to time and set aside and hold in trust pursuant to **Section 418** sufficient money for paying the interest on and the Principal of the Third Tier Obligations as the same shall become due.

If at the time the Trustee is required to make a withdrawal from the Third Tier Debt Service Fund the money therein shall not be sufficient for such purpose, the Trustee shall, subject to **Section 214**, withdraw the amount of such deficiency from the money on deposit in the following funds or accounts and transfer the same to the Third Tier Debt Service Fund in the following order of priority to the extent that funds are available therein: Current Year Revenue Account of the General Fund, the General Account of the General Fund, the Capital Expenditures Reserve Fund, the Major Maintenance Reserve Fund, the Annual Operating Budget Account of the Capital Expenditures Fund, the Annual Operating Budget Account of the Major Maintenance Fund, Rate Stabilization Fund and the Annual Operating Budget Account of the Operating Fund.

Section 411. Operating Fund—Annual Operating Budget Amounts. On each Transfer Date, after first having made or provided for the payments, deposits and transfers required by **Sections 404** through **410**, the Trustee shall transfer from

the Revenue Fund to the credit of the Annual Operating Budget Account of the Operating Fund, on written request of the Authority, an amount which a Board Representative shall certify to be required to make the total amount in the Annual Operating Budget Account of the Operating Fund equal to one-sixth (1/6) of an amount equal to the excess, if any, of the amount reflected in the current Fiscal Year's Annual Operating Budget for Operating Expenses for such Fiscal Year over the amount reflected in the Project Budget for Operating Expenses for such Fiscal Year and money in this account shall be used as provided under **Section 407**; *provided* the Authority covenants that in no event shall Revenues be used to pay for Operating Expenses relating to the operation of the Project at standards higher than the Project Agreement Standards.

If amounts on deposit in the Revenue Fund are insufficient to make such transfer, the Trustee shall transfer amounts held in the following funds in the following order of priority in an amount sufficient to satisfy any such shortfall to the extent that funds are available therein: Current Year Revenue Account of the General Fund, the General Account of the General Fund, the Capital Expenditures Reserve Fund, the Major Maintenance Reserve Fund, the Annual Operating Budget Account of the Capital Expenditures Fund and the Annual Operating Budget Account of the Major Maintenance Fund. The Authority covenants that if, after transferring amounts as specified in the preceding sentence, actual Operating Expenses in any month are either (i) in excess of amounts on deposit in the Operating Fund and in excess of the amount contained in the Project Budget for Operating Expenses for such month or (ii) in excess of the amount required to operate the Project according to the Project Agreement Standards, it will cause an amount sufficient to make up any such shortfall to be transferred to the Operating Fund from other lawfully available funds of the Authority, but in no event from the Rate Stabilization Fund or any other account in the Trust Estate.

Section 412. Rate Stabilization Fund. The Authority shall deposit on the PGBT WE Closing Date the amount of the Rate Stabilization Fund Requirement as of the PGBT WE Closing Date from the proceeds of the issuance of the Series 2011 BANs. On any SWP/CT Closing Date, the Authority shall deposit, from proceeds of Additional Obligations issued in connection with the SWP/CT Project or from funds not part of the Trust Estate, an amount necessary to cause the Rate Stabilization Fund to be increased, if and to the extent necessary, so that the Rate Stabilization Fund will contain an amount equal to the Rate Stabilization Fund Requirement as of such date. After the PGBT WE Closing Date or any SWP/CT Closing Date, and after first having made or provided for the payments, deposits, and transfers required by **Sections 404** through **411**, the Trustee shall transfer from the Revenue Fund to the credit of the Rate Stabilization Fund amounts sufficient to accumulate an amount equal to the Rate Stabilization Fund Requirement, or to restore the balance in the Rate Stabilization Fund to an amount equal to the Rate Stabilization Fund Requirement.

Amounts on deposit in the Rate Stabilization Fund shall be transferred by the Trustee to (a) the First Tier Debt Service Fund or the Second Tier Debt Service Fund to cure a deficiency therein, (b) the Project Budget Account of the Operating Fund in any month to cure a deficiency in the amount to be deposited therein pursuant to **Section 407**, (c) the Project Budget

Account of the Major Maintenance Fund in any month to cure a deficiency in the amount to be deposited therein pursuant to **Section 408**, (d) the Project Budget Account of the Capital Expenditures Fund in any month to cure a deficiency in the amount to be deposited therein pursuant to **Section 409** unless an Event of Default has occurred and is continuing in accordance with the last paragraph of **Section 409**, (e) the Third Tier Debt Service Fund to cure any deficiency therein, or (f) to be applied to the redemption or defeasance of any First Tier Obligations, Second Tier Obligations and Third Tier Obligations (to the extent such Obligations are Outstanding) in the event of an optional redemption of 100% of the First Tier Obligations, Second Tier Obligations and the Third Tier Obligations. In the event that the amounts on deposit in the Rate Stabilization Fund exceed the Rate Stabilization Fund Requirement, the Trustee shall transfer such excess to the Revenue Fund.

Section 413. Major Maintenance Fund—Annual Operating Budget Amounts. On each Transfer Date, after first having made or provided for the payments, deposits and transfers required by **Sections 404** through **412**, the Trustee shall, to the extent the transfer from the Major Maintenance Reserve Fund pursuant to **clause (8)** of **Section 415** is insufficient for such purpose, transfer from the Revenue Fund to the credit of the Annual Operating Budget Account of the Major Maintenance Fund an amount equal to the excess, if any, of one-twelfth (1/12) of the amount reflected in the current Fiscal Year's Annual Operating Budget for Major Maintenance Expenses for such Fiscal Year over one-twelfth (1/12) of the amount reflected in the Project Budget for Major Maintenance Expenses for such Fiscal Year and money in this account shall be used as provided under **Section 408**; *provided* the Authority covenants that in no event shall Revenues be used to pay for Major Maintenance Expenses relating to the maintenance of the Project at standards higher than Project Agreement Standards. If amounts on deposit in the Revenue Fund are insufficient to make such transfer, the Trustee shall transfer amounts held in the following funds in the following order of priority in an amount sufficient to satisfy any such shortfall to the extent that funds are available therein: Current Year Revenue Account of the General Fund, the General Account of the General Fund, the Capital Expenditures Reserve Fund and the Annual Operating Budget Account of the Capital Expenditures Fund. The Authority covenants that if, after transferring the amounts as specified in the preceding sentence, actual Major Maintenance Expenses in any month are in excess of amounts on deposit in the Major Maintenance Fund and in excess of the amount contained in the Project Budget for Major Maintenance Expenses for such month it will cause an amount sufficient to make up any such shortfall to be transferred to the Major Maintenance Fund from other lawfully available funds of the Authority, but in no event from the Rate Stabilization Fund or any other account in the Trust Estate.

