

In the opinion of co-bond counsel to NTTA, interest on the Series 2017A Bonds and Series 2017B Bonds (as defined herein) will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date hereof, subject to the matters discussed under "TAX MATTERS" herein, including the alternative minimum tax on corporations. Interest on the Series 2017A Bonds and Series 2017B Bonds will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under section 57(a)(5) of the Code (as defined herein). See "TAX MATTERS" herein.



\$2,509,315,000

**NORTH TEXAS TOLLWAY AUTHORITY
SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2017**

**\$1,743,320,000
FIRST TIER BONDS
SERIES 2017A**

**\$765,995,000
SECOND TIER BONDS
SERIES 2017B**

Dated Date: Date of Delivery

Due: As shown herein

The North Texas Tollway Authority ("NTTA") System Revenue and Refunding Bonds, Series 2017, consisting of First Tier Revenue and Refunding Bonds, Series 2017A (the "Series 2017A Bonds") and Second Tier Revenue and Refunding Bonds, Series 2017B (the "Series 2017B Bonds") and, together with the Series 2017A Bonds, the "Bonds"), will be issued as fully registered obligations of NTTA, a body politic and corporate and a political subdivision of the State of Texas. The Bonds will be issued for the purpose of (i) refunding all of the Special Projects System First Tier Current Interest Revenue Bonds, Series 2011A, Special Projects System First Tier Capital Appreciation Revenue Bonds, Series 2011B, Special Projects System First Tier Convertible Capital Appreciation Revenue Bonds, Series 2011C, Special Projects System First Tier Current Interest Revenue Bonds, Series 2011D and Special Projects System First Tier Taxable Current Interest Revenue Bonds, Series 2011E, (ii) refunding NTTA's Special Projects System Second Tier Transportation Infrastructure Finance and Innovation Act Loan with the U.S. Department of Transportation, (iii) refunding all or a portion of the North Texas Tollway Authority Dallas North Tollway System Variable Rate Revenue Bonds, Series 2005C, the North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008A, the North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008B and the North Texas Tollway Authority System First Tier Revenue Refunding Bonds, Series 2010, (iv) funding the First Tier Reserve Account and Second Tier Reserve Account to satisfy the First and Second Tier Required Reserves, and (v) paying costs of issuance of the Bonds, including municipal bond insurance premiums for insurance insuring the Insured Series 2017B Bonds (as defined herein) and a surety policy for the 2017 Shared Second Tier Reserve Account (as defined herein). See "SCHEDULE I - SCHEDULE OF REFUNDED OBLIGATIONS." The Bonds will be registered in the nominee name of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds pursuant to its book-entry-only system described herein. No physical delivery of the Bonds will be made to the respective beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by Wells Fargo Bank, National Association, as trustee (the "Trustee"), under an Amended and Restated Trust Agreement, dated as of April 1, 2008, between NTTA and the Trustee (as amended and supplemented through the date of delivery of the Bonds, the "Trust Agreement") to DTC, which will make distribution of the amounts so paid to the beneficial owners thereof. See "GENERAL INFORMATION REGARDING THE BONDS - Book-Entry-Only System."

The Bonds are authorized by and issued pursuant to (i) the laws of the State of Texas, particularly Chapter 366, Texas Transportation Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended, and (ii) a resolution (the "Resolution") adopted by the Board of Directors (the "Board") of NTTA on September 20, 2017. The Bonds, together with NTTA's outstanding revenue bonds and other obligations secured by the Trust Agreement, are special, limited obligations of NTTA payable solely from, and secured solely by, the tolls and other revenues of the NTTA System (as defined herein) and certain specified funds and accounts created pursuant to the Trust Agreement, on the basis and in the priority set forth therein and described herein.

The Bonds are further described in this Official Statement. See pages (i) - (iv) for additional information relating to the Bonds, including provisions relating to maturities, interest rates, yields, optional and mandatory sinking fund redemptions and lien priorities.

NTTA IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ONLY FROM THE TOLLS AND OTHER REVENUES OF THE NTTA SYSTEM AND CERTAIN SPECIFIED FUNDS AND ACCOUNTS CREATED PURSUANT TO THE RESOLUTION AND THE TRUST AGREEMENT ON THE BASIS AND IN THE PRIORITY SET FORTH THEREIN AND DESCRIBED HEREIN. EXCEPT AS SPECIFIED IN THE PRECEDING SENTENCE, NONE OF THE STATE OF TEXAS, NTTA, THE COUNTIES SERVED BY NTTA NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES SERVED BY NTTA NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NTTA HAS NO TAXING POWER. THE BONDS ARE NOT SECURED BY THE REVENUES GENERATED (i) BY THE 360 TOLLWAY (AS DEFINED HEREIN), (ii) UNDER ANY TSA (AS DEFINED HEREIN) OR (iii) UNDER ANY INTEROPERABILITY AGREEMENT.

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

The Bonds are offered for delivery when, as, and if issued and received by the underwriters and subject to the approval of the Attorney General of the State of Texas and the delivery of legal opinions from the law firms of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, and Mahomes Bolden PC, Dallas, Texas, co-bond counsel to NTTA. Certain legal matters will be passed upon for NTTA by Locke Lord LLP, Dallas, Texas, as counsel to NTTA, and by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, and Mahomes Bolden PC, Dallas, Texas, as co-disclosure counsel to NTTA. Certain legal matters will be passed upon for the underwriters by Winstead PC and West & Associates, L.L.P., co-counsel for the underwriters. It is expected that delivery of the Bonds will be made through DTC, New York, New York on or about November 1, 2017.

BOFA MERRILL LYNCH

J.P. MORGAN

BARCLAYS

CITIGROUP

JEFFERIES

LOOP CAPITAL MARKETS

MORGAN STANLEY

RAMIREZ & Co., INC.

RBC CAPITAL MARKETS

SIEBERT CISNEROS SHANK & Co. L.L.C.

**MATURITIES, INTEREST RATES, YIELDS, CUSIP NUMBERS AND ADDITIONAL
INFORMATION REGARDING THE SERIES 2017A BONDS**

General. The \$1,743,320,000 North Texas Tollway Authority System First Tier Revenue and Refunding Bonds, Series 2017A (the "Series 2017A Bonds") will be issued by the North Texas Tollway Authority System ("NTTA") as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof within a maturity and will be dated their date of delivery. Interest will accrue on the Series 2017A Bonds, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2018. Principal will come due on January 1 of the years and in the amounts set forth below or upon the earlier redemption of the Series 2017A Bonds.

MATURITY SCHEDULE FOR THE SERIES 2017A BONDS

SERIAL BONDS

<u>Stated Maturity (January 1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP No.⁽¹⁾</u>
2019	2,665,000	4.000	1.050	66285WVK9
2019	46,170,000	5.000	1.050	66285WUQ7
2020	150,000	2.000	1.130	66285WVL7
2020	21,285,000	5.000	1.130	66285WUR5
2021	1,375,000	3.000	1.270	66285WVM5
2021	39,800,000	5.000	1.270	66285WUP9
2022	180,000	2.000	1.460	66285WVN3
2022	42,525,000	5.000	1.460	66285WUS3
2023	4,175,000	4.000	1.650	66285WVP8
2023	34,675,000	5.000	1.650	66285WUT1
2024	46,735,000	5.000	1.710 ⁽²⁾	66285WUU8
2025	53,075,000	5.000	1.750 ⁽²⁾	66285WUV6
2026	39,870,000	5.000	1.820 ⁽²⁾	66285WUW4
2027	46,120,000	5.000	2.200 ⁽³⁾	66285WUX2
2028	28,175,000	5.000	2.330 ⁽³⁾	66285WVQ6
2029	35,270,000	5.000	2.430 ⁽³⁾	66285WVR4
2030	41,850,000	5.000	2.540 ⁽³⁾	66285WVS2
2031	1,200,000	3.000	3.070	66285WVT0
2031	35,470,000	5.000	2.650 ⁽³⁾	66285WWE2
2032	19,750,000	4.000	3.040 ⁽⁴⁾	66285WVU7
2032	20,810,000	5.000	2.740 ⁽⁴⁾	66285WWF9
2033	20,000,000	4.000	3.080 ⁽⁴⁾	66285WWG7
2033	25,890,000	5.000	2.800 ⁽⁴⁾	66285WVV5
2034	30,090,000	5.000	2.860 ⁽⁴⁾	66285WVW3
2034	30,000,000	5.000	3.200	66285WWH5
2035	30,000,000	5.000	3.270	66285WWJ1
2035	38,845,000	5.000	2.910 ⁽⁴⁾	66285WVX1
2036	25,000,000	4.000	3.280 ⁽⁴⁾	66285WVY9
2036	47,565,000	5.000	2.960 ⁽⁴⁾	66285WWK8
2037	30,000,000	4.000	3.320 ⁽⁴⁾	66285WWL6
2037	57,855,000	5.000	3.000 ⁽⁴⁾	66285WVZ6
2038	50,000,000	5.000	2.630 ⁽²⁾	66285WWM4
2038	56,035,000	5.000	3.060 ⁽⁵⁾	66285WWA0
2039	77,560,000	5.000	3.100 ⁽⁵⁾	66285WWB8

TERM BONDS

\$400,515,000	5.000%	Term Bond due January 1, 2043;	Priced to yield 3.180% ⁽⁵⁾ ;	CUSIP No. ⁽¹⁾ 66285WUY0
\$100,000,000	4.000%	Term Bond due January 1, 2043;	Priced to yield 3.500% ⁽⁵⁾ ;	CUSIP No. ⁽¹⁾ 66285WWC6
\$162,640,000	5.000%	Term Bond due January 1, 2048;	Priced to yield 3.230% ⁽⁵⁾ ;	CUSIP No. ⁽¹⁾ 66285WWD4

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with NTTA or the Underwriters and are included solely for the convenience of the owners of the Series 2017A Bonds. Neither NTTA nor the underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2017A Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Series 2017A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2017A Bonds.

⁽²⁾ = Yield calculated to January 1, 2023, first optional call date at par.

⁽³⁾ = Yield calculated to January 1, 2026, first optional call date at par.

⁽⁴⁾ = Yield calculated to January 1, 2027, first optional call date at par.

⁽⁵⁾ = Yield calculated to January 1, 2028, first optional call date at par.

Optional and Mandatory Sinking Fund Redemption. The Series 2017A Bonds are subject to optional and mandatory sinking fund redemption as described herein. See "**THE SERIES 2017 BONDS — The Series 2017A Bonds — Redemption.**"

Lien Priority. The Series 2017A Bonds constitute First Tier Bonds under the Trust Agreement. See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Priority of Payment.**"

Tax Status. In the opinion of co-bond counsel to NTTA, interest on the Series 2017A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, except as explained under "**TAX MATTERS — Opinion**" herein, including the alternative minimum tax on corporations. Interest on the Series 2017A Bonds will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under Section 57(a)(5) of the Code.

MATURITIES, INTEREST RATES, YIELDS, CUSIP NUMBERS AND ADDITIONAL INFORMATION REGARDING THE SERIES 2017B BONDS

General. The \$765,995,000 North Texas Tollway Authority System Second Tier Revenue and Refunding Bonds, Series 2017B (the "Series 2017B Bonds") will be issued by NTTA as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof within a maturity and will be dated their date of delivery. Interest will accrue on the Series 2017B Bonds, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2018. Principal will come due on January 1 of the years and in the amounts set forth below or upon the earlier redemption of the Series 2017B Bonds.

MATURITY SCHEDULE FOR THE SERIES 2017B BONDS

SERIAL BONDS

<u>Stated Maturity (January 1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP No.⁽¹⁾</u>
2019	4,980,000	4.000	1.110	66285WWN2
2020	3,105,000	4.000	1.210	66285WWP7
2021	7,745,000	5.000	1.370	66285WWQ5
2022	9,960,000	5.000	1.540	66285WWR3
2023	1,220,000	2.000	1.700	66285WWT9
2023	35,130,000	5.000	1.700	66285WWS1
2024	42,260,000	5.000	1.800 ⁽²⁾	66285WU6
2025	54,000,000	5.000	1.880 ⁽²⁾	66285WV4
2026	25,945,000	5.000	1.940 ⁽²⁾	66285WWW2
2027	21,525,000	5.000	2.300 ⁽³⁾	66285WWX0
2028	27,855,000	5.000	2.430 ⁽³⁾	66285WWY8
2029	26,770,000	5.000	2.530 ⁽³⁾	66285WWZ5
2030	22,970,000	5.000	2.640 ⁽³⁾	66285WXA9
2031	31,075,000	5.000	2.730 ⁽³⁾	66285WXB7
2032	31,860,000	5.000	2.840 ⁽⁴⁾	66285WXC5
2033	13,990,000	5.000	2.910 ⁽⁴⁾	66285WXD3
2033*	15,000,000	3.125	3.280	66285WXE1
2034*	24,580,000	4.000	3.160 ⁽⁴⁾	66285WXF8
2035*	18,045,000	4.000	3.210 ⁽⁴⁾	66285WXG6
2036*	21,305,000	4.000	3.250 ⁽⁴⁾	66285WXH4
2037*	12,525,000	4.000	3.290 ⁽⁴⁾	66285WXJ0
2038*	920,000	4.000	3.330 ⁽⁴⁾	66285WXK7
2039	26,815,000	5.000	3.190 ⁽⁴⁾	66285WXL5

TERM BONDS

\$102,850,000	5.000%	Term Bond due January 1, 2043;	Priced to yield 3.260% ⁽⁴⁾ ;	CUSIP No. ⁽¹⁾ 66285WXM3
\$183,565,000	5.000%	Term Bond due January 1, 2048;	Priced to yield 3.320% ⁽⁴⁾ ;	CUSIP No. ⁽¹⁾ 66285WXN1

Credit Enhancement. The scheduled payment of principal of and interest on the Series 2017B Bonds maturing on January 1 in the years 2033 (3.125% Interest Rate), 2034, 2035, 2036, 2037 and 2038 (the "Insured Series 2017B Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Series 2017B Bonds by Assured Guaranty Municipal Corp. ("AGM").



⁽¹⁾ CUSIP[®] is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with NTTA or the Underwriters and are included solely for the convenience of the owners of the Series 2017B Bonds. Neither NTTA nor the underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2017B Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Series 2017B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2017B Bonds.

⁽²⁾ = Yield calculated to January 1, 2023, first optional call date at par.

⁽³⁾ = Yield calculated to January 1, 2026, first optional call date at par.

⁽⁴⁾ = Yield calculated to January 1, 2027, first optional call date at par.

* Insured by AGM.

Optional and Mandatory Sinking Fund Redemption. The Series 2017B Bonds are subject to optional and mandatory sinking fund redemption as described herein. See "**THE SERIES 2017 BONDS — The Series 2017B Bonds — Redemption.**"

Lien Priority. The Series 2017B Bonds constitute Second Tier Bonds under the Trust Agreement and are subordinate to the First Tier Bonds. See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Priority of Payment.**"

Tax Status. In the opinion of co-bond counsel to NTTA, interest on the Series 2017B Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, except as explained under "**TAX MATTERS — Opinion**" herein, including the alternative minimum tax on corporations. Interest on the Series 2017B Bonds will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under Section 57(a)(5) of the Code.

NTTA BOARD, ADMINISTRATION, CONSULTANTS AND ADVISORS

Board of Directors⁽¹⁾

Name	Approximate Length of Service	Term Expires August 31	Appointed by	Occupation
Kenneth Barr, Chairman	9 years	2019	Tarrant County	Businessman
William Moore, Vice Chairman	7 years	2019	Collin County	Businessman
William D. Elliott ⁽²⁾	5 years	2015	Governor	Attorney
Mo'ji Haddad	4 years	2018	Tarrant County	Businessman
John Mahalik	2 years	2019	Denton County	Businessman
Michael R. Nowels	10 years	2018	Denton County	Businessman
George "Tex" Quesada ⁽²⁾	6 years	2017	Dallas County	Attorney
Carl O. Sherman	1 year	2018	Dallas County	City Manager
Jane Willard	6 years	2018	Collin County	Community Advocate

Administration⁽³⁾

Name	Position
Gerald E. Carrigan	CEO/Executive Director
Horatio Porter	Chief Financial Officer/Assistant Executive Director of Finance
Dena DeNooyer Stroh	Assistant Executive Director of Legal Services/General Counsel
James Hofmann	Assistant Executive Director of Operations
Elizabeth Mow	Assistant Executive Director of Infrastructure
Magdalena M. Brady	Director of Internal Audit
Lorelei Griffith	Secretary of the Board

Consultants and Advisors

Issuer's Counsel	Locke Lord LLP Dallas, Texas
Co-Bond Counsel and Co-Disclosure Counsel	McCall, Parkhurst & Horton L.L.P. Dallas, Texas
	Mahomes Bolden PC Dallas, Texas
Independent Auditors	Crowe Horwath LLP Dallas, Texas
Traffic Engineers	CDM Smith Dallas, Texas
	with the assistance of Baez Consulting, LLC Allen, Texas
Consulting Engineers	Atkins North America Dallas, Texas
Co-Financial Advisors	FirstSouthwest, a division of Hilltop Securities, Inc. Dallas, Texas
	Estrada Hinojosa & Co., Inc. Dallas, Texas
	RSI Group LLC Little Rock, Arkansas
Trustee and Paying Agent/Registrar	Wells Fargo Bank, National Association Dallas, Texas

For additional information regarding NTTA, please contact:

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⁽¹⁾ See "GOVERNMENT AND MANAGEMENT — The Board of Directors" in APPENDIX A.

⁽²⁾ Directors serve until appointment of a successor or reappointment.

⁽³⁾ See "GOVERNMENT AND MANAGEMENT — Key Staff Members" in APPENDIX A.

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by NTTA or Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Jefferies LLC, Loop Capital Markets LLC, Morgan Stanley & Co. LLC, Ramirez & Co., Inc., RBC Capital Markets, LLC, or Siebert Cisneros Shank & Co. L.L.C. (collectively, the "*Underwriters*") to give any information or to make any representation other than those contained in this document, as the same may be supplemented or modified by NTTA (the "*Official Statement*"), and, if given or made, such other information or representation may not be relied upon as having been authorized by NTTA or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor may there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of NTTA since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds and in no instance may this Official Statement be reproduced or used for any other purpose.

CUSIP numbers have been assigned to the Bonds by Standard & Poor's Financial Services LLC, CUSIP Global Services for the convenience of the owners of the Bonds. None of NTTA, its Co-Financial Advisors or the Underwriters shall be responsible for the selection or the correctness of the CUSIP numbers.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION WILL NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED. SEE "**CONTINUING DISCLOSURE OF INFORMATION**" FOR A DESCRIPTION OF THE UNDERTAKINGS OF NTTA TO PROVIDE CERTAIN INFORMATION ON A CONTINUING BASIS.