Section 414. Capital Expenditures Fund—Annual Operating Budget Amounts. On each Transfer Date, after first having made or provided for the payments, deposits and transfers required by **Sections 404** through **413**, the Trustee shall, to the extent funds are not available in the Construction Fund for payment of Project Capacity Improvements Capital Expenditures for the month after the Transfer Date, and to the extent the transfer from the Capital Expenditures Reserve Fund pursuant to **clause (9)** of **Section 416** is insufficient for such purpose, but only if no Event of Default has occurred and is continuing in accordance with the last paragraph of this **Section 414**, transfer from the Revenue Fund to the credit of the

Annual Operating Budget Account of the Capital Expenditures Fund an amount equal to the excess, if any, of the amount reflected in the current Fiscal Year's Annual Operating Budget for Project Capacity Improvements Capital Expenditures for such month over the amount reflected in the Project Budget for Project Capacity Improvements Capital Expenditures for such month and money in this account shall be used as provided under **Section 409**; *provided that*, the Authority covenants that in no event shall Revenues be used to pay for Project Capacity Improvements Capital Expenditures relating to the Project at standards higher than the Project Agreement Standards. If amounts on deposit in the Revenue Fund are insufficient to make such transfer, and unless an Event of Default has occurred and is continuing in accordance with the last paragraph of this **Section 414**, the Trustee shall transfer amounts held in the following funds in the following order of priority in an amount sufficient to satisfy any such shortfall to the extent that funds are available therein: Current Year Revenue Account of the General Fund, the General Account of the General Fund and the Major Maintenance Reserve Fund. The Authority covenants that if, after transferring the amounts as specified in the preceding sentence, actual Project Capacity Improvements Capital Expenditures in any month are in excess of amounts on deposit in the Capital Expenditures Fund and in excess of the amount contained in the Project Budget for Project Capacity Improvements Capital Expenditures for such month, it will cause an amount sufficient to make up any such shortfall to be transferred to the Capital Expenditures Fund from other lawfully available funds of the Authority, but in no event from the Rate Stabilization Fund or any other account in the Trust Estate.

Notwithstanding the foregoing paragraph of this **Section 414**, if the Trustee is given written notice as to the occurrence and continuance of an Event of Default by (i) the Controlling Creditor for any Event of Default other than a TIFIA Loan Agreement Default or (ii) the TIFIA Lender with respect to any TIFIA Loan Agreement Default (or any of the Controlling Creditor and the TIFIA Lender in the event that the Event of Default is both a TIFIA Loan Agreement Default and an Event of Default hereunder other than that described in **Section 802(e)**), then the Trustee shall not transfer funds from other accounts into the Annual Operating Budget Account of the Capital Expenditures Fund for any shortfalls as provided in the preceding paragraph of this **Section 414** or transfer, disburse or apply funds from the Annual Operating Budget Account of the Capital Expenditures Fund in accordance with the direction of the Authority as provided in the foregoing paragraph of this **Section 414** until such time that written notice is provided to the Trustee by the Controlling Creditor for any Event of Default other than a TIFIA Loan Agreement Default or the TIFIA Lender with respect to any TIFIA Loan Agreement Default (or both the Controlling Creditor and the TIFIA Lender in the event that the Event of Default is both a TIFIA Loan Agreement Default and an Event of Default hereunder other than that described in **Section 802(e)**) that such Event of Default has been waived or cured to its satisfaction or that the Trustee otherwise may release funds from the Annual Operating Budget Account of the Capital Expenditures Fund for the payment of any part or all of the Project Capacity Improvements Capital Expenditures that would have been payable in accordance with the preceding paragraphs of this **Section 414** had there been no such Event of Default; provided, however, that during the continuance of such Event of Default, amounts on deposit in the Project Budget Account of

the Capital Expenditures Fund shall be transferred by the Trustee on the Transfer Date for the following purposes in the following order of priority:

- 1) to the First Tier Debt Service Fund to cure any deficiency therein in accordance with **Section 405**;
- 2) to the Second Tier Debt Service Fund to cure any deficiency therein in accordance with **Section 406**;
- 3) to the Project Budget Account of the Operating Fund to cure any deficiency therein in accordance with **Section 407**; and
- 4) to the Project Budget Account of the Major Maintenance Fund to cure any deficiency therein in accordance with **Section 408**.

Section 415. Major Maintenance Reserve Fund. On each Transfer Date, after first having made or provided for the payments, deposits and transfers required by **Sections 404** through **414**, the Trustee shall transfer from the Revenue Fund to the Major Maintenance Reserve Fund an amount sufficient to cause the balance in the Major Maintenance Reserve Fund to be equal to the Major Maintenance Reserve Requirement.

Amounts on deposit in the Major Maintenance Reserve Fund shall be transferred by the Trustee on each Transfer Date for the following purposes in the following order of priority:

- 1) to the First Tier Debt Service Fund to cure any deficiency therein;
- 2) to the Second Tier Debt Service Fund to cure any deficiency therein;
- 3) to the Project Budget Account of the Operating Fund in any month to cure deficiencies in the amounts to be deposited therein pursuant to **Section 407**;
- 4) to the Project Budget Account of the Major Maintenance Fund each month an amount equal to the lesser of (i) one-twelfth (1/12) of the amount of the total Major Maintenance Expenses scheduled for the then current Fiscal Year in the Project Budget, and (ii) one-twelfth (1/12) of the amount of the total Major Maintenance Expenses scheduled for the then current Fiscal Year in the then current Annual Operating Budget;
- 5) to the Project Budget Account of the Capital Expenditures Fund in any month to cure deficiencies in the amounts to be deposited therein pursuant to **Section 409**;
- 6) to the Third Tier Debt Service Fund to cure any deficiency therein;
- 7) to the Annual Operating Budget Account of the Operating Fund in any month to cure deficiencies in the amounts to be deposited therein pursuant **Section 411**;
- 8) to the Annual Operating Budget Account of the Major Maintenance Fund each month an amount equal to the excess, if any, of one-twelfth (1/12) of the amount reflected in the current Fiscal Year's Annual Operating Budget for Major Maintenance Expenses for such Fiscal Year over one-twelfth (1/12) of the amount reflected in the Project Budget for Major Maintenance Expenses for such Fiscal Year; and

- 9) to the Annual Operating Budget Account of the Capital Expenditures Fund in any month to cure deficiencies in the amounts to be deposited therein pursuant to **Section 414**.

In the event that the amounts on deposit in the Major Maintenance Reserve Fund exceed the amounts required to be held therein, the Trustee shall transfer such excess to the Revenue Fund.

Section 416. Capital Expenditures Reserve Fund. On each Transfer Date, after first having made or provided for the payments, deposits and transfers required by **Sections 404** through **415**, the Trustee shall transfer from the Revenue Fund to the Capital Expenditures Reserve Fund an amount sufficient to cause the balance in the Capital Expenditures Reserve Fund to be equal to the Capital Expenditures Reserve Requirement.

Amounts on deposit in the Capital Expenditures Reserve Fund shall be transferred by the Trustee on each Transfer Date for the following purposes in the following order of priority:

- 1) to the First Tier Debt Service Fund to cure any deficiency therein;
- 2) to the Second Tier Debt Service Fund to cure any deficiency therein;
- 3) to the Project Budget Account of the Operating Fund in any month to cure deficiencies in the amounts to be deposited therein pursuant to **Section 407**;
- 4) to the Project Budget Account of the Major Maintenance Fund in any month to cure deficiencies in the amounts to be deposited therein pursuant to **Section 408**;
- 5) to the Project Budget Account of the Capital Expenditures Fund each month an amount equal to the lesser of (i) the Project Capacity Improvements Capital Expenditures budgeted in the Project Budget for such month, and (ii) the Project Capacity Improvements Capital Expenditures budgeted in the current Fiscal Year's Annual Operating Budget for such month, subject to the provisions of **Section 409**; *provided that* during a Construction Step-In the amount to be transferred to the Project Budget Account of the Capital Expenditures Fund each month shall be the amount requested by TxDOT to pay Costs of the Project pursuant to the penultimate paragraph of **Section 409**;
- 6) to the Third Tier Debt Service Fund to cure any deficiency therein;
- 7) to the Annual Operating Budget Account of the Operating Fund in any month to cure deficiencies in the amounts to be deposited therein pursuant to **Section 411**;
- 8) to the Annual Operating Budget Account of the Major Maintenance Fund in any month to cure deficiencies in the amounts to be deposited therein pursuant to **Section 413**; and
- 9) to the Annual Operating Budget Account of the Capital Expenditures Fund each month an amount equal to the excess, if any, of the amount reflected in the current Fiscal Year's Annual Operating Budget for Project Capacity

Improvements Capital Expenditures for such month over the amount reflected in the Project Budget for Project Capacity Improvements Capital Expenditures for such month, subject to the provisions of **Section 414**.

In the event that the amounts on deposit in the Capital Expenditures Reserve Fund exceed the amounts required to be held therein, the Trustee shall transfer such excess to the Revenue Fund.

Section 417. General Fund. On each Transfer Date, after first having made or provided for the payments, deposits and transfers provided by **Sections 404** through **416**, the Trustee shall transfer from the Revenue Fund to the credit of the Current Year Revenue Account of the General Fund all remaining Revenues.

Prior to the TIFIA Note Prepayment Start Date, amounts on deposit in the Current Year Revenue Account shall be transferred by the Trustee to the General Account on the same day such amounts are deposited in the Current Year Revenue Account.

On and after the TIFIA Note Prepayment Start Date, amounts on deposit in the Current Year Revenue Account shall be transferred by the Trustee to (a) the First Tier Debt Service Fund or the Second Tier Debt Service Fund to cure any deficiency therein, (b) the Operating Fund, the Major Maintenance Fund and the Capital Expenditures Fund in any month to cure deficiencies in the amounts to be deposited therein, all pursuant to and in the order specified in **Sections 407, 408, 409, 411, 413** and **414**, (c) subject to **Section 214**, the Third Tier Debt Service Fund to cure any deficiency therein pursuant to **Section 410**, (d) the Major Maintenance Reserve Fund to cure any deficiency therein pursuant to **Section 415**, (e) the Capital Expenditures Reserve Fund to cure any deficiency therein pursuant to **Section 416**, or (f) upon the written direction of a Board Representative, the First Tier Debt Service Fund or the Second Tier Debt Service Fund, as applicable, to redeem or defease First Tier Obligations and Second Tier Obligations pro rata based on the Principal amount of the Outstanding First Tier Obligations and the Outstanding Second Tier Obligations.