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

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

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING STATEMENT FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

AGM MAKES NO REPRESENTATION REGARDING THE BONDS OR THE ADVISABILITY OF INVESTING IN THE BONDS. IN ADDITION, AGM HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AGM SUPPLIED BY AGM AND PRESENTED UNDER THE SUB-HEADING "**THE SERIES 2017 BONDS – THE SERIES 2017B BONDS – BOND INSURANCE**" AND "**APPENDIX F - SPECIMEN MUNICIPAL BOND INSURANCE POLICY.**"

THE PRICE AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER SUCH BONDS ARE RELEASED FOR SALE, AND SUCH BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN

THE INITIAL OFFERING PRICE, INCLUDING SALES TO DEALERS WHO MAY SELL SUCH BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

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

The statements contained in this Official Statement that are not purely historical, are forward-looking statements, including statements regarding NTTA's expectations, hopes, intentions or strategies regarding the future. All forward-looking statements included in this Official Statement are based on information available to NTTA on the date hereof, and NTTA assumes no obligation to update any such forward-looking statements. Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date hereof. See "**RISK FACTORS — Forward-Looking Statements.**"

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OFFICIAL STATEMENT

relating to

\$2,509,315,000

NORTH TEXAS TOLLWAY AUTHORITY

SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2017

\$1,743,320,000

**FIRST TIER BONDS
SERIES 2017A**

\$765,995,000

**SECOND TIER BONDS
SERIES 2017B**

INTRODUCTION

This Official Statement (this "*Official Statement*") contains certain information relating to the offering and sale by the North Texas Tollway Authority ("*NTTA*") of its \$2,509,315,000 North Texas Tollway Authority System Revenue and Refunding Bonds, Series 2017, consisting of \$1,743,320,000 First Tier Revenue and Refunding Bonds, Series 2017A (the "*Series 2017A Bonds*") and \$765,995,000 Second Tier Revenue and Refunding Bonds, Series 2017B (the "*Series 2017B Bonds*" and, together with the Series 2017A Bonds, the "*Bonds*"). NTTA is a body politic and corporate and a political subdivision of the State of Texas (the "*State*") currently serving Collin, Dallas, Denton and Tarrant Counties (the "*Member Counties*") and Johnson County (together with the Member Counties, the "*Project Counties*"). Ellis County joined NTTA's Contiguous County Advisory Committee in April 2016 and will be served by NTTA upon the Texas Department of Transportation's ("*TxDOT*") completion of the 360 Tollway (as defined below) and transfer thereof to NTTA, which is scheduled for April 2018.

The Bonds are being issued by NTTA pursuant to (i) the laws of the State, particularly Chapter 366, Texas Transportation Code, as amended (the "*NTTA Act*"), and Chapters 1207 and 1371, Texas Government Code, as amended, and (ii) a resolution adopted by the Board of Directors (the "*Board*") of NTTA on September 20, 2017 (the "*Resolution*") authorizing the issuance of the Bonds.

The Bonds, together with certain other NTTA revenue bonds and other obligations, are secured by an Amended and Restated Trust Agreement dated as of April 1, 2008 (as amended and supplemented to and including the date of delivery of the Bonds, the "*Trust Agreement*") between NTTA and Wells Fargo Bank, National Association, as trustee (the "*Trustee*"), and are special, limited obligations of NTTA payable from and secured solely by the tolls and other revenues of the NTTA System (as defined herein) and certain specified funds and accounts created pursuant to the Trust Agreement, on the basis and in the priority described in the Trust Agreement and herein. See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Priority of Payment.**"

The Bonds are being issued for the purpose of (i) refunding all of the Special Projects System First Tier Current Interest Revenue Bonds, Series 2011A, Special Projects System First Tier Capital Appreciation Revenue Bonds, Series 2011B, Special Projects System First Tier Convertible Capital Appreciation Revenue Bonds, Series 2011C, Special Projects System First Tier Current Interest Revenue Bonds, Series 2011D and Special Projects System First Tier Taxable Current Interest Revenue Bonds, Series 2011E (collectively, the "*SPS Refunded Bonds*"), (ii) refunding NTTA's Special Projects System Second Tier Transportation Infrastructure Finance and Innovation Act Loan with the U.S. Department of Transportation (the "*SPS TIFIA Loan*"), (iii) refunding all or a portion of the North Texas Tollway Authority Dallas North Tollway System Variable Rate Revenue Bonds, Series 2005C, the North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008A, the North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008B and the North Texas Tollway Authority System First Tier Revenue Refunding Bonds, Series 2010 (collectively, the "*NTTA System Refunded Bonds*"), (iv) funding the First Tier Reserve Account and Second Tier Reserve Account to satisfy the First and Second Tier Required Reserves, and (v) paying costs of issuance of the Bonds including municipal bond insurance premiums for certain maturities of the Series 2017B Bonds. See "**PLAN OF FINANCE**" and "**SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS.**"

Investment in the Bonds involves certain risks, some of which are discussed in this Official Statement. The statements contained in this Official Statement, including the schedule and appendices hereto, that are not purely historical, are forward-looking statements, including statements regarding NTTA's expectations, hopes, intentions

or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to NTTA as of the date hereof, and NTTA assumes no obligation to update any such forward-looking statements. See "**RISK FACTORS**" for a discussion of certain risks that should also be considered in evaluating an investment in the Bonds.

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

NTTA IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ONLY FROM THE TOLLS AND OTHER REVENUES OF THE NTTA SYSTEM AND CERTAIN SPECIFIED FUNDS AND ACCOUNTS CREATED PURSUANT TO THE RESOLUTION AND THE TRUST AGREEMENT ON THE BASIS AND IN THE PRIORITY DESCRIBED THEREIN AND HEREIN. EXCEPT AS SPECIFIED IN THE PRECEDING SENTENCE, NONE OF THE STATE OF TEXAS, NTTA, THE COUNTIES SERVED BY NTTA NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES SERVED BY NTTA NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NTTA HAS NO TAXING POWER. THE BONDS ARE NOT SECURED BY THE REVENUES GENERATED (i) BY THE 360 TOLLWAY), (ii) UNDER ANY TSA (AS DEFINED HEREIN) OR (iii) UNDER ANY INTEROPERABILITY AGREEMENT.

NORTH TEXAS TOLLWAY AUTHORITY

NTTA is a regional tollway authority governed by the NTTA Act and a political subdivision of the State currently serving the Project Counties. NTTA came into existence on September 1, 1997, as the successor to the Texas Turnpike Authority (the "*TTA*"), an agency of the State created in 1953. At the time of its creation, NTTA assumed ownership of the system of toll roads then owned and operated by the TTA and all obligations of the TTA related to such system of toll roads.

The Board has adopted a mission statement which is "to provide a safe and reliable toll road system, increase value and mobility options for our customers, operate NTTA in a businesslike manner, protect our bondholders and partner to meet our region's growing need for transportation infrastructure."

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

NTTA currently operates the Existing NTTA System (defined below) and the Special Projects System (defined below). The projects that are presently a part of each system are listed in the table below. See "**INTRODUCTION AND OVERSIGHT – Introduction**" and "**THE NTTA SYSTEM**" in **APPENDIX A** for additional information regarding the NTTA System, the rationale for creating the Special Projects System and the rationale for making the PGBT WE (defined below) and CTP (defined below) part of the NTTA System at this time. At the time of issuance of the Bonds and application of the proceeds thereof to defease the debt of the Special Projects System, all liabilities of the Special Projects System will be paid or provided for and the PGBT WE and the CTP will be transferred to and become part of the NTTA System.

Prior to Consolidation	
EXISTING NTTA SYSTEM Dallas North Tollway (" <i>DNT</i> ") President George Bush Turnpike (" <i>PGBT</i> ") President George Bush Turnpike Eastern Extension (" <i>PGBT EE</i> ") Sam Rayburn Tollway (" <i>SRT</i> ") Mountain Creek Lake Bridge (" <i>MCLB</i> ") Addison Airport Toll Tunnel (" <i>AATT</i> ") Lewisville Lake Toll Bridge (" <i>LLTB</i> ")	SPECIAL PROJECTS SYSTEM President George Bush Turnpike Western Extension (" <i>PGBT WE</i> ") Chisholm Trail Parkway (" <i>CTP</i> ")

The DNT, AATT, PGBT, PGBT EE, MCLB, LLTB and SRT (which will revert to TxDOT on September 1, 2058) currently constitute and are collectively referred to herein as the "*Existing NTTA System*." The PGBT WE and the CTP currently constitute and are collectively referred to herein as the "*Special Projects System*." As used herein, the term "*NTTA System*" includes PGBT WE and CTP unless otherwise specified. **The Bonds, together with other revenue bonds and other obligations issued pursuant to the Trust Agreement, will be secured only by the NTTA System revenues, and certain funds and accounts established pursuant to the Trust Agreement and not by other revenues or assets of NTTA.**

In addition, NTTA entered into a project agreement with TxDOT to develop, finance, design, construct, operate and maintain a portion of State Highway 360 (the "*360 Tollway*"). The 360 Tollway will be a stand-alone toll project and will not be a part of the NTTA System. Revenues of the 360 Tollway may only be used to pay costs, including debt service, that are related to the 360 Tollway. **Revenues from the 360 Tollway will not secure and will not be available to pay debt service on the Bonds or other obligations entitled to the benefit of the Trust Agreement.** See "**THE 360 TOLLWAY**" in APPENDIX A and "**RISK FACTORS – Obligations Relating to 360 Tollway**" for additional information regarding the 360 Tollway.

The NTTA Act provides that NTTA shall provide, for reasonable compensation, tolling services normally provided through its customer service center, including customer service, customer account maintenance, transponder supply and toll collection and enforcement (collectively, "*Tolling Services*") for toll projects in NTTA's service area of Collin, Dallas, Denton and Tarrant counties. Furthermore, the NTTA Act provides that NTTA may enter into tolling services agreements (a "*TSA*") for a tolling project located in NTTA's boundaries. **Revenues generated by NTTA under any current or future TSA will not secure the Bonds or other obligations entitled to the benefit of the Trust Agreement.** See "**TOLLING SERVICES AGREEMENTS**" in APPENDIX A and "**RISK FACTORS – Obligation to Pay for Video Tolls under TSAs Prior to Collection**" for additional information regarding the TSAs.

See "**THE NORTH TEXAS TOLLWAY AUTHORITY**" in APPENDIX A for additional information regarding NTTA.

PLAN OF FINANCE

General

The Bonds are being issued in accordance with the NTTA Act, Chapters 1207 and 1371, Texas Government Code, as amended, the Trust Agreement and the Resolution. See "**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT, INCLUDING PROPOSED AMENDMENTS TO TRUST AGREEMENT**" in APPENDIX D.

In 2008, NTTA and TxDOT entered into various agreements and understandings to facilitate and expedite the delivery and financing of PGBT WE and CTP, which culminated in NTTA and TxDOT entering into a Toll Equity Loan Agreement ("*TELA*"), under which TxDOT made a toll equity loan available to NTTA to provide financial assistance with the two projects. The structure of this financial assistance necessitated that the projects be financed, constructed and operated separately and apart from the Existing NTTA System. For this reason, NTTA formed the Special Projects System consisting of PGBT WE and CTP. In 2011, to provide funding for the design and construction of these two facilities, NTTA obtained the \$418 million SPS TIFIA Loan and issued approximately \$1.3 billion in bonds secured by the revenues of the Special Projects System.

Under the TELA, if and when certain conditions are met, NTTA agreed to use its good faith efforts to discharge TxDOT of its obligations under the TELA by refinancing the Special Projects System debt without the

TELA support. If NTTA is unable to refinance the Special Projects System without the TELA support, the TELA requires NTTA to pay TxDOT an annual TELA fee, beginning in 2022.

In 2014, NTTA developed a strategic refinancing plan for its NTTA System revenue bonds to capitalize on the low interest rate environment, stabilize debt service coverage requirements and generate debt service savings. Over the past 36 months, NTTA has refunded over \$3 billion in Existing NTTA System revenue bonds, achieving approximately \$467 million in savings and lowering maximum annual debt service by over \$130 million. These refundings have created additional NTTA System debt capacity. The opportunity for NTTA to accelerate the refinancing of the Special Projects System debt with NTTA System revenue bonds arises from the new debt capacity, merging of PGBT WE and CTP revenues into the NTTA System and continued low interest rates. In addition to achieving notable debt service savings, bringing PGBT WE and CTP into the NTTA System will also create efficiencies and reduce operating costs by eliminating duplicate efforts of maintaining two separate systems, including auditing services, budget development, asset inspection, traffic and revenue consultants and financial advisory services.

The Refunding

Proceeds of the Bonds, along with certain cash on deposit in funds created under the Trust Agreement dated as of April 1, 2011, by and between NTTA and Wells Fargo Bank, National Association, as trustee (the "*SPS Trustee*"), securing the SPS Refunded Bonds and the SPS TIFIA Loan (the "*SPS Trust Agreement*"), will be used to (i) refund all of the outstanding SPS Refunded Bonds, (ii) refund the SPS TIFIA Loan and (iii) refund the NTTA System Refunded Bonds (collectively with the SPS Refunded Bonds and the SPS TIFIA Loan, the "*Refunded Obligations*"). See "**SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS.**"

On the date of delivery of the Bonds, the Trustee will transfer a portion of the proceeds of the Bonds, together with other funds of NTTA, to Wells Fargo Bank, National Association, as escrow agent (the "*NTTA System Escrow Agent*") under one or more escrow agreements relating to the NTTA System Refunded Bonds between NTTA and the NTTA System Escrow Agent (the "*NTTA System Escrow Agreement*"), establishing one or more escrow funds for the deposit of such bond proceeds (collectively, the "*NTTA System Escrow Fund*"). The NTTA System Escrow Agreement will require the NTTA System Escrow Agent to send out the notices of redemption for the NTTA System Refunded Bonds in a timely manner.

Additionally, on the date of delivery of the Bonds, the Trustee will transfer a portion of the proceeds of the Bonds, together with other funds of NTTA, to Wells Fargo Bank, National Association, as escrow agent (the "*SPS Escrow Agent*") under one or more escrow agreements relating to the SPS Refunded Bonds between NTTA and the SPS Escrow Agent (the "*SPS Escrow Agreement*"), establishing one or more escrow funds for the deposit of such bond proceeds (collectively, the "*SPS Escrow Fund*"). The SPS Escrow Agreement will require the SPS Escrow Agent to send out the notices of redemption for the SPS Refunded Bonds in a timely manner.

The proceeds of the Bonds transferred to the NTTA System Escrow Agent and the SPS Escrow Agent will be invested in direct obligations of the United States of America and/or direct obligations of its agencies rated in the highest investment grade rating of at least one nationally recognized rating agency (the "*Federal Securities*") to be held by the NTTA System Escrow Agent and the SPS Escrow Agent in amounts sufficient to pay the redemption price of the NTTA System Refunded Bonds and the SPS Refunded Bonds (other than the SPS Series 2011E Bonds, which will be paid at closing).

In addition, on the date of delivery of the Bonds, the Trustee will transfer a portion of the proceeds of the Bonds and other funds of NTTA, in an amount sufficient (i) to pay to the U.S. Department of Transportation the principal of and interest on the SPS TIFIA Loan in full and (ii) to pay the redemption price of the SPS Series 2011E Bonds.

Grant Thornton LLP, certified public accountants, will issue a report (the "*Report*") verifying, at the time of delivery of the Bonds to the Underwriters, the mathematical accuracy of the schedules that demonstrate (i) the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the escrow funds, will be sufficient to pay, when due, the principal of and interest on the SPS Refunded Bonds and the NTTA System Refunded Bonds, (ii) funds to be paid to the holders of the SPS Series 2011E Bonds on the date of delivery of the Bonds will be sufficient to pay the redemption price for the SPS Series 2011E Bonds on such date

and (iii) funds to be paid to the U.S. Department of Transportation on the date of delivery of the Bonds will be sufficient to pay the principal of and interest on the SPS TIFIA Loan in full on such date. The maturing principal of and interest on the Federal Securities will not be available to pay the Bonds. See "**VERIFICATION OF MATHEMATICAL COMPUTATIONS**" herein.

By the deposit of the Federal Securities and cash with the SPS Escrow Agent pursuant to the SPS Escrow Agreement and the NTTA System Escrow Agent pursuant to the NTTA System Escrow Agreement, NTTA will have effected the defeasance of the SPS Refunded Bonds (other than the SPS Series 2011E Bonds, which will be paid at closing) and the NTTA System Refunded Bonds pursuant to the terms of Chapter 1207, Texas Government Code, as amended, the SPS Trust Agreement, the Trust Agreement and the resolutions authorizing the issuance of the SPS Refunded Bonds and the NTTA System Refunded Bonds and in reliance on the Report. As a result of such defeasance, the SPS Refunded Bonds so defeased and the NTTA System Refunded Bonds so defeased will be payable solely from the principal of and interest on the Federal Securities and cash held for such purpose by the NTTA System Escrow Agent and SPS Escrow Agent, the SPS Refunded Bonds so defeased and the NTTA System Refunded Bonds so defeased will not be included in or considered to be indebtedness of NTTA for the purpose of a limitation on indebtedness or for any other purpose and NTTA will have no further responsibility with respect to amounts available in the SPS Escrow Fund for the payment of the SPS Refunded Bonds so defeased or NTTA System Escrow Fund for payment of the NTTA System Refunded Bonds so defeased from time to time, including any insufficiency therein caused by the failure to receive payments when due on the Federal Securities.

Upon the issuance of the Bonds and application of the proceeds thereof as described above, NTTA will have no outstanding obligations secured by the trust estate established under the SPS Trust Agreement, and all revenues generated by the PGBT WE and the CTP will be revenues of the NTTA System and pledged for the repayment of the Bonds and other outstanding bonds and Payment Obligations pursuant to the Trust Agreement.