On and after the TIFIA Note Prepayment Start Date, on the last Business Day of each Fiscal Year (the "*General Fund Transfer Date*"), the Trustee shall transfer the funds in the Current Year Revenue Account for the following purposes and in the following order of priority:

- 1) to the General Account in an amount sufficient to cause the balance of unencumbered funds in the General Account to equal the amount required to be paid to TxDOT on the first day of the following Fiscal Year pursuant to the last paragraph of Section 2.06 of the Toll Equity Loan Agreement; and
- 2) of the funds remaining in the Current Year Revenue Account after the transfer pursuant to clause (1) above, one-half to the General Account and one-half to the TIFIA Prepayment Account.

Amounts on deposit in the General Account shall be transferred by the Trustee to (a) the First Tier Debt Service Fund or the Second Tier Debt Service Fund to cure any deficiency therein, (b) the Operating Fund, the Major Maintenance Fund and the

Capital Expenditures Fund in any month to cure deficiencies in the amounts to be deposited therein, all pursuant to and in the order specified in **Sections 407, 408, 409, 411, 413 and 414**, (c) subject to **Section 214**, the Third Tier Debt Service Fund to cure any deficiency therein, (d) the Major Maintenance Reserve Fund to cure any deficiency therein pursuant to **Section 415**, (e) the Capital Expenditures Reserve Fund to cure any deficiency therein pursuant to **Section 416**, or (f) upon the direction of a Board Representative, the First Tier Debt Service Fund or the Second Tier Debt Service Fund to redeem or defease any First Tier Obligations or Second Tier Obligations.

On any date, whether prior to, on or after the TIFIA Note Prepayment Start Date, unless there is an occurrence and continuance of an Event of Default, amounts on deposit in the Current Year Revenue Account and the General Account may also be transferred by the Trustee to the Authority or its designee (a) to pay or secure bonds, notes or other obligations of the Authority issued to finance Costs of the Project (other than Costs for the initial construction of the Project) to the extent permitted by the TIFIA Lender consent delivered pursuant to **Section 708(b)**, or (b) to pay or reimburse the Authority for Operating Expenses, Major Maintenance Expenses and Project Capacity Improvements Capital Expenditures under the current or any previous Annual Operating Budgets with respect to operating, maintaining or improving the Project to the Project Agreement Standards to the extent such payments were payable pursuant to the terms of this Trust Agreement but instead were paid by the Authority from funds available to it outside of the Trust Estate because of an insufficiency of funds available for such payments in the relevant Funds and Accounts at such time, but in no event will the Authority be reimbursed for expenses incurred in operating, maintaining or improving the Project to standards higher than Project Agreement Standards, *provided that* there are no amounts due and owing to TxDOT under the Toll Equity Loan, and that such Operating Expenses, Major Maintenance Expenses and Project Capacity Improvements Capital Expenditures are not the subject of a dispute between the Authority and TxDOT regarding compliance with the Toll Equity Loan Agreement requirements, or, if subject to such a dispute, that such dispute has been resolved but only to the extent and in the amount provided in favor of the Authority; *provided further*, that if the Trustee is notified as to the occurrence and continuance of an Event of Default by the Controlling Creditor for any Event of Default other than a TIFIA Loan Agreement Default or the TIFIA Lender with respect to any TIFIA Loan Agreement Default (or any of the Controlling Creditor and the TIFIA Lender in the event that the Event of Default is both a TIFIA Loan Agreement Default and an Event of Default hereunder other than that described in **Section 802(e)**), then the Trustee shall not so transfer, disburse or apply funds from the Current Year Revenue Account or the General Account in accordance with the direction of the Authority under this paragraph until such time that notice is provided to the Trustee by the Controlling Creditor for any Event of Default other than a TIFIA Loan Agreement Default or the TIFIA Lender with respect to any TIFIA Loan Agreement Default (or both the Controlling Creditor and the TIFIA Lender in the event that the Event of Default is both a TIFIA Loan Agreement Default and an Event of Default hereunder other than that described in **Section 802(e)**) that such Event of Default has been waived or cured to its satisfaction or that the Trustee otherwise may release funds

from the Current Year Revenue Account or the General Account for the purposes described in this paragraph had there been no such Event of Default.

Amounts on deposit in the TIFIA Prepayment Account shall be transferred by the Trustee for prepayment of the TIFIA Note to the TIFIA Lender no later than the Business Day following the General Fund Transfer Date. The money in the TIFIA Prepayment Account shall be held by the Trustee in trust for the exclusive benefit of the Owner of the TIFIA Note and shall be subject to a lien and charge in favor of the TIFIA Lender exclusively.

During a Construction Step-In, if amounts on deposit in the Construction Fund and the BANs Construction Fund are insufficient to satisfy the disbursements permitted to TxDOT pursuant to **Section 402(m)**, the Trustee shall transfer amounts held in the General Fund (whether in the Current Year Revenue Account or the General Account and regardless of the existence of any Event of Default) to TxDOT in an amount sufficient to satisfy any such shortfall. Such transfer shall be made only if all of the conditions and requirements for disbursements pursuant to **Section 402(m)** are satisfied as if such disbursements were payments from the Construction Fund in accordance therewith. If at the time that TxDOT delivers a request to the Trustee pursuant to **Section 402(m)** for which disbursement is sought by TxDOT, the documented Costs of the Project amount to more than the total available in the Construction Fund and BANs Construction Fund, the General Fund and the Capital Expenditures Fund (after transfer of all available amounts in the Capital Expenditures Reserve Fund) collectively at the time of the request for disbursement and TxDOT pays for such excess costs with funds that are not part of the Trust Estate, then the Trustee shall transfer to TxDOT at its written request such excess amount from any future deposits into the General Fund, subject to the limitations of **Section 402(m)**.