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Estimated Sources and Uses of Funds

The proceeds from the sale of the Bonds, release of funds related to the SPS Refunded Bonds, the SPS TIFIA Loan and NTTA System Refunded Bonds and NTTA contribution and the use of such funds are as follows:

<u>Sources of Funds</u>	<u>Series 2017A Bonds</u>	<u>Series 2017B Bonds</u>	<u>NTTA Contribution</u>	<u>Total</u>
Principal Amount	\$ 1,743,320,000.00	\$ 765,995,000.00	-	\$ 2,509,315,000.00
Net Original Issue Premium	254,917,248.75	105,067,361.05	-	359,984,609.80
Debt Service Fund Contribution ¹	26,418,539.81	-	-	26,418,539.81
2011D Capitalized Interest Account	2,710,399.45	-	-	2,710,399.45
Rate Stabilization Fund (SPS)	-	-	136,093,033.83	136,093,033.83
General Fund (SPS)	12,675.91	-	27,422,871.15	27,435,547.06
Total	\$ 2,027,378,863.92	\$ 871,062,361.05	\$ 163,515,904.98	\$ 3,061,957,129.95

Uses of Funds

Deposit to SPS Escrow Fund for SPS Refunded Bonds	\$ 1,168,500,001.00	\$ 457,930,984.85	-	\$ 1,626,430,985.85
Deposit to NTTA System Escrow Fund for NTTA System Refunded Bonds	805,552,114.56	-	-	805,552,114.56
Payment of SPS TIFIA Loan and SPS Series 2011E Bonds	-	397,205,790.05	163,515,904.98	560,721,695.03
Deposit to First Tier Debt Service Reserve Account (NTTA System)	44,287,423.22	-	-	44,287,423.22
Deposit to Second Tier Debt Service Reserve Account (NTTA System)	-	11,326,077.69	-	11,326,077.69
Cost of Issuance ²	9,039,325.14	3,938,028.04	-	12,977,353.18
Bond Insurance Premium	-	383,991.52	-	383,991.52
Surety Bond Premium	-	277,488.90	-	277,488.90
Total	\$ 2,027,378,863.92	\$ 871,062,361.05	\$ 163,515,904.98	\$ 3,061,957,129.95

Utilization of SPS Cash

Balances in various funds held under the SPS Trust Agreement and the anticipated use of such amounts are shown below. Balances in the SPS Trust Agreement Rate Stabilization Fund, Debt Service Funds and General Fund are being used as shown in the sources and uses table under subheading "**Estimated Sources and Uses of Funds.**" Amounts shown below are approximate balances as of July 31, 2017.

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¹ Amount consists of \$14,454,302.09 from NTTA System Debt Service Fund and \$11,964,237.72 from SPS Debt Service Fund.

² Includes rounding amounts and underwriting, legal, financial advisory, rating agency, verification agent, accounting and Trustee fees, publication costs and printing expenses, among other costs of issuance.

SPS FUND BALANCES		BALANCES TRANSFERRED TO				
		NTTA System Trust Agreement Funds				
<u>SPS Trust Agreement Fund</u>	Approximate Balance as of July 31, 2017	Revenue Fund	Operation and Maintenance Fund*	Reserve Maintenance Fund*	Capital Improvement Fund*	Construction Fund
Construction Fund	38,387,500					38,387,500
Revenue Fund	1,637,000	1,637,000				
Operating Fund	4,587,600		4,587,600			
Major Maintenance Fund	357,000			357,000		
Major Maintenance Reserve Fund	18,600,200			7,795,200		10,805,000
Capital Expenditures Fund	57,800				57,800	
Capital Expenditures Reserve Fund	18,307,300				18,307,300	
General Fund (net of escrow fund contribution)	13,722,000				13,722,000	
TOTAL	\$95,656,400	\$1,637,000	\$4,587,600	\$8,152,200	\$32,087,100	\$49,192,500

*These funds are held by NTTA outside of the Trust Agreement.

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PRO FORMA DEBT SERVICE REQUIREMENTS⁽¹⁾

The table below shows the total debt service requirements for the outstanding obligations of NTTA secured by the Pledged Revenues (as defined herein). The table reflects NTTA's assumptions described under "PLAN OF FINANCE" (including the issuance of the Bonds, the refunding of the SPS Refunded Bonds, the NTTA System Refunded Bonds and the SPS TIFIA Loan) and in the footnotes below.

	A	B	C	D	E	F	G
FYE (12/31) ⁽²⁾	Outstanding First Tier Net Debt Service ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Series 2017A Debt Service	Outstanding Second Tier Net Debt Service ⁽⁷⁾	Series 2017B Net Debt Service ⁽⁸⁾	Outstanding ISTEA Loan Debt Service	Outstanding Subordinate Lien Debt Service ⁽⁹⁾	Total Net Debt Service
2017	\$ 306,220,688	\$ 14,181,450	\$ 56,565,700	\$ 6,187,883	\$ 9,000,000	\$ 24,062,790	\$ 416,218,511
2018	277,853,923	133,923,700	56,563,900	42,107,300	10,500,000	24,048,420	544,997,243
2019	310,566,873	104,108,600	56,566,150	40,033,100	12,250,000	54,473,420	577,998,143
2020	314,308,070	122,781,350	56,564,650	44,548,900	15,322,396	54,471,858	607,997,224
2021	339,975,933	122,280,100	56,563,650	46,376,650	15,322,396	54,476,545	634,995,274
2022	340,088,878	116,295,250	56,567,150	72,268,650	15,322,396	54,456,464	654,998,788
2023	347,079,745	122,279,500	56,563,900	76,397,750	15,322,396	54,354,930	671,998,220
2024	356,551,772	126,282,750	56,563,150	86,024,750	15,322,396	54,250,661	694,995,479
2025	397,779,669	110,424,000	56,563,650	55,269,750	15,322,396	54,136,546	689,496,011
2026	399,364,368	114,680,500	56,564,150	49,552,500	15,322,396	54,015,455	689,499,369
2027	415,902,373	94,429,500	55,148,400	54,806,250	15,322,396	53,889,642	689,498,560
2028	422,481,224	100,115,750	45,490,900	52,328,500	15,322,396	53,760,794	689,499,564
2029	396,447,834	104,932,250	140,925,900	47,190,000	-	-	689,495,984
2030	342,581,335	97,659,750	195,109,588	54,146,500	-	-	689,497,173
2031	338,140,698	99,740,250	198,238,900	53,377,750	-	-	689,497,598
2032	379,207,065	103,239,750	158,133,650	48,914,750	-	-	689,495,215
2033	384,272,017	115,345,250	146,541,650	43,336,500	-	-	689,495,417
2034	444,216,285	121,095,750	88,366,650	35,818,300	-	-	689,496,985
2035	470,098,960	121,373,500	59,669,900	38,356,500	-	-	689,498,860
2036	486,153,071	133,285,250	41,333,200	28,724,300	-	-	689,495,821
2037	523,931,142	147,372,500	1,574,224	16,618,300	-	-	689,496,166
2038	398,925,498	113,595,750	-	42,476,500	-	-	554,997,748
2039	398,773,760	114,682,750	-	41,540,750	-	-	554,997,260
2040	421,611,201	93,772,000	-	39,614,750	-	-	554,997,951
2041	362,329,116	155,091,650	-	37,577,000	-	-	554,997,766
2042	280,012,564	241,628,600	-	33,354,500	-	-	554,995,664
2043	189,544,205	39,087,000	-	21,368,250	-	-	249,999,455
2044	188,877,380	41,779,250	-	19,338,750	-	-	249,995,380
2045	151,632,483	37,144,500	-	61,220,250	-	-	249,997,233
2046	151,555,462	41,103,500	-	57,340,750	-	-	249,999,712
2047	12,798,704	27,588,750	-	46,891,172	-	-	87,278,626
2048	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-
	<u>\$ 10,549,282,296</u>	<u>\$ 3,231,300,450</u>	<u>\$ 1,696,179,012</u>	<u>\$ 1,393,107,556</u>	<u>\$ 169,651,564</u>	<u>\$ 590,397,524</u>	<u>\$ 17,629,918,402</u>

- ⁽¹⁾ Excludes any payments to be made into the Reserve Maintenance Fund (the "RMF") under the Trust Agreement. Payments made into the RMF are made after debt service on the First, Second and Third Tier Bonds but prior to debt service on the ISTEAL Loan and the Subordinate Lien Bonds. See "**ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME AND ESTIMATED DEBT SERVICE COVERAGE**" for estimated deposits to the RMF.
- ⁽²⁾ For all bonds other than the Subordinate Lien Bonds, Fiscal Year debt service includes debt service on the following January 1 (*i.e.*, Fiscal Year 2017 includes debt service on January 1, 2018). With respect to the Subordinate Lien Bonds, Fiscal Year debt service in each year includes the required deposit to the CIF Bond Payment Account on January 1 of the following year for the Subordinate Lien Bonds debt service due on August 1 of that year and February 1 of the next succeeding year (*e.g.*, Fiscal Year 2017 includes debt service on August 1, 2018, and February 1, 2019).
- ⁽³⁾ Net of direct federal subsidy related to the Series 2009B Bonds issued as Build America Bonds. The federal subsidy for each year through final maturity is assumed to be reduced by 6.6% (the sequestration rate for federal fiscal year 2018) due to automatic federal deficit reduction spending cuts known as "sequestration." Sequestration affects certain federally funded programs, including the federal subsidy payable to NTTA with respect to the Series 2009B Bonds. See "**RISK FACTORS – Risks Relating to Build America Bonds.**"
- ⁽⁴⁾ Assumes the Series 2012C Bonds are remarketed to a fixed rate of 5.00% on the January 1, 2019 mandatory tender date. The 2009D Bonds are associated with existing interest rate exchange agreements and the interest rate thereon is synthetically fixed with two interest rate exchange agreements, one with a notional amount of approximately \$84.06 million with a swap rate of 4.383% and one with a notional amount of approximately \$94.23 million with a swap rate of 4.243%. The interest rate exchange agreements amortize from 2019 to 2025. Any unhedged variable rate Series 2009D Bonds are assumed to bear interest at a rate of 5.00% inclusive of liquidity and remarketing costs. Assumes the Series 2011A Bonds bear interest at a rate of 2.00% and are remarketed to a fixed rate of 5.00% on the January 1, 2019 mandatory tender date. Assumes the Series 2014C Bonds bear interest at 1.92% to the January 1, 2020 mandatory tender date and are remarketed into a variable rate mode and bear interest at 3.00% thereafter.
- ⁽⁵⁾ Excludes debt service on the Refunded Obligations.
- ⁽⁶⁾ Debt service in Fiscal Years 2047-2051 is net of the cash balance in the First Tier Reserve Account that is required by the terms of the Trust Agreement to be used to retire the last maturities of the outstanding First Tier Bonds.
- ⁽⁷⁾ Debt service in Fiscal Year 2030 is net of cash balance in the 2014 Second Tier Reserve Subaccount that is required by the terms of the Trust Agreement to be used to retire the last maturities of the outstanding Series 2014B Bonds. Debt service in Fiscal Year 2037 is net of cash balance in the Series 2015 Second Tier Reserve Subaccount that is permitted by the terms of the Trust Agreement to be used to retire the last maturities of the outstanding Series 2015A Bonds.
- ⁽⁸⁾ Debt service in Fiscal Year 2047 is net of the cash balance in the 2017 Shared Second Tier Reserve Subaccount that is permitted by the terms of the Trust Agreement to be used to retire the last maturities of the outstanding Series 2017B Bonds.
- ⁽⁹⁾ Net of direct federal subsidy related to the Series 2010B Bonds issued as Build America Bonds. The federal subsidy for each year through final maturity is assumed to be reduced by 6.6% (the sequestration rate for federal fiscal year 2018) due to automatic federal deficit reduction spending cuts known as "sequestration." Sequestration affects certain federally funded programs, including the federal subsidy payable to NTTA with respect to the Series 2010B Bonds. See "**RISK FACTORS – Risks Relating to Build America Bonds.**"
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**ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME,
AND ESTIMATED DEBT SERVICE COVERAGE**

The table below shows estimated annual net revenues of the NTTA System for the period from January 1, 2017 through December 31, 2051. These net revenues figures were derived by deducting expenses, estimated by the Consulting Engineers, from the annual toll revenues of the NTTA System as estimated by the Traffic Engineers, and adding the other revenues as estimated by NTTA. See **"THE TRAFFIC AND REVENUE STUDY"** in **APPENDIX A** and **"RISK FACTORS."** The table reflects NTTA's assumptions described under **"PLAN OF FINANCE"** and **"PRO FORMA DEBT SERVICE REQUIREMENTS."**

FYE (12/31) ⁽¹⁾	A Estimated Toll Revenues ⁽²⁾	B Estimated Other Revenues ⁽³⁾	C Estimated Expenses ⁽⁴⁾	D Estimated Net Revenue	E Estimated Deposits to RMP ⁽⁵⁾	F Estimated Debt Service on all Debt ⁽⁶⁾⁽⁷⁾	G Estimated Coverage on 1st Tier Debt ⁽⁷⁾⁽⁸⁾	H Estimated Coverage on 1st Tier and 2nd Tier Debt ⁽⁷⁾⁽⁹⁾	I Coverage on all Debt & RMF Deposits
2017	\$ 795,034,300	\$ 55,318,814	\$ 148,273,695	\$ 702,079,419	\$ 29,972,676	\$ 416,218,511	2.19x	1.83x	1.57x
2018	843,189,300	57,344,963	175,798,081	724,736,182	34,099,680	544,997,243	1.76x	1.42x	1.25x
2019	885,895,300	59,112,836	182,000,773	763,007,363	45,376,847	577,998,143	1.84x	1.49x	1.22x
2020	930,556,400	61,152,604	187,460,796	804,248,208	26,704,800	607,997,224	1.84x	1.49x	1.27x
2021	980,803,300	62,836,250	193,084,620	850,554,930	47,697,025	634,995,274	1.84x	1.50x	1.25x
2022	1,039,443,300	65,357,826	198,877,158	905,923,968	37,174,119	654,998,788	1.99x	1.55x	1.31x
2023	1,092,581,300	67,411,316	204,843,473	955,149,143	47,206,851	671,998,220	2.04x	1.59x	1.33x
2024	1,147,844,200	69,860,197	210,988,777	1,006,715,620	61,445,305	694,995,479	2.09x	1.61x	1.33x
2025	1,205,084,400	71,839,616	217,318,440	1,059,605,576	51,910,494	689,496,011	2.09x	1.71x	1.43x
2026	1,267,351,800	74,539,606	223,837,993	1,118,053,412	28,869,855	689,499,369	2.18x	1.80x	1.56x
2027	1,320,081,000	76,591,522	230,553,133	1,166,119,388	159,161,694	689,498,560	2.29x	1.88x	1.37x
2028	1,378,577,200	79,165,684	237,469,727	1,220,273,157	124,125,175	689,499,564	2.34x	1.97x	1.50x
2029	1,439,428,500	81,186,083	244,593,819	1,276,020,763	161,068,698	689,495,984	2.55x	1.85x	1.50x
2030	1,503,965,800	84,097,553	251,931,634	1,336,131,719	118,685,387	689,497,173	3.04x	1.94x	1.65x
2031	1,572,086,400	86,433,485	259,489,583	1,399,030,303	134,126,971	689,497,598	3.20x	2.03x	1.70x
2032	1,641,906,500	89,603,696	267,274,270	1,464,235,926	217,851,750	689,495,215	3.04x	2.12x	1.61x
2033	1,714,510,800	92,112,691	275,292,498	1,531,330,992	52,015,614	689,495,417	3.07x	2.22x	2.07x
2034	1,790,693,400	95,531,251	283,551,273	1,602,673,378	331,480,114	689,496,985	2.84x	2.32x	1.57x
2035	1,870,601,400	98,294,808	292,057,811	1,676,838,397	156,944,776	689,498,860	2.84x	2.43x	1.98x
2036	1,954,800,600	102,126,993	300,819,546	1,756,108,048	244,838,620	689,495,821	2.84x	2.55x	1.88x
2037	2,040,760,700	105,100,232	309,844,132	1,836,016,800	153,094,644	689,496,166	2.74x	2.66x	2.18x
2038	2,124,379,100	109,043,124	319,139,456	1,914,282,768	74,459,871	554,997,748	3.74x	3.45x	3.04x
2039	2,211,380,700	112,129,071	328,713,640	1,994,796,131	280,982,509	554,997,260	3.89x	3.59x	2.39x
2040	2,301,903,000	116,252,802	338,575,049	2,079,580,753	83,055,276	554,997,951	4.04x	3.75x	3.26x
2041	2,394,616,800	119,526,897	348,732,300	2,165,411,397	400,311,707	554,997,766	4.19x	3.90x	2.27x
2042	2,491,361,400	123,934,658	359,194,269	2,256,101,788	131,243,692	554,995,664	4.33x	4.07x	3.29x
2043	2,593,986,100	127,479,137	369,970,097	2,351,495,140	336,505,015	249,999,455	10.29x	9.41x	4.01x
2044	2,701,685,800	132,427,767	381,069,200	2,453,044,366	194,854,664	249,995,380	10.64x	9.81x	5.51x
2045	2,811,402,700	136,218,642	392,501,276	2,555,120,066	155,756,994	249,997,233	13.54x	10.22x	6.30x
2046	2,919,497,300	140,602,330	404,276,315	2,655,823,315	387,953,657	249,999,712	13.79x	10.62x	4.16x
2047	3,031,816,400	143,845,390	416,404,604	2,759,257,186	117,510,098	87,278,626	68.32x	31.61x	13.47x
2048	3,148,617,800	148,503,774	428,896,742	2,868,224,832	481,353,695	-	-	-	5.96x
2049	3,268,740,400	151,873,631	441,763,645	2,978,850,386	144,337,042	-	-	-	20.64x
2050	3,394,062,300	156,903,350	455,016,554	3,095,949,096	323,441,196	-	-	-	9.57x
2051	3,518,235,900	160,491,298	468,667,050	3,210,060,148	245,467,587	-	-	-	13.08x
	<u>\$ 67,326,881,600</u>	<u>\$ 3,514,249,895</u>	<u>\$ 10,348,281,431</u>	<u>\$ 60,492,850,064</u>	<u>\$ 5,621,084,098</u>	<u>\$17,629,918,402</u>			

⁽¹⁾ For all Bonds other than the Subordinate Lien Bonds, Fiscal Year debt service includes debt service on the following January 1 (*i.e.*, Fiscal Year 2017 includes debt service on January 1, 2018). With respect to the Subordinate Lien Bonds, Fiscal Year debt service in each year includes the required deposit to the CIF Bond Payment Account on January 1 of the following year for the Subordinate Lien Bonds debt service due on August 1 of that year and February 1 of the next succeeding year (*e.g.*, Fiscal Year 2017 includes debt service on August 1, 2018 and February 1, 2019).

⁽²⁾ Estimated toll revenues are provided by CDM Smith, the Traffic Engineers for the NTTA System. Estimated revenues are projected at levels to be actually collected in each year (*i.e.*, cash basis). Historical toll revenues and historical debt service coverage are reported by NTTA on accrual-based revenues as recognized under Generally Accepted Accounting Principles. See **"OTHER FINANCIAL INFORMATION – Historical Traffic and Net Revenues"** and **"– Historical Debt Service Coverage"** in **APPENDIX A**.