During an O&M Step-In, the Trustee shall disburse funds to TxDOT or its designee from the General Fund (first from the General Account of the General Fund and then, to the extent amounts in such account are insufficient, from the Current Year Revenue Account of the General Fund) upon written request of TxDOT to pay Operating Expenses and Major Maintenance Expenses pursuant to, and in accordance with, Section 6.02(d) of the Toll Equity Loan Agreement, *provided that* (i) funds in the Operating Fund, the Major Maintenance Fund and the Capital Expenditures Fund are insufficient for such purposes in accordance with the last paragraph of **Section 407**, **Section 408** and **Section 409**, respectively, (ii) disbursements are made for payment of such expenses in accordance with (A) the provisions of this **Section 417**, (B) the priorities of any transfers required pursuant to **Sections 405** through **416** and (C) the Annual Operating Budget, and (iii) such expenses have not been the subject of prior transfers out of the Funds and Accounts. Subject to the preceding sentence, should such expenses amount to more than the total available amount in the Operating Fund, Major Maintenance Fund, Capital Expenditures Fund and General Fund collectively at the time of the request for disbursement and TxDOT pays for such excess costs with funds that are not part of the Trust Estate, then the Trustee shall pay such excess amount to TxDOT upon written request of TxDOT from any

future deposits to such Funds not needed to pay current Operating Expenses, Major Maintenance Expenses and Capital Expenditures at the time.

Commencing on the Net Revenue Share Commencement Date (as defined in the PGBT WE Project Agreement), amounts on deposit in the General Account and Current Year Revenue Account of the General Fund shall be transferred by the Trustee at the written direction of the Authority to TxDOT to satisfy any Net Share Amount (as defined in the PGBT WE Project Agreement) due TxDOT under the Project Agreement.

Section 711. Annual Operating Budget.

(a) *Annual Operating Budget.* The Authority covenants to adopt, prior to the beginning of each Fiscal Year, an Annual Operating Budget, specifying in reasonable detail all projected Revenues, Operating Expenses, Major Maintenance Expenses and Project Capacity Improvements Capital Expenditures and any projected advances under the Toll Equity Loan Agreement for such Fiscal Year on a monthly basis. The Authority may at any time adopt an amended or supplemental Annual Operating Budget for the remainder of the then current Fiscal Year, and when so adopted the Annual Operating Budget as so amended or supplemented shall be treated as the Annual Operating Budget under the provisions of this Trust Agreement. The Authority shall file a copy of each Annual Operating Budget and each amended or supplemented Annual Operating Budget with the Trustee.

If for any reason the Authority shall not have adopted the Annual Operating Budget before the first day of any Fiscal Year, the budget for the preceding Fiscal Year, shall, until the adoption of the Annual Operating Budget for the then current Fiscal Year, be deemed to be in force and shall be treated as the Annual Operating Budget under the provisions of this Trust Agreement.

(b) *Annual Operating Budget During O&M Step-In.* TxDOT may, to the extent that the Authority fails to do so, establish the Annual Operating Budget for each Fiscal Year during an O&M Step-In.

The complete Trust Agreement is available at www.ntta.org/AboutUs/News/

Appendix B - FY2016 Capital Plan Budget Calendar

Date	Event
March 2, 2015 (Monday)	Hyperion Budget module available for inputting Budget
March 2 - April 24, 2015	Individual departments update or create Project Request Forms
March 31, 2015 (Tuesday)	Executive Director's FY2016 Staff Budget Meeting to discuss budget priorities and overall direction for the 5-Year Capital Plan
April 15, 2015 (Wednesday)	Board Budget Workshop
April 24, 2015 (Friday)	Project Request Forms due to Financial Planning and Analysis (FP&A)
May 4, 2015 (Monday)	5-Year Capital Plan distributed to Executive Management
May 4 - June 26, 2015	Departmental meetings with Executive Management and FP&A
June 26, 2015 (Friday)	Review by Executive Management completed
July 6, 2015 (Monday)	5-Year Capital Plan book delivered to Board Members
August 6, 2015 (Thursday)	Finance and Audit Committee 5-Year Capital Plan First Review
August 6 - Aug. 21, 2015	Incorporate any updates to CP
September 3, 2015 (Thursday)	Finance and Audit Committee 5-Year Capital Plan Second Review
September 16, 2015 (Wednesday)	Board Meeting 5-Year Capital Plan Approved

Assumes Thursday Committee Meetings and Wednesday Board Meetings
Board events highlighted in red.

Appendix C – Capital Plan Process

INTRODUCTION

The North Texas Tollway Authority's policy for the adoption of the Operating Budget (budget of current expenses, annual budget or Operating Fund) and the Major Maintenance Fund for the subsequent fiscal year is outlined by the Trust Agreement with Supplements and guided by the TELA.

In conjunction with development of the Operating Budget, staff prepares estimates of expenditures for the Major Maintenance Fund, Capital Expenditures Fund and Construction Fund, which is approved by the NTTA Board of Directors in a resolution.

CAPITAL PLAN PROCESS

Capital Plan projects are classified into three categories: Major Maintenance Projects, Capital Expenditures Projects and Construction Projects (see Project Type and Funding Source, page 11). Each year, individual departments utilize the Hyperion budget module to complete project request forms for new projects or update the previous year projects to revise estimates and/or extend the year(s).

The requests are further classified by project type, purpose and priority. These classifications assist in the decision making process. The Budget and Compliance Division (BCD) creates project lists for the three project categories and creates summary reports. In addition, BCD staff updates the long term financial plan schedules. The forms, lists, reports, and schedules are compiled to create the Five-Year Capital Plan Project Requests Book, which is delivered to the executive management team for review and approval. The executive management team is comprised of the Authority's executive director, the chief financial officer, and the Assistant Executive Directors.

Any changes from the review and approval process are incorporated into BCD reports, and the Five-Year Capital Plan book is created. The Capital Plan is presented to the NTTA Board of Directors' Finance and Audit Committee for review and recommendation. Upon Finance and Audit Committee recommendation, the Capital Plan is presented to the full Board of Directors for adoption.

CASH BALANCES

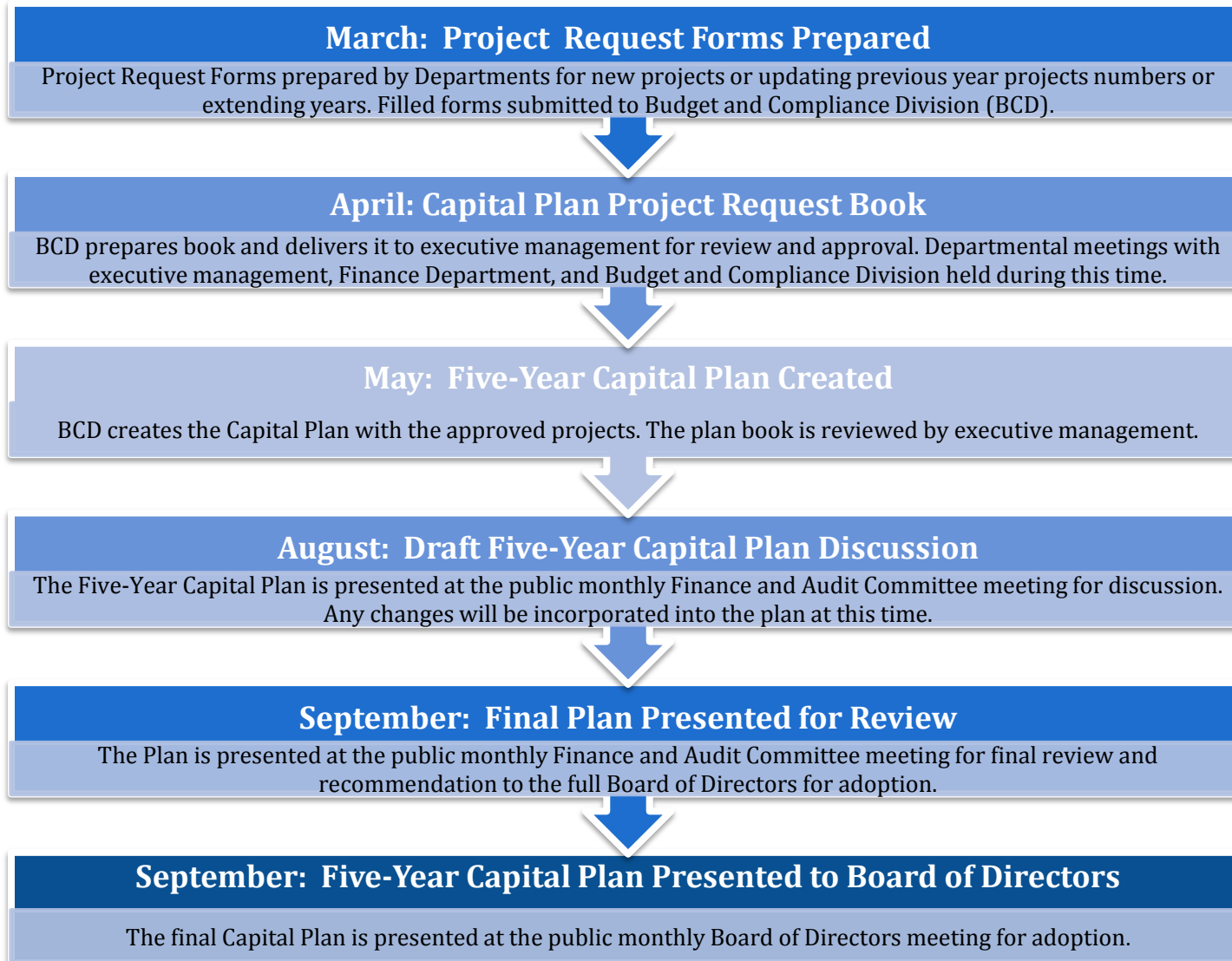
The Trust Agreement requires that some funds maintain cash balances. These cash balances contain both cash on deposit and investments held in the fund as follows:

Operating Fund is required to maintain a cash balance equal to one-sixth (1/6) of the total operating budget amount for the current fiscal year.

Major Maintenance Fund is required to maintain a cash balance equal to one-sixth (1/12) of the total major maintenance expenses scheduled for the current fiscal year.

Appendix C – Capital Plan Process

CAPITAL PLAN PROCESS FLOW



Appendix D: Major Revenue Source

SPECIAL PROJECT SYSTEM – MAJOR REVENUE SOURCE

Toll revenue collected on the projects is the Special Projects System major source of revenue. It accounted for \$470,654,100 of the FY2016 – FY2020 Capital Plan total estimated revenues of \$491,198,633, or 95.8%.

TOLL REVENUE

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 covenants under the Special Projects System Trust Agreement that all Revenues (excepting investment income from all Funds and Accounts other than the Revenue Fund which shall be retained in such Funds and Accounts) will be deposited daily, as far as practicable, with the Trustee or in the name of the Trustee with the Depository to the credit of the Revenue Fund. Amounts deposited to the Revenue Fund will be distributed in accordance to the Trust Agreement (see page 44).

The Authority has covenanted to charge toll rates on the Project that do not exceed the maximum rates for each user classification as per the Project Agreement, unless the Authority determines that it is necessary to (a) preserve the financial condition of the Project (or if the Project is later made part of the NTTA System), (b) comply with the provisions of any bonds, notes, trust agreements or other financial instruments or agreements secured by revenues of the NTTA System, or (c) comply with law.

The schedule below shows C&M Associates, Inc. toll revenue estimates for the System.