- ⁽³⁾ Estimated other revenues are provided by NTTA and include interest earnings, video tolling administrative fees and other charges.
- ⁽⁴⁾ Estimated expenses are net of inter-fund transfers and are provided by Atkins North America, the Consulting Engineers for the NTTA System.
- ⁽⁵⁾ Deposits to the RMF are estimated by NTTA based on the current cash balance in the RMF, and expenses to be paid out of the RMF are estimated by Atkins North America, the Consulting Engineers for the NTTA System.
- ⁽⁶⁾ See column G of the table under the caption "**PRO FORMA DEBT SERVICE REQUIREMENTS.**"
- ⁽⁷⁾ See "**PRO FORMA DEBT SERVICE REQUIREMENTS**" and related notes for information regarding assumptions included in the estimates.
- ⁽⁸⁾ See columns A and B of the table under the caption "**PRO FORMA DEBT SERVICE REQUIREMENTS**" for totals of net debt service for all First Tier Debt.
- ⁽⁹⁾ See columns A-D of the table under the caption "**PRO FORMA DEBT SERVICE REQUIREMENTS**" for totals of net debt service for all First Tier and Second Tier Debt.

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THE SERIES 2017 BONDS

The Series 2017A Bonds

Description

The Series 2017A Bonds will be issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof and will be dated their date of delivery. Interest on the Series 2017A Bonds will accrue at the interest rates specified on page (i), calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2018. Principal will come due on January 1 of the years and in the amounts set forth on page (i) hereof or upon earlier redemption of the Series 2017A Bonds as described herein.

Redemption

Optional Redemption. The Series 2017A Bonds maturing on January 1 in the years 2024 through and including 2026, and in the year 2038 (with the original principal amount of \$50,000,000), may be redeemed prior to their scheduled maturity at the option of NTTA, with funds derived from any available source, on January 1, 2023, or on any date thereafter, in whole or in part, and, if in part, the particular Bonds or portions of Bonds to be redeemed are to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to the par amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The Series 2017A Bonds maturing on January 1 in the years 2027 through and including 2031, may be redeemed prior to their scheduled maturity at the option of NTTA, with funds derived from any available source, on January 1, 2026, or on any date thereafter, in whole or in part, and, if in part, the particular Bonds or portions of Bonds to be redeemed are to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to the par amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The Series 2017A Bonds maturing on January 1 in the years 2032, 2033, 2034 (with the original principal amount of \$30,090,000), 2035 (with the original principal amount of \$38,845,000), 2036 and 2037 may be redeemed prior to their scheduled maturity at the option of NTTA, with funds derived from any available source, on January 1, 2027, or on any date thereafter, in whole or in part, and, if in part, the particular Bonds or portions of Bonds to be redeemed are to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to the par amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The Series 2017A Bonds maturing on January 1 in the years 2038 (with the original principal amount of \$56,035,000), 2039, 2043 and 2048 may be redeemed prior to their scheduled maturity at the option of NTTA, with funds derived from any available source, on January 1, 2028, or on any date thereafter, in whole or in part, and, if in part, the particular Bonds or portions of Bonds to be redeemed are to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to the par amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

On or before the date fixed for redemption, subject to the provisions regarding conditional notices of redemption described below, money is required to be deposited with the Trustee to pay the principal of and interest accrued to the redemption date on the Series 2017A Bonds called for redemption. Upon the deposit of such money, unless NTTA has given notice of rescission, the Series 2017A Bonds will cease to bear interest on the redemption date and will no longer be considered outstanding.

The Series 2017A Bonds maturing on January 1, 2034 (with the original principal amount of \$30,000,000) and January 1, 2035 (with the original principal amount of \$30,000,000) **are not** subject to optional redemption.

Mandatory Sinking Fund Redemption. The Series 2017A Bonds maturing on January 1 in each of the years 2043 (bearing interest at 5.000% per annum), 2043 (bearing interest at 4.000% per annum) and 2048 are subject to mandatory sinking fund redemption prior to maturity and are required to be redeemed by the Trustee prior to maturity, with funds derived from the "First Tier Tollway Interest and Sinking Fund" created and maintained pursuant to the Trust Agreement, in the following amounts, on the following dates and at a price of par plus accrued

interest to the redemption date, with the particular Bonds or portions thereof to be redeemed to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000).

**\$400,515,000 Series 2017A Bonds maturing
January 1, 2043***

Redemption Date (January 1)	Principal Amount (\$)
2040	58,975,000
2041	41,015,000
2042	104,385,000
2043 (maturity)	196,140,000

*Bearing interest at a rate of 5.000% per annum.

**\$100,000,000 Series 2017A Bonds maturing
January 1, 2043****

Redemption Date (January 1)	Principal Amount (\$)
2040	23,550,000
2041	24,490,000
2042	25,470,000
2043 (maturity)	26,490,000

**Bearing interest at a rate of 4.000% per annum.

**\$162,640,000 Series 2017A Bonds maturing
January 1, 2048**

Redemption Date (January 1)	Principal Amount (\$)
2044	30,955,000
2045	35,195,000
2046	32,320,000
2047	37,895,000
2048 (maturity)	26,275,000

The principal amount of the Series 2017A Bonds required to be redeemed on any date pursuant to the operation of the mandatory sinking fund redemption provisions is required to be reduced, at the option of NTTA, by the principal amount of any Series 2017A Bonds of the maturity scheduled for redemption on such redemption date and bearing interest at the same rate per annum, which, at least 45 days prior to the applicable mandatory sinking fund redemption date, (1) has been acquired by NTTA and delivered to the Trustee for cancellation, (2) has been acquired and canceled by the Trustee at the direction of NTTA, with funds from the First Tier Tollway Interest and Sinking Fund at a price not exceeding the principal amount of such Series 2017A Bonds plus accrued interest to the date of acquisition thereof, or (3) has been redeemed pursuant to the optional redemption provisions and not previously credited to a scheduled mandatory sinking fund redemption.

Notice of Redemption. At least 30 days prior to the date fixed for optional redemption of the Series 2017A Bonds or portions thereof prior to maturity, at the option of NTTA, a written notice of such redemption is required to be sent by the Trustee by United States mail, first-class postage prepaid, to the registered owner of each Series 2017A Bond to be redeemed at its address as it appeared in the registration books maintained by the Trustee on the 45th day prior to such redemption date; *provided, however*, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, will not affect the validity or effectiveness of the

proceedings for the optional redemption of any Series 2017A Bonds. The mailing of such notice as required above in connection with the redemption of Series 2017A Bonds prior to maturity at the option of NTTA will be the only notice actually required in connection with or as a prerequisite to such optional redemption of any Series 2017A Bonds or portions thereof. All redemption notices for the Series 2017A Bonds are required to contain a description of the Series 2017A Bonds to be redeemed and such additional information as may be specified in the Trust Agreement.

In addition to the foregoing, the Trustee is required to give notice of redemption or of defeasance of any Series 2017A Bonds at least 30 days prior to a redemption date and within 30 days after a defeasance date to each registered securities depository and to the Municipal Securities Rulemaking Board (the "MSRB").

If notice of redemption is given and if due provision for such payment is made, the Series 2017A Bonds or portions thereof which are to be redeemed thereby automatically will be treated as redeemed prior to their scheduled maturities, and they will not bear interest after the date fixed for redemption, and they will not be regarded as being outstanding except for the right of the registered owners to receive the redemption price plus accrued interest from the Trustee out of the funds provided for such payment.

So long as a book–entry–only system is used for the Series 2017A Bonds, the Trustee will send any notices with respect to the Series 2017A Bonds only to The Depository Trust Company, New York, New York ("DTC"). Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, will not affect the validity of the redemption of the Series 2017A Bonds called for redemption or any other action premised on any such notice.

During any period in which ownership of the Series 2017A Bonds is determined by book–entry at a securities depository for the Series 2017A Bonds, if fewer than all of the Series 2017A Bonds of the same maturity are to be redeemed, the particular Series 2017A Bonds of the same maturity will be selected in accordance with the arrangements between NTTA and the securities depository.

Conditional Notice of Redemption. In the case of an optional redemption of the Series 2017A Bonds, the notice may state (1) that it is conditioned upon the deposit of money, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) that NTTA retains the right to rescind such notice at any time prior to the scheduled redemption date if NTTA delivers a certificate of a Board Representative to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "*Series 2017A Conditional Redemption*"), and such notice and optional redemption will be of no effect if such money is not deposited or if the notice is rescinded as described in the paragraph below.

Any Series 2017A Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if NTTA delivers a certificate of a Board Representative to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee is required to give prompt notice of such rescission or failure to deposit funds to the affected registered owners. Any Series 2017A Bonds subject to a Series 2017A Conditional Redemption where redemption has been rescinded or funds to effect the redemption have not been deposited will remain outstanding, and the rescission or failure to deposit funds will not constitute an event of default under the Trust Agreement.

Lien Priority

The Series 2017A Bonds constitute First Tier Bonds under the Trust Agreement. See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**" herein.

Tax Status

In the opinion of co-bond counsel to NTTA, interest on the Series 2017A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date hereof, except as explained under "**TAX MATTERS — Opinion**" herein, including the alternative minimum tax on corporations. Interest on the Series 2017A Bonds will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under Section 57(a)(5) of the Code.

The Series 2017B Bonds

Description

The Series 2017B Bonds will be issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof and will be dated their date of delivery. Interest on the Series 2017B Bonds will accrue at the interest rates specified on page (iii), calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2018. Principal will come due on January 1 of the years and in the amounts set forth on page (iii) hereof or upon earlier redemption of the Series 2017B Bonds as described herein.

Redemption

Optional Redemption. The Series 2017B Bonds maturing on January 1 in the years 2024 through 2026, inclusive, may be redeemed prior to their scheduled maturity at the option of NTTA, with funds derived from any available source, on January 1, 2023, or on any date thereafter, in whole or in part, and, if in part, the particular Bonds or portions of Bonds to be redeemed are to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to the par amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The Series 2017B Bonds maturing on January 1 in the years 2027 through 2031, inclusive, may be redeemed prior to their scheduled maturity at the option of NTTA, with funds derived from any available source, on January 1, 2026, or on any date thereafter, in whole or in part, and, if in part, the particular Bonds or portions of Bonds to be redeemed are to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to the par amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The Series 2017B Bonds maturing on or after January 1, 2032 may be redeemed prior to their scheduled maturity at the option of NTTA, with funds derived from any available source, on January 1, 2027, or on any date thereafter, in whole or in part, and, if in part, the particular Bonds or portions of Bonds to be redeemed are to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to the par amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

On or before the date fixed for redemption, subject to the provisions regarding conditional notices of redemption described below, money is required to be deposited with the Trustee to pay the principal of and interest accrued to the redemption date on the Series 2017B Bonds called for redemption. Upon the deposit of such money, unless NTTA has given notice of rescission, the Series 2017B Bonds will cease to bear interest on the redemption date and will no longer be considered outstanding.

Mandatory Sinking Fund Redemption. The Series 2017B Bonds maturing on January 1, 2043 and 2048 are subject to mandatory sinking fund redemption prior to maturity and are required to be redeemed by the Trustee prior to maturity, with funds derived from the "Second Tier Tollway Interest and Sinking Fund" created and maintained pursuant to the Trust Agreement, in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date, with the particular Bonds or portions thereof to be redeemed to be selected and designated by NTTA in its sole discretion (provided that a portion of any Bond may be redeemed only in an integral multiple of \$5,000).

\$102,850,000 Series 2017B Bonds maturing January 1, 2043

Redemption Date (January 1)	Principal Amount (\$)
2040	27,220,000
2041	26,655,000
2042	25,950,000
2043 (maturity)	23,025,000

**\$183,565,000 Series 2017B Bonds maturing
January 1, 2048**

Redemption Date (January 1)	Principal Amount (\$)
2044	12,190,000
2045	10,770,000
2046	53,190,000
2047	51,970,000
2048 (maturity)	55,445,000

The principal amount of the Series 2017B Bonds required to be redeemed on any date pursuant to the operation of the mandatory sinking fund redemption provisions is required to be reduced, at the option of NTTA, by the principal amount of any Series 2017B Bonds of the maturity scheduled for redemption on such redemption date, which, at least 45 days prior to the applicable mandatory sinking fund redemption date, (1) has been acquired by NTTA and delivered to the Trustee for cancellation, (2) has been acquired and canceled by the Trustee at the direction of NTTA, with funds from the Second Tier Tollway Interest and Sinking Fund at a price not exceeding the principal amount of such Series 2017B Bonds plus accrued interest to the date of acquisition thereof, or (3) has been redeemed pursuant to the optional redemption provisions and not previously credited to a scheduled mandatory sinking fund redemption.

Notice of Redemption. At least 30 days prior to the date fixed for optional redemption of the Series 2017B Bonds or portions thereof prior to maturity, at the option of NTTA, a written notice of such redemption is required to be sent by the Trustee by United States mail, first-class postage prepaid, to the registered owner of each Series 2017B Bond to be redeemed at its address as it appeared in the registration books maintained by the Trustee on the 45th day prior to such redemption date; *provided, however*, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, will not affect the validity or effectiveness of the proceedings for the optional redemption of any Series 2017B Bonds. The mailing of such notice as required above in connection with the redemption of Series 2017B Bonds prior to maturity at the option of NTTA will be the only notice actually required in connection with or as a prerequisite to such optional redemption of any Series 2017B Bonds or portions thereof. All redemption notices for the Series 2017B Bonds are required to contain a description of the Series 2017B Bonds to be redeemed and such additional information as may be specified in the Trust Agreement.

In addition to the foregoing, the Trustee is required to give notice of redemption or of defeasance of any Series 2017B Bonds at least 30 days prior to a redemption date and within 30 days after a defeasance date to each registered securities depository and to the MSRB.

If notice of redemption is given and if due provision for such payment is made, the Series 2017B Bonds or portions thereof which are to be redeemed thereby automatically will be treated as redeemed prior to their scheduled maturities, and they will not bear interest after the date fixed for redemption, and they will not be regarded as being outstanding except for the right of the registered owners to receive the redemption price plus accrued interest from the Trustee out of the funds provided for such payment.

So long as a book–entry–only system is used for the Series 2017B Bonds, the Trustee will send any notices with respect to the Series 2017B Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, will not affect the validity of the redemption of the Series 2017B Bonds called for redemption or any other action premised on any such notice.

During any period in which ownership of the Series 2017B Bonds is determined by book–entry at a securities depository for the Series 2017B Bonds, if fewer than all of the Series 2017B Bonds of the same maturity are to be redeemed, the particular Series 2017B Bonds of the same maturity will be selected in accordance with the arrangements between NTTA and the securities depository.

Conditional Notice of Redemption. In the case of an optional redemption of the Series 2017B Bonds, the notice may state (1) that it is conditioned upon the deposit of money, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) that NTTA retains the

right to rescind such notice at any time prior to the scheduled redemption date if NTTA delivers a certificate of a Board Representative to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "2017B Conditional Redemption"), and such notice and optional redemption will be of no effect if such money is not deposited or if the notice is rescinded as described in the paragraph below.

Any Series 2017B Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if NTTA delivers a certificate of a Board Representative to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee is required to give prompt notice of such rescission or failure to deposit funds to the affected registered owners. Any Series 2017B Bonds subject to a Series 2017B Conditional Redemption where redemption has been rescinded or funds to effect the redemption have not been deposited will remain outstanding, and the rescission or failure to deposit funds will not constitute an event of default under the Trust Agreement.

Bond Insurance

Bond Insurance Policy. Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2017B Bonds maturing on January 1 in the years 2033 (3.125% Interest Rate), 2034, 2035, 2036, 2037 and 2038 (the "Insured Series 2017B Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Series 2017B Bonds when due as set forth in the form of the Policy included as Appendix F to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp. AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P, "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's (as defined herein). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On June 26, 2017, S&P issued a research update report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 14, 2016, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Capitalization of AGM. At June 30, 2017:

- The policyholders' surplus of AGM was approximately \$2,222 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,289 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves of AGM and its subsidiaries (as described below) were approximately \$1,699 million. Such amount includes (i) 100% of the net unearned premium reserves of AGM and AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc, Assured Guaranty (UK) plc, CIFG Europe S.A. and Assured Guaranty (London) plc (together, the "AGM European Subsidiaries") and (ii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves and net unearned premium reserves of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves of the AGM European Subsidiaries were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (filed by AGL with the SEC on February 24, 2017);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (filed by AGL with the SEC on May 5, 2017); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017 (filed by AGL with the SEC on August 3, 2017).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "Bond Insurance – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the caption " Bond Insurance."

Lien Priority

The Series 2017B Bonds constitute Second Tier Bonds under the Trust Agreement. See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**" herein.

Tax Status

In the opinion of co-bond counsel to NTTA, interest on the Series 2017B Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date hereof, except as explained under "**TAX MATTERS — Opinion**" herein, including the alternative minimum tax on corporations. Interest on the Series 2017B Bonds will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under Section 57(a)(5) of the Code.

GENERAL INFORMATION REGARDING THE BONDS

Trustee

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

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

Record Date

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

Payments in the Event of Holidays

If the date for payment of the principal of or interest on the Bonds is not a Business Day, then the date for such payment will be the next succeeding day which is a Business Day; and payment on such date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Transfers and Exchanges

Beneficial ownership of the Bonds registered in the name of Cede & Co. will initially be transferred as described under "**— Book-Entry-Only System**" below.

As initial bond registrar, the Trustee is required to maintain registration books for the registration and transfer of the Bonds in accordance with the terms of the Trust Agreement.

Upon surrender of any Bonds at the corporate trust office of the Trustee, together with a written request therefor duly executed by the current registered owner of such Bonds or such registered owner's duly authorized attorney or representative with guarantee of signatures satisfactory to the Trustee, such Bonds may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate and in the same form as the Bonds being surrendered for exchange, registered in the name or names of the registered owner, assignee or assignees; *provided* that the Trustee is not required to exchange or register the transfer of Bonds (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bonds or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption.

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

The designated office of the Trustee is 1445 Ross Avenue, 43rd Floor Suite 4300, Dallas, Texas 75201, MAC T9216-430.

Defeasance

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

Any money so deposited with the Trustee may at the direction of NTTA also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee which is not required for the payment of the Defeased Debt, the redemption premium, if any, and interest thereon, with respect to which such money has been so deposited, will be turned over to NTTA.

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

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name.

NTTA cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants (defined below), (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners (defined below), or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Trustee and NTTA, so long as the DTC book-entry-only system is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Resolution or other notices with respect to such Bonds only to DTC. Any failure by DTC to advise any DTC Participant, or of any Direct Participant or Indirect Participant (defined below) to notify the Beneficial Owners, of any notices and their contents or effect will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on any such notice. Redemption of portions of the Bonds by NTTA will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its book-entry-only system, a redemption of such Bonds held for the account of DTC Participants in accordance with its own rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Bonds from the Beneficial Owners. Any such selection of the Bonds to be redeemed will not be governed by the Trust Agreement and will not be conducted by NTTA or the Trustee. Neither NTTA nor the Trustee will have any responsibility or obligation to Direct Participants, Indirect Participants or the persons for whom DTC Participants act as nominees, with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants or Beneficial Owners of the selection of portions of the Bonds for redemption.

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

The following information in this section concerning DTC and DTC's Book-Entry-Only system has been obtained from DTC. NTTA and Underwriters take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a S&P (as defined herein) rating of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers

of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instruments Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from NTTA or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee or NTTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of NTTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Modification of the Trust Agreement

The Trust Agreement may be amended by NTTA and the Trustee, with bondholder consent required for certain of such amendments. See "**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT, INCLUDING PROPOSED AMENDMENTS TO TRUST AGREEMENT**" in

APPENDIX D. Such bondholder consents could be provided by holders of bonds and underwriters of bonds issued under the Trust Agreement other than the holders of the Bonds.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Security for the Series 2017 Bonds

The Series 2017A Bonds are special, limited obligations of NTTA payable solely from, and secured by a First Tier lien on and pledge of the tolls and other revenues of the NTTA System and all money held by the Trustee in the various funds and accounts created under the Trust Agreement (the "*Pledged Revenues*") to the extent provided therein and as further described under this caption. Pledged Revenues do not include revenues of the 360 Tollway or revenues received by NTTA pursuant to any TSA NTTA has entered into with TxDOT or other third parties for toll projects in NTTA's service area (see "**TOLLING SERVICES AGREEMENTS**" in **APPENDIX A**), or any other revenues or assets of NTTA not pledged under the Trust Agreement.

The Series 2017B Bonds are special, limited obligations of NTTA payable solely from, and secured by a Second Tier lien on the Pledged Revenues to the extent provided in the Trust Agreement and as further described under this caption. **The Series 2017B Bonds, as Second Tier Bonds, are subordinate to the First Tier Bonds.**

The Pledged Revenues are pledged to the Trustee pursuant to the Trust Agreement for the benefit and security of all owners of First Tier Bonds, First Tier Payment Obligations, Second Tier Bonds, Second Tier Payment Obligations, Third Tier Bonds and Third Tier Payment Obligations, on the basis, and in the priority described herein and therein. See "**— Priority of Payment**" below. **Notwithstanding the foregoing, payments from the Revenue Fund must, to the extent required by the Trust Agreement, first be deposited to the Operation and Maintenance Fund and used for operating and maintenance expenses.** See "**— Priority of Payment**" and "**— Funds and Accounts — Revenue Fund**" for a description of the application and priority of payment for funds contained therein. See "**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT, INCLUDING PROPOSED AMENDMENTS TO TRUST AGREEMENT**" in **APPENDIX D.**

NTTA IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ONLY FROM THE TOLLS AND OTHER REVENUES OF THE NTTA SYSTEM AND CERTAIN SPECIFIED FUNDS AND ACCOUNTS CREATED PURSUANT TO THE RESOLUTION AND THE TRUST AGREEMENT ON THE BASIS AND IN THE PRIORITY DESCRIBED THEREIN AND HEREIN. EXCEPT AS SPECIFIED IN THE PRECEDING SENTENCE, NONE OF THE STATE OF TEXAS, NTTA, THE COUNTIES SERVED BY NTTA NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES SERVED BY NTTA NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NTTA HAS NO TAXING POWER. THE BONDS ARE NOT SECURED BY THE REVENUES GENERATED (i) BY THE 360 TOLLWAY, (ii) UNDER ANY TSA OR (iii) UNDER ANY INTEROPERABILITY AGREEMENT.

NTTA has not mortgaged, assigned or pledged any interest in any real or personal property or improvements, including any interest in the NTTA System or the expansions or extensions thereto, as security for payment of the Bonds other than the pledge of Pledged Revenues under the Trust Agreement. NTTA has pledged funds on deposit in certain accounts in the Capital Improvement Fund to the payment of Subordinate Lien Bonds (defined below) and the ISTEALoan (defined below). See "**— ISTEALoan**" and "**— The Subordinate Lien Bonds.**"

Pursuant to Chapter 1208, Texas Government Code, the pledge of, lien on and security interest in the Pledged Revenues granted by NTTA under the Trust Agreement, is valid, effective and perfected. If State law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of, lien on and security interest in the Pledged Revenues granted by NTTA under the Trust Agreement is to be subject to the filing requirements of Chapter 9 of the Texas Business & Commerce Code, NTTA has agreed to take such measures as it

determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, to perfect such pledge of, lien on and security interest in the Pledged Revenues.

Priority of Payment

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

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

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

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

Notwithstanding the foregoing, amounts on deposit in the Revenue Fund will first be applied to make a deposit to the Operation and Maintenance Fund for the payment of operating and maintenance expenses of the NTTA System. See "**Funds and Accounts — Revenue Fund**" for a description of the application and priority of payment for funds contained therein.

First Tier Bonds have a security interest in the tolls and other revenues of the NTTA System senior to that securing the Second Tier Bonds and Third Tier Bonds. Second Tier Bonds have a security interest in the tolls and other revenues of the NTTA System senior to that securing the Third Tier Bonds. See "**Outstanding Obligations**" herein for a description of the First Tier, Second Tier and Third Tier Bonds outstanding under the Trust Agreement.

The Trust Agreement also allows for securing "First Tier Payment Obligations," "Second Tier Payment Obligations" and "Third Tier Payment Obligations" in order to secure payments due pursuant to credit agreements, including loan agreements, revolving credit agreements, lines of credit, letters of credit, reimbursement agreements, insurance contracts, commitments to purchase bonds, purchase or sale agreements, interest rate swaps, caps and floor agreements or commitments or other contracts or agreements authorized, recognized and approved by NTTA. First Tier Payment Obligations are secured on a parity with First Tier Bonds, Second Tier Payment Obligations are secured on a parity with Second Tier Bonds and Third Tier Payment Obligations are secured on a parity with Third Tier Bonds. In addition, NTTA may establish additional levels of priority of payment and security within the Third Tier Payment Obligation category.

Funds and Accounts

General. The Trust Agreement establishes certain special funds of NTTA. Such funds are designated as the "Revenue Fund," the "First Tier Sinking Fund," the "Second Tier Sinking Fund," the "Third Tier Sinking Fund" and the "Construction Fund," all of which are held by the Trustee, and the "Reserve Maintenance Fund," the "Operation and Maintenance Fund" and the "Capital Improvement Fund," all of which are held by NTTA.

Amounts on deposit in the Revenue Fund (subject to required transfers to the Operation and Maintenance Fund) and the Sinking Funds are pledged to secure the payment of the bonds issued under the Trust Agreement. Amounts on deposit in the Operations and Maintenance Fund, Capital Improvement Fund, Reserve Maintenance Fund and customer deposits held by NTTA are not pledged to secure the payment of the bonds secured by the Trust Agreement.

Master Custodial Account Agreement. NTTA has entered into a Master Custodial Account Agreement (the "*Master Custodial Account Agreement*") with Wells Fargo Bank, National Association, as custodian (the "*Custodian*"). Under the Master Custodial Account Agreement, all toll revenues collected by NTTA from all toll projects owned or operated by NTTA, including the toll revenues derived from the operation of the NTTA System, are deposited into custodial accounts with the Custodian. On each business day, NTTA is required to direct the Custodian to transfer to the Trustee all toll revenues deposited into such custodial accounts that constitute available funds and that have been reconciled to transactions on the NTTA System.

Revenue Fund. NTTA covenants that all gross revenues (all tolls, other revenues and income) arising or derived by NTTA from the operation and ownership of the NTTA System (excepting investment income from all Funds and Accounts other than the Revenue Fund) will be collected by NTTA and deposited daily, as far as practicable, with the Trustee for the credit of the Revenue Fund; provided, however, that where NTTA has entered into an arrangement (i) for the collection on behalf of NTTA of current or past-due tolls or other amounts, including arrangements with tolling service providers, collection agencies, or other tolling operators, or (ii) for the payment of tolls or other amounts on behalf of the NTTA System user, including arrangements with credit/debit card companies, the tolls or other amounts subject to such arrangements arising or derived by NTTA from the operation and ownership of the NTTA System to be deposited for the credit of the Revenue Fund may be net of fees and expenses associated with any such arrangement.* In addition, tolls collected on behalf of TxDOT pursuant to a project agreement that provides for revenue sharing with TxDOT are required to be collected by NTTA and to be held and transferred to or upon the order of TxDOT as set forth in such project agreement. See "**THE NTTA SYSTEM — Sam Rayburn Tollway — SRT Project Agreement — Banded Revenue Sharing**" and "**— President George Bush Turnpike Eastern Extension — PGBT EE Project Agreement — Revenue Sharing**" in **APPENDIX A** and "**THE NTTA COMBINED TOLL RATE SCHEDULES**" in **APPENDIX C**. The Trustee is required to disburse amounts which are required to be on deposit in the various funds and accounts described below from the Revenue Fund on the required dates. The balance in the Revenue Fund as of June 30, 2017 was approximately \$200,542,695.

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

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

* The foregoing proviso will only be effective upon obtaining the approval of a majority in principal amount of the outstanding First Tier Bonds and Second Tier Bonds.

- *Fifth*, on or before the first day of each month, funds are deposited to the credit of the Second Tier Reserve Account or subaccount therein, if one is provided for in a Supplemental Agreement, in the amounts set forth in the Supplemental Agreement establishing the Second Tier Required Reserve or authorizing Additional Second Tier Bonds.
- *Sixth*, on or before the last Business Day preceding each interest payment date or principal (or sinking fund redemption) payment date for the Third Tier Bonds (including Third Tier Payment Obligations) or such other day as set forth in a Supplemental Agreement, funds are deposited to the applicable account in the Third Tier Sinking Fund (or to a fund or account created to pay or repay amounts owed under a Credit Agreement entered into in connection with a series of Third Tier Bonds in lieu of either of the foregoing) in the amounts due on any Third Tier Bond (including Third Tier Payment Obligations).
- *Seventh*, on or before the first day of each month, funds are deposited to the credit of the Third Tier Reserve Account or subaccount therein, if one is provided for in a Supplemental Agreement, in the amounts set forth in the Supplemental Agreement establishing the Third Tier Required Reserve or authorizing Additional Third Tier Bonds.
- *Eighth*, on or before the first day of each month, funds are required to be deposited in the Reserve Maintenance Fund in an amount equal to one-twelfth of the amount necessary in such Fiscal Year to accumulate in the Reserve Maintenance Fund an amount equal to the greater of (1) \$5,000,000, and (2) the amount as may be required in the then current Annual Budget to be deposited to the credit of the Reserve Maintenance Fund during the then current Fiscal Year; *provided, however*, that if the amount so deposited to the credit of the Reserve Maintenance Fund in any Fiscal Year is less than the budgeted amount, the requirement therefore will nevertheless be cumulative and the amount of any deficiency in any Fiscal Year is required to be added to the amount otherwise required to be deposited in each Fiscal Year thereafter until such time as such deficiency has been made up, unless such budget requirement has been modified by NTTA.
- *Ninth*, at the end of each Fiscal Year any remaining funds on deposit in the Revenue Fund may be transferred to the Capital Improvement Fund to the extent such funds are determined by the Chief Financial Officer to be in excess of the amounts required to be reserved in the Revenue Fund for transfers to be made in the first two months of the following Fiscal Year to the First Tier Bond Interest Account and First Tier Redemption Account of the First Tier Sinking Fund, the Second Tier Bond Interest Account and Second Tier Redemption Account of the Second Tier Sinking Fund, the Third Tier Bond Interest Account and the Third Tier Redemption Account of the Third Tier Sinking Fund or any fund or account established for the payment or security for any Bond.

Operation and Maintenance Fund. On or before the first day of each month, the Trustee is required to withdraw from the Revenue Fund and deposit to the Operation and Maintenance Fund, on written request of NTTA, an amount which the Chairman or Vice Chairman and the Chief Financial Officer certify to be required to make the total amount in the Operation and Maintenance Fund equal to one-sixth (1/6) of the amount of the total Current Expenses scheduled for the current Fiscal Year in the current Annual Budget, plus all prior accruals for insurance and other periodic or regularly recurring expenses. Except as otherwise provided in the Trust Agreement, all Current Expenses are required to be paid directly by NTTA by drawing checks or drafts on the Operation and Maintenance Fund in the manner determined by NTTA, and such Fund may not be used for any other purpose. The balance in the Operation and Maintenance Fund as of June 30, 2017 was approximately \$28,169,358.

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

Bond Interest Accounts. Funds in the Bond Interest Accounts are available to pay interest on all bonds issued under the Trust Agreement that bear the same designation (*i.e.*, First Tier, Second Tier or Third Tier, as the respective account bearing the same designation) on each interest payment date. The balances in the First Tier Bond Interest Account, the Second Tier Bond Interest Account and the Third Tier Bond Interest Account are

usually immaterial because funds are not transferred to the Bond Interest Accounts until immediately prior to the bond interest due dates. In addition to the foregoing, a subaccount of the First Tier Bond Interest Account was established by the Trustee for the deposit of the direct subsidy payments for the Series 2009B Bonds previously issued as "Build America Bonds." Amounts held in such subaccount are required to be used to reduce the amount of the regularly scheduled debt service payments on the Series 2009B Bonds. The balance in such subaccount is usually immaterial as amounts are quickly used to pay interest on the Series 2009B Bonds. The balance in the Bond Interest Accounts as of June 30, 2017 was approximately \$169,241,878, including approximately \$4,474,200 in the Build America Bonds subaccount.

Redemption Accounts. Funds in the Redemption Accounts are available to pay the principal of bonds issued under the Trust Agreement and the amounts of Payment Obligations that bear the same designation (*i.e.*, First Tier, Second Tier or Third Tier, as the respective account bearing the same designation) which are scheduled to mature or be mandatorily redeemed prior to maturity on each principal payment or redemption date or, in the case of Payment Obligations, which are due for payment. The balances in the First Tier Redemption Account, the Second Tier Redemption Account and the Third Tier Redemption Account are usually immaterial because funds are not transferred to the Redemption Accounts until immediately prior to the maturity and redemption dates. The balance in the Redemption Accounts as of June 30, 2017 was approximately \$25,587,496.

Reserve Accounts.

First Tier Reserve Account. With respect to the First Tier Reserve Account, an amount equal to the average annual Debt Service Requirements of all First Tier Bonds Outstanding calculated as of the date of issuance of any First Tier Bonds is to be maintained in such Reserve Account (unless provided by a First Tier Reserve Surety Agreement as defined in the Trust Agreement). A First Tier Reserve Surety Agreement may be in the form of a surety bond or insurance policy from an issuer with a claims paying ability rating of "AAA," "AAA" and "Aaa" by S&P, Fitch Ratings ("*Fitch*"), and Moody's, respectively, or an unconditional, irrevocable letter of credit issued by a bank rated at least "AA," "AA" and "Aa" by S&P, Fitch and Moody's, respectively.

Funds in the First Tier Reserve Account are required to be used to (i) pay interest on and principal of the First Tier Bonds to the extent that the funds in the First Tier Bond Interest Account and the First Tier Redemption Account are insufficient for such purpose, and (ii) retire the last of the Outstanding First Tier Bonds. As of June 30, 2017, the First Tier Reserve Account was fully funded with investments with an amortized value, calculated in accordance with the Trust Agreement, of approximately \$350,449,712, which amount exceeded the required balance of \$343,210,733. The First Tier Reserve Account will continue to be fully funded upon the issuance of the Series 2017A Bonds. Upon the issuance of the Series 2017A Bonds, the required balance for the First Tier Reserve Account will be \$395,882,248.

Second Tier Reserve Account. The Eighteenth Supplement to the Trust Agreement, pursuant to which the North Texas Tollway Authority System Second Tier Revenue Refunding Bonds, Series 2014B (the "*Series 2014B Bonds*") were issued, provides for a separate sub-account within the Second Tier Reserve Account (the "*2014 Second Tier Reserve Subaccount*") solely securing the Series 2014B Bonds and any Second Tier Bonds issued to refund the Series 2014B Bonds (or to refund any such refunding bonds) for debt service savings purposes. The amount required to be maintained in the 2014 Second Tier Reserve Subaccount (unless provided by a Second Tier Reserve Surety Agreement) is \$8,160,143 (the "*2014 Second Tier Required Reserve*"), which is an amount equal to one-half of the average annual Debt Service Requirements of the Series 2014B Bonds calculated as of the date of issuance of the Series 2014B Bonds. As of June 30, 2017, the 2014 Second Tier Reserve Subaccount was fully funded with investments with an amortized value, calculated in accordance with the Trust Agreement, of approximately \$8,451,344, which amount exceeded the required balance.

Funds in the 2014 Second Tier Reserve Subaccount are required to be used to (i) pay interest on and principal of the Series 2014B Bonds (or Second Tier Bonds issued to refund the Series 2014B Bonds) to the extent that the funds in the Second Tier Bond Interest Account and the Second Tier Redemption Account are insufficient for such purpose, and (ii) retire the last of the Outstanding Series 2014B Bonds (or Second Tier Bonds issued to refund the Series 2014B Bonds).

The Twentieth Supplement to the Trust Agreement, pursuant to which the North Texas Tollway Authority System Second Tier Revenue Refunding Bonds, Series 2015A (the "*Series 2015A Bonds*") were issued, provides

for a separate sub-account within the Second Tier Reserve Account (the "*2015 Second Tier Reserve Subaccount*") solely securing the Series 2015A Bonds and any Second Tier Bonds issued to refund the Series 2015A Bonds (or to refund any such refunding bonds) for debt service savings purposes. The amount required to be maintained in the 2015 Second Tier Reserve Subaccount (unless provided by a Second Tier Reserve Surety Agreement) is \$34,702,942 (the "*2015 Second Tier Required Reserve*"), which is an amount equal to one-half of the average annual Debt Service Requirements of the Series 2015A Bonds calculated as of the date of issuance of the Series 2015A Bonds. As of June 30, 2017, the 2015 Second Tier Reserve Subaccount was fully funded with investments with an amortized value, calculated in accordance with the Trust Agreement, of approximately \$35,649,884, which amount exceeded the required balance.

Funds in the 2015 Second Tier Reserve Subaccount are required to be used to pay interest on and principal of the Series 2015A Bonds (or Second Tier Bonds issued to refund the Series 2015A Bonds) to the extent that the funds in the Second Tier Bond Interest Account and the Second Tier Redemption Account are insufficient for such purpose, and may be used by NTTA to retire the last of the Outstanding Series 2015A Bonds (or Second Tier Bonds issued to refund the Series 2015A Bonds).