Estimated Special Projects System Annual Toll Revenue					
Roadway	FY2016	FY2017	FY2018	FY2019	FY2020
PGBT-WE	\$48,634,700	\$47,040,000	\$52,569,700	\$55,009,300	\$60,772,800
CTP	\$28,129,500	\$33,868,800	\$42,782,200	\$48,458,500	\$53,388,600
Total	\$76,764,200	\$80,908,800	\$95,351,900	\$103,467,800	\$114,161,400

Appendix E - Special Project System Outstanding Debt Summary

Date	1st Tier Bonds / BANS			USDOT TIFIA Loan		Total Debt Service	
	1st Tier Principal	1st Tier Accreted Principal	1st Tier Interest (Net of CAPI)	USDOT TIFIA Principal	USDOT TIFIA Interest	Total Net Debt Service	Annual Net Debt Service
3/1/2015	-	-	12,984,769	-	-	12,984,769	
9/1/2015	11,045,000	-	15,600,576	-	-	26,645,576	39,630,345
3/1/2016	-	-	23,358,463	-	-	23,358,463	
9/1/2016	15,030,000	-	23,358,463	-	-	38,388,463	61,746,926
3/1/2017	-	-	24,503,480	-	-	24,503,480	
9/1/2017	12,835,000	-	24,503,480	-	1,000,000	38,338,480	62,841,961
3/1/2018	-	-	25,106,214	-	10,690,895	35,797,109	
9/1/2018	60,000	-	25,106,214	-	10,868,092	36,034,307	71,831,416
3/1/2019	-	-	27,810,889	-	10,690,895	38,501,784	
9/1/2019	1,965,000	-	27,810,889	-	10,868,092	40,643,982	79,145,766
3/1/2020	-	-	27,777,906	-	10,720,589	38,498,495	
9/1/2020	25,535,000	-	27,777,906	-	10,838,398	64,151,304	102,649,799
3/1/2021	-	-	27,258,857	-	10,690,895	37,949,752	
9/1/2021	29,820,000	-	27,258,857	-	10,868,092	67,946,949	105,896,701
3/1/2022	-	-	32,885,659	-	10,690,895	43,576,554	
9/1/2022	32,480,000	-	32,885,659	-	10,868,092	76,233,751	119,810,305
3/1/2023	-	-	32,271,317	418,354	10,772,541	43,462,212	
9/1/2023	33,530,000	-	32,271,317	418,354	10,938,371	77,158,042	120,620,254
3/1/2024	-	-	34,503,494	418,354	10,779,809	45,701,656	
9/1/2024	42,995,000	-	34,503,494	418,354	10,886,035	88,802,882	134,504,538
3/1/2025	-	-	33,428,619	418,354	10,727,812	44,574,784	
9/1/2025	44,920,000	-	33,428,619	418,354	10,892,900	89,659,873	134,234,657
3/1/2026	-	-	32,250,381	418,354	10,705,448	43,374,182	
9/1/2026	53,935,000	-	32,250,381	418,354	10,870,165	97,473,900	140,848,082
3/1/2027	-	-	30,835,038	418,354	10,683,083	41,936,474	
9/1/2027	48,655,000	-	30,835,038	418,354	10,847,430	90,755,821	132,692,295
3/1/2028	-	-	29,557,844	418,354	10,690,102	40,666,299	
9/1/2028	78,905,000	-	29,557,844	418,354	10,795,342	119,676,539	160,342,838
3/1/2029	-	-	27,571,806	418,354	10,638,354	38,628,513	
9/1/2029	84,595,000	-	27,571,806	418,354	10,801,959	123,387,119	162,015,632
3/1/2030	-	-	25,451,125	418,354	10,615,989	36,485,467	
9/1/2030	91,495,000	-	25,451,125	418,354	10,779,224	128,143,702	164,629,170
3/1/2031	-	-	23,163,750	418,354	10,593,624	34,175,728	
9/1/2031	103,635,000	-	23,163,750	418,354	10,756,488	137,973,592	172,149,320

Appendix E - Special Project System Outstanding Debt Summary

Date	1st Tier Bonds / BANS			USDOT TIFIA Loan		Total Debt Service	
	1st Tier Principal	1st Tier Accreted Principal	1st Tier Interest (Net of CAPI)	USDOT TIFIA Principal	USDOT TIFIA Interest	Total Net Debt Service	Annual Net Debt Service
3/1/2032	-	-	20,572,875	418,354	10,600,395	31,591,623	
9/1/2032	40,495,194	31,754,523	20,572,875	418,354	10,704,649	103,945,594	135,537,217
3/1/2033	-	-	19,766,000	418,354	10,548,895	30,733,248	
9/1/2033	8,109,465	34,360,688	19,766,000	418,354	10,711,018	73,365,524	104,098,772
3/1/2034	-	-	19,766,000	418,354	10,526,530	30,710,884	
9/1/2034	6,312,961	29,291,944	19,766,000	418,354	10,688,282	66,477,541	97,188,425
3/1/2035	-	-	19,766,000	418,354	10,504,166	30,688,519	
9/1/2035	7,886,588	40,015,155	19,766,000	418,354	10,665,547	78,751,644	109,440,163
3/1/2036	-	-	19,766,000	418,354	10,510,688	30,695,041	
9/1/2036	50,705,840	18,677,817	19,766,000	418,354	10,613,956	100,181,967	130,877,008
3/1/2037	-	-	18,464,288	418,354	10,459,436	29,342,077	
9/1/2037	18,720,603	52,709,397	18,464,288	418,354	10,620,076	100,932,717	130,274,795
3/1/2038	-	-	18,164,288	418,354	10,437,072	29,019,713	
9/1/2038	72,030,000	-	18,164,288	418,354	10,597,341	101,209,982	130,229,695
3/1/2039	-	-	16,158,463	418,354	10,414,707	26,991,523	
9/1/2039	81,925,000	-	16,158,463	418,354	10,574,605	109,076,422	136,067,945
3/1/2040	-	-	13,880,525	418,354	10,420,981	24,719,859	
9/1/2040	85,700,000	-	13,880,525	418,354	10,523,263	110,522,142	135,242,001
3/1/2041	-	-	11,498,775	418,354	10,369,978	22,287,106	
9/1/2041	80,890,000	-	11,498,775	418,354	10,529,135	103,336,263	125,623,370
3/1/2042	-	-	9,249,300	418,354	10,347,613	20,015,267	
9/1/2042	9,665,865	90,469,002	9,249,300	418,354	10,506,399	120,308,920	140,324,186
3/1/2043	-	-	9,249,300	418,354	10,325,248	19,992,902	
9/1/2043	41,132,527	79,337,473	9,249,300	418,354	10,483,664	140,621,318	160,614,220
3/1/2044	-	-	6,137,269	418,354	10,331,273	16,886,896	
9/1/2044	70,961,677	70,028,323	6,137,269	418,354	10,432,570	157,978,192	174,865,088
3/1/2045	-	-	1,378,856	41,529,248	18,303,778	61,211,883	
9/1/2045	20,562,730	20,292,270	1,378,856	41,526,573	17,343,849	101,104,278	162,316,161
3/1/2046	-	-	-	78,032,628	23,207,799	101,240,427	
9/1/2046	-	-	-	78,032,628	21,219,711	99,252,339	200,492,766
3/1/2047	-	-	-	80,043,830	19,428,781	99,472,611	
9/1/2047	-	-	-	62,395,547	13,872,639	76,268,186	175,740,796
Totals	1,306,533,450	466,936,592	1,351,690,904	399,968,010	689,393,652	4,214,522,608	4,214,522,608