The Twenty-Fifth Supplement to the Trust Agreement provides for a separate sub-account within the Second Tier Reserve Account (the "*2017 Shared Second Tier Reserve Subaccount*") solely securing the Series 2017B Bonds and all other 2017 Shared Second Tier Reserve Subaccount Secured Bonds. "*2017 Shared Second Tier Reserve Subaccount Secured Bonds*" are the Series 2017B Bonds and any Additional Second Tier Bonds designated by NTTA as 2017 Shared Second Tier Reserve Subaccount Secured Bonds in the Supplemental Agreement under which such Additional Second Tier Bonds are issued and secured by the 2017 Shared Second Tier Reserve Subaccount.

The amount required to be maintained in the 2017 Shared Second Tier Reserve Subaccount (the "*2017 Shared Second Tier Required Reserve*") is an amount equal to the one-half of average annual Debt Service Requirements of all Outstanding 2017 Shared Second Tier Reserve Subaccount Secured Bonds as calculated and established on, and as of, the date of issuance of any 2017 Shared Second Tier Reserve Subaccount Secured Bonds. The 2017 Shared Second Tier Required Reserve for the issuance of the Series 2017B Bonds is \$22,652,155.

NTTA has elected to fund the 2017 Shared Second Tier Reserve Subaccount in part with a municipal bond debt service reserve policy (the "*Reserve Policy*") from AGM, which constitutes a Second Tier Reserve Surety Agreement as described below. The Reserve Policy will fund one-half of the 2017 Shared Second Tier Required Reserve, and will be drawn if no cash or investments are available to be used to pay a debt service deficiency payable from the 2017 Shared Second Tier Reserve Subaccount. Certain financial information about AGM is provided in "**THE SERIES 2017 BONDS — The Series 2017B Bonds — Bond Insurance — Assured Guaranty Municipal Corp.**" The remainder of the 2017 Shared Second Tier Required Reserve is being funded with proceeds of the Series 2017B Bonds at closing.

The Twenty-Fifth Supplement to the Trust Agreement provides that a Second Tier Reserve Surety Agreement may be substituted by NTTA at any time and from time to time for all or any part of the money held for the credit of the 2017 Shared Second Tier Reserve Subaccount, and such money may be withdrawn and used for any lawful purpose. Any such Second Tier Reserve Surety Agreement may be in the form of a surety bond or insurance policy from an issuer with a claims paying ability rating of "AA," "AA," or "Aa," respectively, by S&P, Fitch or Moody's at the time of issuance of the surety bond or insurance policy. Any such Second Tier Reserve Surety Agreement may also be in the form of an unconditional irrevocable letter of credit issued by a bank rated at least "AA" or "Aa" by any two of the three rating agencies, S&P, Fitch or Moody's, at the time of issuance of the letter of credit. In the event the issuer of a Second Tier Reserve Surety Agreement for the 2017 Shared Second Tier Reserve Subaccount defaults in its payments thereunder or becomes insolvent, NTTA is required to, within six months of such occurrence, either (1) transfer funds from the Revenue Fund for deposit into the 2017 Shared Second Tier Reserve Subaccount in an amount sufficient to cause the money on deposit in the 2017 Shared Second Tier Reserve Subaccount to accumulate to the 2017 Shared Second Tier Required Reserve, or (2) replace such instrument with a surety bond, insurance policy, or letter of credit meeting the requirements described above. See "**Funds and Accounts — Revenue Fund**" for a description of the application and priority of payment for funds contained in the Revenue Fund.

The money on deposit in the 2017 Shared Second Tier Reserve Subaccount must be used to pay interest on and principal of the 2017 Shared Second Tier Reserve Subaccount Secured Bonds to the extent that the money on deposit in the Second Tier Bond Interest Account and the Second Tier Redemption Account is insufficient for such purpose, and may be used by NTTA to retire the last of the outstanding 2017 Shared Second Tier Reserve Subaccount Secured Bonds.

Upon a deficiency in the 2014 Second Tier Reserve Subaccount, the 2015 Second Tier Reserve Subaccount or the 2017 Shared Second Tier Reserve Subaccount due to a withdrawal or change in value of Authorized Investments, on or before the first day of each month, funds from the Revenue Fund are required to be deposited to the credit of the 2014 Second Tier Reserve Subaccount, the 2015 Second Tier Reserve Subaccount or the 2017 Shared Second Tier Reserve Subaccount, as applicable, in the amount of such deficiency in order to make the amount on deposit in the 2014 Second Tier Reserve Subaccount equal to the 2014 Second Tier Required Reserve, or in the 2015 Second Tier Reserve Subaccount equal to the 2015 Second Tier Required Reserve or in the 2017 Shared Second Tier Reserve Subaccount equal to the 2017 Shared Second Tier Required Reserve, as applicable, which restoration is intended to occur within 12 months of the occurrence of any such deficiency in 12 substantially equal monthly installments. See "**Funds and Accounts** — *Revenue Fund*" for a description of the application and priority of payment for funds contained in the Revenue Fund.

Third Tier Reserve Account. As of the date hereof, no Third Tier Bonds for which a reserve is required have been issued under the Trust Agreement and the Third Tier Reserve Account has no funds credited thereto.

Reserve Maintenance Fund. Amounts in the Reserve Maintenance Fund are to be used for paying the costs of repairs, painting, renewals, replacements, improvements and other costs and expenses necessary for safe or efficient operations of the NTTA System or to prevent loss of revenues, for engineering expenses related to NTTA, for equipment, for expenses of maintenance and for operating expenses not occurring at annual or shorter periods. To the extent that the amounts on deposit in the Bond Interest Accounts, the Redemption Accounts and the Reserve Accounts are insufficient to pay the principal of and interest on the bonds issued under the Trust Agreement and Payment Obligations when due, NTTA is required to transfer money from the Reserve Maintenance Fund to the appropriate account in the Sinking Funds for such purposes; *provided, however*, that no such transfer may be made of money in the Reserve Maintenance Fund which is, in the opinion of NTTA, then needed for repairs or replacements necessary to maintain safe operation of the NTTA System or to prevent loss of revenue of the NTTA System. The balance in the Reserve Maintenance Fund as of June 30, 2017 was approximately \$37,930,631.

Additional Accounts. NTTA can create additional accounts within the Sinking Funds, and has created a special subaccount to be held by the Trustee within the Third Tier Redemption Account designated as the "Swap Termination Payment Subaccount." Payments required to be made under a swap agreement or other qualified credit agreement or a transaction entered into pursuant thereto upon termination of such transaction or agreement that are specified as Third Tier Payment Obligations under the swap agreement or credit agreement will be secured by and payable from the Net Revenues (as defined in **APPENDIX D**) required to be deposited into the Swap Termination Payment Subaccount. The Trustee is required to transfer funds from the Revenue Fund into the Swap Termination Payment Subaccount in such amounts as are necessary for NTTA to pay such Third Tier Payment Obligations. All Third Tier Payment Obligations payable out of the Swap Termination Payment Subaccount are secured on an equal and ratable basis by money on deposit on the Swap Termination Payment Subaccount. Termination payments related to the NTTA's current Swap Transactions (as hereinafter defined) are payable out of the Swap Termination Payment Subaccount. See "**RISK FACTORS – Swap Termination Risks.**"

Capital Improvement Fund. Amounts in the Capital Improvement Fund may be used to pay the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, acquisition of rights-of-way, reconstruction and replacements, capital expenditures, engineering studies and other expenses relating to the powers and functions of NTTA in connection with the NTTA System, or for any other purpose authorized by law, including the payment of debt service and other payments secured by a lien on all or a portion of the amounts deposited in the Capital Improvement Fund and the payment of costs for the 360 Tollway and any other toll project of NTTA or for TSAs. The balance in the Capital Improvement Fund as of June 30, 2017 was approximately \$249,373,366. Of such amount, approximately \$24,081,950 is restricted for Capital Improvement Fund bond payments, approximately \$175,699,353 is not restricted in use and approximately \$49,592,064 is reserved as a "rainy-day"

fund. See "**THE NTTA SYSTEM — Multi-Year NTTA System Capital Plan**" in **APPENDIX A**. The Subordinate Lien Bonds and the ISTEALoan are secured by funds in certain accounts held in the Capital Improvement Fund. See "**— ISTEALoan**" and "**— The Subordinate Lien Bonds**."

Construction Fund. The Construction Fund is used to pay the costs associated with constructing or acquiring improvements to the NTTA System. Portions of the proceeds of several of the outstanding bond issues under the Trust Agreement are in the Construction Fund in separate subaccounts established for such proceeds and are also to be used to fund the improvements to the NTTA System. The balance in the Construction Fund as of June 30, 2017 was approximately \$68,590,225. In addition to the foregoing, proceeds in the Construction Fund may be used to pay debt service on certain bonds.

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

Rate Covenant

The NTTA Act authorizes NTTA 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 NTTA Act states that such tolls will not be subject to supervision or regulation by any agency of the State or other local governmental entity.

NTTA has adopted a toll rate schedule for the NTTA System in substantial conformity with the recommendations of the Traffic Engineers. NTTA covenants in the Trust Agreement that it will keep in effect a toll rate schedule that will raise and produce Net Revenues sufficient to satisfy its Debt Service Requirements (as defined in **APPENDIX D**). In addition, NTTA may change the toll rate schedule, but only if the Traffic Engineers certify either:

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

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

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

If, during any Fiscal Year, Net Revenues are less than the amounts contemplated in the preceding paragraph, NTTA is required, before the 15th day of March of the following Fiscal Year, to request the Traffic Engineers to make and file their recommendations with NTTA and the Trustee as to a revision in the toll rate schedule then in effect, in order to cause the raising and production of Net Revenues in a manner which will enable NTTA to produce at the earliest feasible time Net Revenues in at least the amounts described in the rate covenant above for each such Fiscal Year. NTTA covenants that it will promptly and carefully consider such recommendations, and that it will,

within 60 days after receipt of such recommendations, either (1) place into effect any toll rate schedule as so recommended by the Traffic Engineers, or (2) place into effect any alternative toll rate schedule which, in the opinion of the Board, will enable it to comply with its covenants specified in the preceding paragraph.

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

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

Additional Bonds and Other Obligations

NTTA reserves and has the right and power to issue or incur additional First Tier Bonds, First Tier Payment Obligations, Second Tier Bonds, Second Tier Payment Obligations, Third Tier Bonds and Third Tier Payment Obligations (and within the Third Tier, additional bonds or payment obligations secured on different levels of priority). Such obligations may be issued under the Trust Agreement for any purpose then authorized by law, including the refunding of obligations at any time authorized and issued by NTTA and/or interest thereon; *provided, however,* no First Tier Bonds, Second Tier Bonds or Third Tier Bonds may be issued unless NTTA has met certain conditions concerning the additional bonds test established pursuant to the Trust Agreement. In addition, NTTA may issue additional debt secured by revenues in its Capital Improvement Fund or debt secured by revenues of projects that are not part of the NTTA System.

Among other requirements, the Trust Agreement authorizes the issuance of additional First Tier Bonds if (a) actual Net Revenues for the preceding Fiscal Year or for any twelve-month period ending not more than 90 days prior to the date of calculation are at least 1.35 times the average annual Debt Service Requirements for all then outstanding First Tier Bonds (including those proposed to be delivered) and Second Tier Bonds (excluding any First Tier or Second Tier Bonds being refunded) or (b) estimated Net Revenues for the current and each future Fiscal Year are at least (i) 1.35 times the Debt Service Requirements for each such Fiscal Year for all First Tier Bonds (including those proposed to be delivered but excluding those being refunded), (ii) 1.20 times the Debt Service Requirements for each such Fiscal Year for all then outstanding First Tier Bonds (including those proposed to be delivered but excluding those being refunded) and Second Tier Bonds (excluding those being refunded) and (iii) 1.00 times the Debt Service Requirements for each such Fiscal Year for all then outstanding First Tier Bonds (including those proposed to be delivered), Second Tier Bonds, Third Tier Bonds and all other outstanding obligations of NTTA secured by Net Revenues (excluding, in each case, those being refunded). NTTA may also issue additional First Tier Bonds in a principal amount not to exceed 10% of the original First Tier Bonds issued to finance a project to complete such project without meeting the above-described requirements. Additional bonds issued to refund outstanding First Tier Bonds which do not cause an increase in the then-existing average annual debt service requirements of the First Tier Bonds may be issued without meeting the above-described requirements.

The Trust Agreement authorizes the issuance of additional Second Tier Bonds not constituting Short-Term Indebtedness if (a) actual Net Revenues for the preceding Fiscal Year or for any twelve-month period ending not more than 90 days prior to the date of calculation are at least 1.20 times the average annual Debt Service Requirements for all then outstanding First Tier Bonds and Second Tier Bonds (including those proposed to be delivered but excluding those being refunded) or (b) the estimated Net Revenues for the current and each future Fiscal Year are at least (i) 1.20 times the Debt Service Requirements for each such Fiscal Year for all First Tier Bonds and Second Tier Bonds (including those proposed to be delivered) and (ii) 1.00 times the Debt Service Requirements for each such Fiscal Year for all then outstanding First Tier Bonds, Second Tier Bonds (including those proposed to be delivered), Third Tier Bonds and all other outstanding obligations of NTTA secured by Net Revenues (excluding, in each case, those being refunded). Additional bonds issued to refund outstanding First Tier Bonds or Second Tier Bonds which do not cause an increase in the then-existing average annual debt service requirements of the First Tier Bonds and Second Tier Bonds may be issued without meeting the above-described requirements.

The Trust Agreement authorizes the issuance of Third Tier Bonds not constituting Short-Term Indebtedness if (a) actual Net Revenues for the preceding Fiscal Year or for any twelve-month period ending not more than 90 days prior to the date of calculation are at least 1.00 times the average annual Debt Service Requirements for all then outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds (including those proposed to be delivered) or (b) the estimated Net Revenues for the current and each future Fiscal Year are at least 1.00 times the Debt Service Requirements for each such Fiscal Year for all then outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds (including those proposed to be delivered) and all other outstanding obligations of NTTA secured by Net Revenues (excluding, in each case, those being refunded). Additional bonds issued to refund outstanding First Tier Bonds, Second Tier Bonds or Third Tier Bonds which do not cause an increase in the then-existing average annual debt service requirements of the First Tier Bonds, Second Tier Bonds and Third Tier Bonds may be issued without meeting the above-described requirements.

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

Proposed Trust Agreement Amendments

The Twenty-Fourth Supplement to the Trust Agreement amends the Trust Agreement to allow for (i) the engagement of third parties as agents of NTTA to collect accounts receivable, such as tolls for ZipCash transactions, on behalf of NTTA where collections are paid to NTTA net of fees and expenses of the third parties and (ii) the sale of accounts receivable, such as tolls for ZipCash transactions, to third parties. Pursuant to the amendments, NTTA may sell accounts receivable if:

- (1) the sale is, in the judgment of NTTA, on commercially reasonable terms; or
- (2) after giving effect to the sale either (i) NTTA would be permitted to issue at least \$1.00 of additional First Tier Bonds pursuant to the requirements of the Trust Agreement or (ii) NTTA will, in the judgment of NTTA, be able to comply with the rate covenants in the Trust Agreement.

Any amounts received by NTTA in connection with the sale of accounts receivable will constitute tolls or other revenue derived from the ownership and operation of the NTTA System for purposes of the Trust Agreement, and be deposited into the Revenue Fund. Any lien under the Trust Agreement on any accounts receivable sold by NTTA may be released with such sale. See "**APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT, INCLUDING PROPOSED AMENDMENTS TO TRUST AGREEMENT**," which includes Trust Agreement amendments in the Twenty-Fourth Supplement to the Trust Agreement.

By purchasing the Bonds, the registered owners of the Bonds are deemed to have consented to the amendments. The amendments will not become effective until NTTA has obtained the consent of the owners of a majority in principal amount of First Tier Bonds and Second Tier Bonds. NTTA may solicit the consent of the necessary owners pursuant to the terms of the Trust Agreement. Otherwise, the amendments will not take effect until and unless a substantial portion of the currently outstanding First Tier Bonds and Second Tier Bonds are refunded or a sufficient amount of Additional Bonds are issued.

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Outstanding Obligations

After the issuance of the Bonds and the application of the proceeds thereof, the obligations listed below will be outstanding under the Trust Agreement in the following principal amounts:

<u>First Tier Bonds</u>	<u>Principal Amount</u>
North Texas Tollway Authority Dallas North Tollway System Variable Rate Revenue Bonds, Series 2005C	\$ 42,955,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008A	25,125,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008B	400,000
North Texas Tollway Authority System First Tier Insured Capital Appreciation Revenue Refunding Bonds, Series 2008D (accreted amount calculated through November 1, 2017)	700,865,346
North Texas Tollway Authority System First Tier Convertible Capital Appreciation Revenue Refunding Bonds, Series 2008I (accreted amount through June 30, 2015 Conversion Date)	295,165,000
North Texas Tollway Authority System First Tier Tax-Exempt Current Interest Revenue Bonds, Series 2009A	69,865,000
North Texas Tollway Authority System First Tier Taxable Current Interest Revenue Bonds, Series 2009B (Build America Bonds—Direct Payment) (the " <i>Series 2009B Bonds</i> ")	825,000,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2009C	170,730,000
North Texas Tollway Authority System First Tier Variable Rate Revenue Refunding Bonds, Series 2009D (the " <i>Series 2009D Bonds</i> ")	178,400,000
North Texas Tollway Authority System First Tier Variable Rate Revenue Refunding Bonds, Series 2011A (the " <i>Series 2011A Bonds</i> ")	100,000,000
North Texas Tollway Authority System First Tier Revenue Refunding Bonds, Series 2011B	268,625,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012A	25,930,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012B	383,625,000
North Texas Tollway Authority System First Tier Put Revenue Refunding Bonds, Series 2012C (the " <i>Series 2012C Bonds</i> ")	101,775,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012D	32,815,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2014A	310,415,000
North Texas Tollway Authority System First Tier Variable Rate Revenue Refunding Bonds, Series 2014C (the " <i>Series 2014C Bonds</i> ")	223,895,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2015B	758,080,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2016A	980,215,000
Series 2017A Bonds	1,743,320,000
Total First Tier Bonds	\$ 7,237,200,346
 <u>Second Tier Bonds</u>	
North Texas Tollway Authority System Second Tier Revenue Refunding Bonds, Series 2014B (the " <i>Series 2014B Bonds</i> ")	\$ 146,420,000
North Texas Tollway Authority System Second Tier Revenue Refunding Bonds, Series 2015A (the " <i>Series 2015A Bonds</i> ")	851,230,000
North Texas Tollway Authority System Commercial Paper Notes, Series A	0
Series 2017B Bonds	\$ 765,995,000
Total Second Tier Bonds	\$ 1,763,645,000
 <u>Third Tier Bonds</u>	
None	
Total	\$ 9,000,845,346

Following the issuance of the Bonds and the addition of the PGBT WE and CTP to the Existing NTTA System, the par amount of NTTA System outstanding obligations is expected to be approximately \$9.00 billion, including approximately \$7.24 billion of First Tier Bonds and approximately \$1.76 billion of Second Tier Bonds.

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

The Trust Agreement secures the Payment Obligations of NTTA under (i) a letter of credit and reimbursement agreement relating to the Series 2009D Bonds, (ii) an advised line note purchase agreement relating to NTTA's Commercial Paper Program (the "*Advised Line Note Purchase Agreement*"), (iii) certain interest rate exchange agreements with Citibank N.A., New York and JPMorgan Chase Bank, successor to Bear Stearns Financial Products Inc. and (iv) certain insurance agreements. See "**The Commercial Paper Program**" herein. Additionally, NTTA has pledged revenues on deposit in certain accounts held in the Capital Improvement Fund on a basis subordinate to the Third Tier Payment Obligations to the payment of the ISTEALoan and NTTA's North Texas Tollway Authority System Subordinate Lien Revenue Bonds, Series 2010A and North Texas Tollway Authority System Subordinate Lien Taxable Revenue Bonds, Series 2010B (Build America Bonds - Direct Payment) (the "*Subordinate Lien Bonds*"). See "**ISTEALoan**" and "**The Subordinate Lien Bonds**."

The Commercial Paper Program

In order to finance construction of various components of the NTTA System, NTTA utilizes its existing commercial paper note program which allows for the issuance, at one time, or from time to time, of up to \$200,000,000 aggregate principal amount of commercial paper notes (the "*CP Notes*"). The CP Notes are secured as Second Tier Bonds. NTTA has entered into the Advised Line Note Purchase Agreement under which NTTA may request a commercial bank to purchase, but such commercial bank is not obligated to purchase, CP Notes from NTTA in the aggregate principal amount at any one time outstanding not to exceed \$200,000,000.

ISTEALoan

In connection with the design and construction of the PGBT, NTTA and TxDOT entered into an agreement pursuant to the provisions of the Intermodal Surface Transportation Efficiency Act under which NTTA borrowed \$135,000,000 from TxDOT (the "*ISTEALoan*"), with approximately \$128,922,701 currently outstanding. Interest accrued and compounded on the ISTEALoan from 2000 to 2004 and annual payments began in 2004. The principal of and interest on the ISTEALoan is payable only out of amounts on deposit in the ISTEALoan Debt Service Account in the Capital Improvement Fund, no other funds or other assets of NTTA are pledged to the repayment of the ISTEALoan and NTTA is under no obligation to make any payment on the ISTEALoan from any other source.

The Subordinate Lien Bonds

In connection with the development of the PGBT WE and the CTP, NTTA issued the Subordinate Lien Bonds in the aggregate principal amount of \$400,000,000, all of which are currently outstanding, to pay a portion of the costs of the PGBT WE and the CTP. The Subordinate Lien Bonds are payable solely from and secured by Net Revenues deposited in the CIF Bond Payment Account of the Capital Improvement Fund and are not secured by any other funds or accounts under the Trust Agreement.

RISK FACTORS

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

General

The financial forecasts in this Official Statement are based generally upon certain assumptions and projections as to estimated revenues and Operating Expenses. See "**THE TRAFFIC AND REVENUE STUDY**" in **APPENDIX A**. Inevitably, some underlying assumptions and projections used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast periods will vary from the forecasts, and such differences may be material.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided by NTTA, that are not purely historical, are forward-looking statements, including statements regarding NTTA's expectations, hopes, intentions or strategies regarding the future and the projections in the September 2017 T&R Study (as defined below). Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to NTTA on the date hereof, and NTTA assumes no obligation to update any such forward-looking statements. NTTA's actual results could differ materially from those discussed in such forward-looking statements.

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

Bond Insurance Risk Factors

If NTTA fails to provide funds to make a scheduled payment of the principal of and interest on the Insured Series 2017B Bonds when the same become due, the Trustee on behalf of the owners of such Insured Series 2017B Bonds will have a claim on the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption, other than any advancement of maturity pursuant to a scheduled mandatory sinking fund payment, the payments guaranteed under the Policy are required to be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration.

Purchasers of the Insured Series 2017B Bonds should also note that, while the Policy will insure payment of the principal amount paid to any owner of the Insured Series 2017B Bonds in connection with the mandatory or optional prepayment of any Insured Series 2017B Bond which is recovered from such owner as a voidable preference under applicable bankruptcy law, such amounts will be repaid by AGM to the owner only at the times and in the amounts as would have been due absent such prepayment unless AGM chooses to pay such amount at an earlier date or dates.

If AGM is unable to make scheduled payments of principal of and interest on the Insured Series 2017B Bonds as such payments become due, the Insured Series 2017B Bonds are payable solely from money received by the Trustee pursuant to the Trust Agreement.

If AGM is required to pay principal of or interest on the Insured Series 2017B Bonds, no representation or assurance is given or can be made that such event will not adversely affect the market price for or marketability of the Insured Series 2017B Bonds.

The long-term ratings on the Insured Series 2017B Bonds will be dependent in part on the financial strength of AGM and its claims-paying ability. AGM's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of AGM and of the ratings on the Series 2017B Bonds, whether or not subject to the Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Insured Series 2017B

Bonds. AGM is not contractually bound to maintain its present claims paying ability or financial strength ratings in the future. See the disclosure described in "RATINGS" herein. The obligations of AGM under the Policy are unsecured obligations of AGM and in an event of default by AGM, the remedies available may be limited by applicable insurance or bankruptcy law. NTTA has not made independent investigation into the claims-paying ability of AGM and no assurance or representation regarding the financial strength or projected financial strength of AGM is given.

Rising Interest Rate Risk, Reduction in Credit Rating, Market Disruptions and Reliance on Capital Markets

Substantially increased interest rates or reduction in the credit ratings assigned to the debt of NTTA could adversely impact the ability of NTTA to remarket or refund certain bonds issued pursuant to the Trust Agreement on their respective tender dates. If NTTA is unable to remarket or refund such bonds on their tender dates, the interest rate on such bonds will increase to rates generally ranging between 9.00% and 10.00% per annum, which could have a material adverse effect on NTTA. Further, the failure to obtain replacement credit facilities for the Series 2009D Bonds could require NTTA to refinance the Series 2009D Bonds at substantially higher interest rates. Additionally, the failure to renew or procure new credit facilities relating to the Series 2009D Bonds could accelerate the amortization of debt service on the Series 2009D Bonds.

Credit markets experience substantial disruption from time to time. There can be no assurance as to the timing of any disruption or the extent of any recovery that may be made by the credit markets. NTTA's future capital plans may include raising additional funds through bond financings for various projects. If NTTA is unable to access the credit markets as a result of any such disruption, it is likely to delay the completion of certain projects until such time as the capital markets stabilize. The effect of such delays could result in increased costs for such projects and a delay in the receipt of revenues from such projects.

Costs of Construction of Toll Facilities

In projects of the magnitude of the toll facilities developed, operated and improved by NTTA, there is a possibility of time delays and cost increases resulting from (i) design and construction problems and resulting change orders, (ii) environmental litigation or environmental administrative matters, (iii) the unavailability or cost of acquiring rights-of-way, (iv) archeological, historic and unidentified subsurface conditions, (v) utility relocation problems, (vi) hazardous materials, (vii) force majeure events, (viii) litigation or (ix) inflation. As a result, there can be no assurance that the costs of completion for any NTTA toll facilities or improvements to NTTA toll facilities will not exceed current estimates, or that the completion of such projects or improvements to such projects will not be delayed beyond the scheduled completion date. Variations in cost estimates and delays in construction could be material.

There is also a possibility of insolvency or bankruptcy of the contractors during construction. While the contractors are and will be required to provide performance bonds and payment bonds, there can be no assurance that such bonds will be sufficient to assure timely completion of any NTTA toll facility or improvements under construction. Moreover, if a default occurs under a construction contract by the contractor, there is a possibility of litigation between NTTA and the providers of the performance bonds and payment bonds and/or the contractor, which could further delay construction and the opening of the applicable NTTA toll facility or improvements. Any such delays and/or cost overruns could result in the delay or reduction in the collection of revenues and an increase in costs, thereby making it more difficult for NTTA to generate sufficient revenues to pay principal of and interest on the Bonds and other obligations under the Trust Agreement.

Traffic and Revenue Reports

The revenue forecasts in the North Texas Tollway Authority System Comprehensive Traffic and Toll Revenue Study dated September 2017 (the "*September 2017 T&R Study*") as prepared by CDM Smith, the traffic engineers for the NTTA System, are based upon certain assumptions set forth or incorporated therein. See "**TRAFFIC AND REVENUE STUDY**" in **APPENDIX A**. In addition, the NTTA website, www.ntta.org, provides other studies, such as the March 2016 C&M Associates, Inc. Comprehensive Traffic and Revenue Update for the Special Projects System and the December 2016 CDM Smith NTTA System Comprehensive Traffic and Toll Revenue Study, although such other studies should not be relied upon in evaluating an investment in the Bonds. The September 2017 T&R Study is not a guarantee of any future events or trends and the forecasts therein are

subject to future economic and social conditions and demographic developments that cannot be predicted with certainty. Further, the estimates and assumptions in the September 2017 T&R Study are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of NTTA. Failure to achieve or realize any of the assumptions listed in the September 2017 T&R Study may have a materially adverse effect upon the net revenues actually realized. Currently, the toll rates in effect on the NTTA System are set at rates that are expected to produce a First Tier debt service coverage ratio of at least 1.50 times in each future year. In 2018, the First Tier debt service coverage ratio is expected to be 1.76 times, the lowest projected level. If there is a decrease in vehicle transactions on the NTTA System or if there is a period of significant inflationary pressure, NTTA's actual First Tier debt service coverage ratio could decline below 1.50 times, which could adversely affect the market value of the Bonds. While NTTA has a goal of maintaining a First Tier debt service coverage ratio of 1.50 times, the Trust Agreement only requires that it maintain a First Tier debt service coverage ratio of 1.35 times. If the First Tier debt service coverage ratio falls below 1.35 times (or such other levels as are specified in the Trust Agreement for First and Second Tier debt or on all debt), NTTA would be required to raise toll rates or reduce expenses to maintain the minimum coverage ratios required by the Trust Agreement. In order to better understand the ramifications of a potential decline in vehicle transactions on the NTTA System, NTTA stressed the results of the September 2017 T&R Study for the NTTA System. NTTA estimates that it would still maintain a minimum debt service coverage ratio on all outstanding First Tier debt of 1.35 times if actual toll revenues each year were 20.0% below projections, a minimum debt service coverage ratio on all outstanding First Tier and Second Tier debt of 1.20 times if actual toll revenues each year were 13.3% below projections and a minimum debt service coverage on all outstanding debt (excluding Reserve Maintenance Fund Deposits) of 1.00 times if actual toll revenues each year were 20.9% below projections.

Operating Risks

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

Collection Risks

NTTA previously experienced downward trends in the percentage of total transactions constituting TollTag (as defined in **APPENDIX A**) transactions and in ZipCash (as defined herein and in **APPENDIX A**) revenue recovery. In response, NTTA implemented various improvements to its systems, processes and procedures designed to increase the percentage of TollTag transactions, pursuable ZipCash transactions and ZipCash revenue recovery with positive results. NTTA intends to continue to review and implement additional improvements in these areas. Any future downward trends in the percentage of total transactions constituting TollTag transactions and/or in ZipCash revenue recovery may have a material adverse effect on the net revenues actually realized from the NTTA System. See "**OPERATION OF THE NTTA SYSTEM — Operations — Toll Collection,**" "*Toll Collection Variance*" and "*Revenue Recovery Assumptions in Traffic and Revenue Study*" in **APPENDIX A**.

Ability to Maintain or Raise Rates

NTTA may need to raise toll rates in the future above the scheduled toll rate increases under the current toll rate schedule to support its debt service requirements. Although the September 2017 T&R Study suggests there is an ability to raise rates further, the effect of any future rate increase is unknown. It is possible that a future increase in rates could result in reduced usage of the NTTA System, resulting in decreased revenues. Additionally, political pressure could result in hesitance by NTTA to raise rates further, if needed. See "**CURRENT AND HISTORICAL INFORMATION – NTTA System Toll Rate Schedule**" in **APPENDIX A** for a discussion of automatic increases in toll rates every two years pursuant to the existing NTTA System toll rate schedule, absent action by NTTA.

Custodian in Possession of Prepaid Funds

NTTA has entered into the Master Custodial Account Agreement with the Custodian. See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Funds and Accounts — Master Custodial Account Agreement.**" NTTA is required to deposit all prepaid funds of its TollTag customers in a single custodial account (the "*Prepaid Funds Account*") held by the Custodian for the benefit of NTTA and the other beneficiaries under the Master Custodial Account Agreement. The Custodian will hold all funds in the Prepaid Funds Account until such time as the customers utilize the NTTA System (or other toll road of NTTA or a third-party operator for which NTTA provides toll collection services), and will then transfer funds as directed by NTTA to the Trustee for toll transactions on the NTTA System or other appropriate person for non-NTTA System toll transactions.

Funds in the Prepaid Funds Account are not subject to the lien created under the Trust Agreement until they are transferred by the Custodian to the Trustee as payment for tolls of the NTTA System. On each business day, NTTA is required to deliver to the Custodian a certificate specifying the amount of the funds in the Prepaid Funds Account to be paid to the Trustee, and the Custodian is required to apply such funds as directed. Nonetheless, no assurance can be given that, should the Custodian go into receivership or conservatorship, such agreement will be effective to assure that the Trustee or NTTA will receive timely payment of such tolls.

Funds in the Prepaid Funds Account are required to be segregated from all other funds and accounts of the Custodian and the Custodian has no interest in the Prepaid Funds Account. In the event of the Custodian's receivership or conservatorship, the Prepaid Funds Account should not be considered part of the Custodian's property subject to receivership or conservatorship. However, there may be delays in payments from the Prepaid Funds Account to the Trustee, or other possible negative consequences, which could have an adverse effect on the liquidity and value of the Bonds.

Maintenance Costs

Successful operation of the NTTA System will require timely and complete maintenance and replacement of components of the NTTA System. No assurance can be given that sufficient funds will be available to maintain the NTTA System adequately over the long term. Any significant deterioration in the NTTA System may result in increased operating costs and in reduced usage, as well as temporary lane closures, and could adversely affect the amount of funds available to pay debt service on NTTA's obligations.

Motor Fuel Prices and Taxes

There is no assurance that motor fuel will remain in adequate supply or that motor fuel prices and federal and State motor fuel taxes will not increase. Increases in motor fuel pump prices could negatively impact the revenues of NTTA. Additionally, if motor fuel prices increase, it could have a material adverse effect on the economy of the north central Texas region and the revenues of NTTA.

Retaining Walls

In 2010, a portion of a mechanically stabilized earth ("*MSE*") retaining wall located on the westbound main lanes of the PGBT between Kelly Boulevard and Josey Lane in the City of Carrollton (the "*Kelly Wall*") buckled and NTTA spent \$5.3 million to stabilize the wall. No personal injuries resulted from the wall failure. In February 2012, NTTA filed a lawsuit against the general contractor that built the Kelly Wall and NTTA's construction manager and wall supplier to recoup costs of emergency stabilization, remediation and/or repair work associated with the Kelly Wall failure. The lawsuit was settled in 2015. Pursuant to the settlement, defendants paid NTTA \$4 million and agreed to repair the Kelly Wall and six walls in the immediate vicinity of the Kelly Wall.

In May 2013, NTTA filed a lawsuit against its general contractor and construction manager related to other MSE retaining walls within Section V of the PGBT. The lawsuit was settled in 2016. Pursuant to the settlement, defendants paid NTTA \$11.9 million for the repair of the MSE walls.

In response to the MSE retaining wall failures, NTTA engaged a forensic engineering consultant to conduct a further inspection, investigation, and risk analysis of MSE retaining walls constructed along portions of the PGBT (the "*MSE Study*"), which revealed that such walls are vulnerable to failures similar to those experienced with the Kelly Wall.

In 2013, NTTA also engaged forensic engineering consultants to inspect MSE retaining walls on the DNT and the SRT (the "2013 DNT/SRT Study"). The cost of professional services for the 2013 DNT/SRT Study was approximately \$1.2 million. In March 2015, NTTA received the results of the 2013 DNT/SRT Study, which identified certain retaining walls that need or may need stabilization repairs. NTTA is currently engaging engineering consultants to further investigate and to recommend stabilization repairs for such retaining walls identified in the 2013 DNT/SRT Study and to prepare plans, specifications and estimates for specific repairs. In 2017, NTTA filed a lawsuit against its design and construction contractors regarding DNT MSE retaining walls.

The estimate to stabilize all the remaining PGBT walls covered by the MSE Study is approximately \$20 million, which may increase significantly after the forensic engineering consultants' investigations and stabilization recommendations have been completed. Preliminary cost estimate for the repair of retaining walls identified in the 2013 DNT/SRT Study is approximately \$20 million. NTTA has funds in the Capital Improvement Fund for the stabilization and strengthening of existing MSE retaining walls along the PGBT, DNT and SRT over the 2016-2020 period.

NTTA has determined that a small segment of the PGBT WE utilizes MSE retaining walls that were constructed using similar soils to the MSE retaining wall that failed on the NTTA System. NTTA conducts annual inspections of the retaining walls on the NTTA System and, except as described above, there is no detection of wall movement for PGBT WE or CTP.

No walls other than the ones described above are under study or inspection. The estimated professional services and construction costs described above with respect to the retaining walls are included in NTTA's multi-year NTTA System capital improvement plan. Such costs, net of legal recoveries, could exceed current estimates, and variations in such costs could be material.

Limitation and Enforceability of Remedies

Limitation of Remedies under the Trust Agreement.

The remedies available to owners of the Bonds upon an event of default under the Trust Agreement are limited to the seeking of specific performance in a writ of mandamus or other suit, action or proceeding compelling and requiring NTTA and its officers to observe and perform any covenant, condition or obligation prescribed in the Trust Agreement. The enforcement of the remedy of mandamus may be difficult, time-consuming and must be exercised on an ongoing basis in the event of multiple payment defaults. No assurance can be given that a mandamus or other legal action to enforce a default under the Trust Agreement would be successful. Even if a judgment against NTTA could be obtained, it could not be enforced by direct levy and execution against NTTA's property. Owners do not have the right to accelerate the maturity of the Bonds as a remedy in the event of a default by NTTA.

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

Enforceability of Remedies.

The remedies available under the Trust Agreement are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State and (iii) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution.