Appendix F - Estimated Operating Expenditures by Account

Description	FY2015 Budget	Estimated FY2016 - FY2020				
		FY2016	FY2017	FY2018	FY2019	FY2020
Salaries and Wages-Direct - (511101)	\$4,965,353	2,760,700	2,885,083	3,036,167	3,189,029	3,349,465
Salaries and Wages-Internship - (511202)	0	790	826	869	913	958
Salaries and Wage-Overtime - (511301)	21,759	31,203	32,609	34,316	36,044	37,858
Group Insurance - (512101)	988,499	231,434	241,861	254,527	267,342	280,791
Retirement Contributions - (512401)	661,263	369,702	386,359	406,591	427,062	448,547
Retirement Contr.-Internship - (512402)	0	105	110	115	121	127
Tuition Reimbursement - (512501)	8,172	1,326	1,386	1,458	1,532	1,609
Unemployment Insurance - (512601)	94,555	9,723	10,161	10,693	11,232	11,797
Worker's Comp Ins - (512701)	62,040	12,742	13,316	14,013	14,719	15,459
Meeting Expense - (521101)	22,092	5,511	5,759	6,061	6,366	6,686
Consulting/Professional - (521201)	2,766,862	2,677,242	2,797,865	2,944,382	3,092,622	3,248,208
Legal Fees - (521202)	441,497	70,691	73,876	77,745	81,659	85,767
Auditing Fees - (521203)	84,366	87,740	91,693	96,495	101,353	106,452
Trustee Fees - (521204)	27,075	27,075	28,295	29,777	31,276	32,849
Rating Agency Fees - (521205)	25,000	25,000	26,126	27,495	28,879	30,332
Traffic Engineering Fees - (521207)	462,288	462,288	483,116	508,416	534,013	560,879
Police Services (DPS) - (521208)	1,121,397	1,151,807	1,203,702	1,266,736	1,330,513	1,397,449
Armored Car Services - (521209)	1,816	2,247	2,348	2,471	2,596	2,726
Outside Maintenance Services - (521212)	4,508,575	6,555,570	6,850,930	7,209,695	7,572,682	7,953,654
Repairs and Maintenance - (522201)	1,600,000	545,455	570,030	599,881	630,084	661,782
Landscaping - (522202)	852,000	62,912	65,746	69,189	72,673	76,329
Rentals - Land - (522301)	430,445	440,326	460,165	484,262	508,644	534,233
Rentals - Equipment - (522302)	31,186	8,164	8,532	8,979	9,431	9,905
Insurance Expense - Other - (523101)	301,888	362,693	379,034	398,883	418,966	440,043
Postage - (523201)	643,855	904,000	944,730	994,203	1,044,258	1,096,793
Telecommunications - (523202)	402,519	442,638	462,581	486,805	511,314	537,038
Recruitment - (523301)	5,944	5,259	5,496	5,784	6,075	6,381
Magazine and Newspaper - (523302)	536,175	487,712	509,686	536,377	563,382	591,725
Television & Radio - (523303)	478,360	436,360	456,020	479,901	504,062	529,421
Promotional Expenses - (523304)	283,276	266,368	278,369	292,947	307,696	323,175
Printing and Photographic - (523401)	5,923	467	488	514	539	567
Maps & Pamphlets - (523402)	31,036	30,953	32,348	34,042	35,755	37,554
Travel - (523501)	40,103	10,078	10,532	11,084	11,642	12,227
Dues & Subscriptions - (523601)	48,669	8,637	9,026	9,499	9,977	10,479
Education and Training - (523701)	53,845	23,002	24,038	25,297	26,571	27,908
Licenses - (523801)	858	198	207	218	229	240
Temporary Contract Labor - (523851)	335,132	452,340	472,720	497,475	522,522	548,809
Liability Claims - (523902)	3,385	470	491	517	543	570
Office Supplies - (531101)	67,994	42,087	43,983	46,287	48,617	51,063
Other Materials and Supplies - (531102)	554,265	839,790	877,627	923,586	970,085	1,018,889
Freight and Express - (531105)	1,815	348	364	383	402	422
Water - (531211)	0	3,335	3,485	3,668	3,852	4,046
Electricity - (531231)	540,978	552,520	577,414	607,651	638,245	670,354
Books & Periodicals - (531401)	118	66	69	73	76	80
Inven for resale(toll tags) - (531501)	759,277	1,129,448	1,180,335	1,242,146	1,304,684	1,370,321
Software (Under \$5,000) - (531651)	362,696	515,789	539,028	567,255	595,815	625,790
Uniforms - (531701)	10,512	31,593	33,016	34,745	36,495	38,331
Bank Charges - (573001)	86,468	92,155	96,307	101,350	106,453	111,809
Credit Card Fees - (573002)	1,059,184	1,509,647	1,577,664	1,660,282	1,743,872	1,831,604
Totals	25,790,515	23,687,706	24,754,953	26,051,304	27,362,908	28,739,501