The enforceability of the rights and remedies of registered owners of the Bonds may be limited by laws now or hereafter in effect relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as NTTA. If NTTA were allowed to proceed voluntarily under

Chapter 9 of the United States Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect registered owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities and otherwise compromising and modifying the rights and remedies of the registered owners' claims against NTTA.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

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

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

The CAA requires the EPA to set National Ambient Air Quality Standards ("NAAQS") for widespread pollutants from numerous and diverse sources considered harmful to public health and the environment. The CAA establishes two types of NAAQS: Primary Standards set limits to protect public health, including the health of "sensitive" populations; Secondary Standards set limits to protect public welfare, including protection against visibility impairment, damage to animals, crops, vegetation and buildings. The CAA requires periodic review of the science upon which the standards are based and the standards themselves. NAAQS have been set for the following pollutants: Ozone, Carbon Monoxide, Particulate Matter, Sulfur Dioxide, Nitrogen Oxides and Lead. An area in which one or more of the six regulated pollutants exceeds the NAAQS is designated as a "non-attainment" area, based on the area's failure to attain compliance with NAAQS for any particular pollutant. On April 15, 2004, EPA designated a nine-county area as non-attainment under the 8-hour NAAQS for ozone proposed in 1997, which became effective June 15, 2004 (the "1997 Ozone Standard"). The nine-county area includes Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall and Tarrant Counties (the "DFW Non-Attainment Area"). The 1997 Ozone Standard of 84 parts per billion ("ppb") was lowered to 75 ppb in 2008 and Wise County was added as part of the DFW Non-Attainment Area in 2012 (the "2008 Ozone Standard"). EPA then began the rulemaking process to reconsider the 75 ppb, which resulted in EPA establishing a new standard of 70 ppb on October 26, 2015 (the "2015 Ozone Standard"). On September 30, 2016, the State of Texas made its recommendations to EPA that the DFW Non-Attainment Area be designated as non-attainment under the new 2015 Ozone Standard. EPA is scheduled to act on this recommendation by October 1, 2017. After its promulgation, the 2015 Ozone Standard was challenged by several states, energy companies and interest groups. That litigation is currently in abeyance while EPA reviews the 2015 Ozone Standard. What effect, if any, the 2015 Ozone Standard will have on the DFW Non-Attainment Area cannot be determined at this time.

Transportation projects, including those of NTTA, must comply with and conform to the CAA. Although the area is currently designated non-attainment for ozone under the 2008 Ozone Standard (and it is anticipated that the area will be designated non-attainment for ozone under the 2015 Ozone Standard as well), voluntary pollution reduction efforts made in the area have kept the area's transportation projects, including NTTA's projects, in compliance and conformity with the CAA.

Should the DFW Non-Attainment Area fail to achieve attainment, or should the DFW Non-Attainment Area fail to satisfy the then-effective CAA State Implementation Plan ("SIP") (for non-attainment or otherwise), or for any other reason should a lapse in conformity with the Clean Air Act occur, the DFW Non-Attainment Area may be subjected to sanctions pursuant to Section 179 of the CAA. Under such circumstances, the Texas Commission on Environmental Quality would be required under the CAA to submit to EPA a new SIP for the area. Due to the complexity of the non-attainment/conformity analysis, the status of EPA's implementation of the 2015 Ozone Standard, and the incomplete information surrounding any SIP requirements for areas designated non-attainment under this new standard, the exact nature of sanctions or any potential SIP for the DFW Non-Attainment Area is currently unknown. Nevertheless, it is possible that all or some of the transportation control measures available as sanctions under the CAA may be imposed. The CAA also provides for mandatory sanctions, including

the suspension of highway funding, should the State fail to submit a proper SIP, or associated submissions, fail to revise or implement a SIP or fail to comply with an existing SIP. Subject to certain exceptions, if the DFW Non-Attainment Area falls out of conformity and the mandatory highway funding suspension sanction is implemented, the Secretary of Transportation may be prohibited from approving or awarding transportation projects or grants within the area failing to conform to the CAA.

NTTA expects that its existing toll facilities would not be directly affected by a lapse in conformity or non-attainment sanctions. The Mobility 2040: The Metropolitan Transportation Plan (the "*Mobility 2040 Plan*") was approved by the Regional Transportation Council associated with the North Central Texas Council of Governments on March 20, 2016 and reconfirmed on June 16, 2016, after the substitution of certain transportation control measures. The Mobility 2040 Plan received a favorable air quality conformity determination from the U.S. Department of Transportation on September 7, 2016. NTTA's toll facilities are included in the Mobility 2040 Plan.

It is possible that non-attainment, a lapse in conformity under the CAA, or other environmental issues may result in litigation involving injunctive or other relief that could delay or increase the cost of the construction of improvements or additions to, or adversely impact the operation of, the NTTA System. Litigation under the National Environmental Policy Act or other state or federal environmental laws may also result in injunctive or other relief that could delay or increase the cost of construction of improvements or additions to, or adversely impact the operation of, the NTTA System. See "**— Costs of Construction of Toll Facilities.**"

Continuing Disclosure Obligations

In connection with the issuance of the Bonds and other previously issued obligations, NTTA has agreed to file continuing disclosure information on an ongoing basis. Any failure by NTTA to comply with its continuing disclosure obligations may adversely affect the liquidity of the Bonds and their market price in the secondary market. See "**CONTINUING DISCLOSURE OF INFORMATION — Compliance with Prior Undertakings.**"

Swap Transaction Risks

NTTA entered into interest rate swap transactions (the "*Swap Transactions*") under the Trust Agreement with a collective outstanding notional amount of \$178,290,000 pursuant to ISDA Master Agreements dated and effective as of August 20, 2004 (the "*ISDA Master Agreements*") with Citibank N.A., New York and JPMorgan Chase Bank, successor to Bear Stearns Financial Products Inc. (the "*Swap Providers*"). NTTA may enter into additional interest rate exchange agreements. As with any derivative transaction, NTTA is exposed to certain risks, including basis risk under the Swap Transactions as the variable rate received under the ISDA Master Agreements will not perfectly match the variable rate paid on the variable rate bonds intended to be hedged by such Swap Transactions.

Each of the ISDA Master Agreements may be terminated by NTTA if the respective counterparty does not maintain a credit rating of least "Baa3" by Moody's or "BBB-" by S&P. As of the date hereof, the Swap Providers respective ratings by Moody's, S&P and Fitch are as follows: Citibank N.A., New York, "A1"/"A+/"A+" and JPMorgan Chase Bank, "Aa3"/"A+/"AA-."

Under certain credit related circumstances, NTTA or the respective Swap Providers may terminate their respective obligations under the ISDA Master Agreements, and such termination may result in the payment of a settlement amount by NTTA or the respective Swap Provider to the other party. The amount of any termination would be determined at the time of the termination of the ISDA Master Agreements. If NTTA were to become obligated to make a termination payment under an ISDA Master Agreement, such obligation could be material in the period in which the amount is required to be paid. See "**— Rising Interest Rate Risk, Market Disruptions and Reliance on Capital Markets.**"

In addition to the foregoing, pursuant to the interest rate exchange agreement with JPMorgan Chase Bank, if NTTA's First Tier Bonds are rated below "A-" by S&P or "A3" by Moody's, NTTA will be obligated to post collateral in an amount equal to the swap termination payment amount owed by NTTA to JPMorgan Chase Bank. The collateral posting requirement could have a negative impact on NTTA's liquidity position. NTTA's ratings on its First Tier Bonds are "A1" by Moody's and "A" by S&P and so NTTA has no obligation to post collateral at this time. There are no NTTA collateral posting requirements under the interest rate exchange agreement with Citibank N.A., New York.

Additional Obligations

There is no restriction on NTTA's ability to enter into additional hedging arrangements or to issue additional bonds (except for the satisfaction of the additional debt test contained in the Trust Agreement). See "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Additional Bonds and Other Obligations.**" Future toll projects of NTTA may be financed as part of the NTTA System or independently of the NTTA System and in such event may require the issuance of additional bonds. See "**OTHER POTENTIAL PROJECTS (ON SYSTEM AND OFF SYSTEM)**" in **APPENDIX A**. The execution of such hedging arrangements and the issuance of such additional bonds could adversely affect the ability of NTTA to repay the Bonds.

Obligations Relating to 360 Tollway

Under the terms of the 360 Tollway Project Agreement (as defined in **APPENDIX A**) between NTTA and TxDOT, if the 360 Tollway revenues are insufficient to make any scheduled payment on the Project Loan (as defined in **APPENDIX A**), NTTA may, but is not obligated to, use funds from other sources available to pay such shortfall. Funding of any such shortfall is likely to come from revenues generated by the NTTA System and payment of any such shortfall could have a material adverse effect on NTTA. Failure to make any such payment to TxDOT will not constitute a default under the 360 Tollway Project Agreement, but may lead to a termination of the 360 Tollway Project Agreement and a reversion of the 360 Tollway to TxDOT. See "**THE 360 TOLLWAY—Reverter and Nonrecourse**" in **APPENDIX A**.

Obligation to Pay for Video Tolls under TSAs Prior to Collection

Under the terms of the TSAs between NTTA and the developers of the IH 635 Project (as defined in **APPENDIX A**) and the NTE Segment 1/2W Project (as defined in **APPENDIX A**), NTTA has agreed to pay such developers an amount equal to the transponder toll for each video transaction (NTTA retains all collected video toll premiums), less its fee, within two business days after the date the video transaction has been properly transmitted to NTTA. Until the tolls for such video transactions are collected, the funding of the payments to such developers for such tolls will come from funds in the NTTA Enterprise Fund to the extent funds are available therein, and thereafter, could come from the NTTA System Capital Improvement Fund. The funding of such payments from such sources could have a material adverse effect on NTTA. Any future downward trends in the percentage of total transactions constituting TollTag transactions, pursuable ZipCash transactions and/or ZipCash revenue recovery may have a material adverse effect on NTTA's ability to fully recover its payments for ZipCash transactions to developers under the above described TSAs and its costs to collect revenue attributable to the ZipCash transactions. See "**OPERATION OF THE NTTA SYSTEM — Operations — Toll Collection**" and "**— Toll Collection Variance**" and "**TOLLING SERVICES AGREEMENTS**" in **APPENDIX A**.

Risks Relating to Build America Bonds

NTTA previously issued certain bonds under the Trust Agreement as "Build America Bonds." NTTA elected to receive a subsidy payment from United States Treasury equal to 35% of the taxable interest NTTA pays on such bonds. In order to receive the subsidy, NTTA is required to make certain filings with the Internal Revenue Service. If NTTA fails to make the required filings, it will not be eligible to receive the subsidy payments. Additionally, the proceeds of "Build America Bonds" have a number of limitations on their use. If NTTA used the proceeds of such bonds for expenditures other than capital expenditures, reasonably required reserve funds and costs of issuance, such bonds would not be eligible for the subsidy payments. Additionally, the federal government can refuse to pay subsidy payments to offset amounts owed by NTTA to the federal government. It is also possible that the subsidy payments could be reduced or eliminated as a result of a change in law. Any reduction or loss of the subsidy payments could have a material adverse effect on NTTA.

When Congress failed to enact legislation to reduce the federal deficit by \$1.2 trillion, as required by the Budget Control Act of 2011, the Sequestration Transparency Act of 2012 ("*STA*") automatically triggered large scale cuts in the federal budget (the "*Sequestration Cuts*"). The STA went into effect January 2, 2013. Since then, subsidy payments authorized for the issuers of Build America Bonds have been reduced by 6.6% to 7.6%. For federal fiscal year 2017, the Internal Revenue Service established a 6.9% sequestration cut for Build America Bonds. For federal fiscal year 2018, the Internal Revenue Service established a 6.6% sequestration cut for Build America Bonds, which rate will be applied from October 1, 2017 until September 30, 2018, absent intervening Congressional action, at which time the sequestration rate is subject to change. NTTA issued its Series 2009B Bonds

and Series 2010B Subordinate Lien Bonds as direct payment Build America Bonds. Due to sequestration, NTTA received \$2,100,910, \$2,115,399, \$1,970,509 and \$1,999,487 less than the total subsidy payment of \$28,978,075 it was scheduled to receive in 2014, 2015, 2016 and 2017 respectively, and anticipates receiving \$1,912,553 less than it is scheduled to receive in 2018. NTTA calculates its debt service and debt service coverage net of the direct subsidy payments NTTA expects to receive for the Series 2009B Bonds and Series 2010B Subordinate Lien Bonds. See "**PRO FORMA DEBT SERVICE REQUIREMENTS.**"

Technological and Societal Changes

Neither NTTA nor the Traffic Engineers can predict the technological and societal changes that may affect the use of the NTTA System during the term of the Bonds. Societal changes may include, for example, the increased use of telecommuting, which could have an adverse impact on usage of the NTTA System. Other technologies or societal changes could have a similar detrimental effect on the NTTA System.

Changes in Law

State and federal legislation is introduced and enacted from time to time that could have a direct impact on NTTA's financial condition or its operations. The likelihood of any such legislation being introduced or enacted cannot be predicted.

Future and Proposed Tax Legislation

Tax legislation, administrative actions taken by tax authorities or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Cyber-Attack Security

Computer hacking, cyber-attacks or other malicious activities could disrupt NTTA's services. Further, security breaches such as leakage, or loss of confidential or proprietary data and failure or disruption of information technology systems could materially and adversely affect NTTA's reputation, which could lead to significant capital outlays and decreased performance that insurance may not cover. To mitigate these risks, NTTA continues to monitor these threats and improve its security measures. NTTA does not believe it has experienced any material cyber security breaches.

LITIGATION AND INVESTIGATIONS

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

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

Notwithstanding the foregoing, NTTA was a defendant in a class action lawsuit alleging that NTTA exceeded its legal authority in assessing administrative fees to toll road violators under a statutory provision that was no longer effective beginning September 1, 2011. If the plaintiffs were to succeed in the litigation, NTTA believes that the maximum damages would be less than \$35 million. In May 2016, the district court granted summary judgment in NTTA's favor dismissing plaintiff's claims. In July 2017, the Fifth Circuit affirmed the district court's summary judgment. The deadline for the plaintiffs to file a petition for panel rehearing or a petition for rehearing en banc at the Fifth Circuit has passed. The deadline for the plaintiffs to petition for a writ of certiorari to the U.S. Supreme Court passed on September 25, 2017.

Also, a contractor has claimed it is entitled to liquidated damages withheld by NTTA and additional compensation for costs incurred by such contractor in connection with the construction of the CTP. Although no suit has been filed, if a suit is filed, NTTA intends to vigorously defend itself. NTTA does not believe such potential suit, if filed and decided adversely to NTTA, would have a material adverse effect on its financial condition.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, co-bond counsel will each render an opinion with respect to the Bonds that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("*Existing Law*"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "*Code*"). Except as stated above, co-bond counsel will not express an opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See "**FORM OF CO-BOND COUNSEL OPINION**" in **APPENDIX E**.

In rendering the opinions, co-bond counsel will rely upon (a) certain information and representations of NTTA, including information and representations contained in NTTA's federal tax certificate, (b) covenants of NTTA contained in the Trust Agreement relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the Refunded Bonds and the property financed or refinanced therewith and (c) the verification report of Grant Thornton LLP. Failure by NTTA to observe the aforementioned representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of co-bond counsel is conditioned on compliance by NTTA with such requirements and the representations and covenants described in the previous paragraph, and co-bond counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

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

A ruling was not sought from the Internal Revenue Service by NTTA with respect to the Bonds or property financed or refinanced with the proceeds of the Bonds or the Refunded Obligations. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinions of co-bond counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat NTTA as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

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

periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

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

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

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

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

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

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

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

Interest on the Bonds will be includable as an adjustment for "adjusted current earnings" to calculate the alternative minimum tax imposed on corporations by section 55 of the Code.

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

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

State, Local and Foreign Taxes

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

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

UNDERWRITING

The Underwriters for the Series 2017A Bonds have agreed, subject to certain customary conditions to delivery, to purchase the Series 2017A Bonds from NTTA at the price of \$1,991,749,889.46, reflecting the par amount of 1,743,320,000.00, plus net original issue premium of \$254,917,248.75 and less an underwriter's discount of \$6,487,359.29. The Underwriters for the Series 2017A Bonds will be obligated to purchase all of the Series 2017A Bonds and Series 2017B Bonds if any Series 2017A Bonds are purchased. The right of the Underwriters to receive compensation in connection with the Series 2017A Bonds is contingent upon the actual sale and delivery of the Series 2017A Bonds.

The Underwriters for the Series 2017B Bonds have agreed, subject to certain customary conditions to delivery, to purchase the Series 2017B Bonds from NTTA at the price of \$868,244,627.09, reflecting the par amount of 765,995,000.00, plus net original issue premium of \$105,067,361.05 and less an underwriter's discount of \$2,817,733.96. The Underwriters for the Series 2017B Bonds will be obligated to purchase all of the Series 2017A Bonds and Series 2017B Bonds if any Series 2017B Bonds are purchased. The right of the Underwriters to receive compensation in connection with the Series 2017B Bonds is contingent upon the actual sale and delivery of the Series 2017B Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against NTTA in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of NTTA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with NTTA. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent

research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Jefferies LLC ("*Jefferies*"), an Underwriter of the Bonds, has entered into an agreement (the "*Distribution Agreement*") with E*TRADE Securities LLC ("*E*TRADE*") for the retail distribution of municipal securities. Pursuant to the Distribution Agreement, Jefferies will sell Bonds to E*TRADE and will share a portion of its selling concession compensation with E*TRADE.

J.P. Morgan Securities LLC ("*JPMS*"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "*Dealer Agreement*") with each of Charles Schwab & Co., Inc. ("*CS&Co.*") and LPL Financial LLC ("*LPL*") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an Underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

RATINGS

The Series 2017A Bonds received ratings of "A1" by Moody's and "A" by S&P. The Series 2017B Bonds (other than the Insured Series 2017B Bonds) received ratings of "A2" by Moody's and "A-" by S&P. The Insured Series 2017B Bonds are expected to receive ratings of "A2" by Moody's and "AA" by S&P based upon the issuance of the Policy by AGM at the time of delivery of the Insured Series 2017B Bonds and have received underlying ratings of "A2" and "A-", respectively. An explanation of the significance of each rating may be obtained from the company furnishing the rating. The ratings reflect only the views of such companies at the time such ratings are given, and NTTA makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such companies, if in the judgment of such companies, circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price of the Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to approval of legality by the Attorney General of the State, and certain legal matters will be passed upon by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, and Mahomes Bolden PC, Dallas, Texas, co-bond counsel to NTTA. Attached hereto as **APPENDIX E** is the form of opinions that co-bond counsel will each render in connection with the issuance of the Bonds. The legal opinions will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. While co-bond counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, and has not undertaken independently to verify any of the information contained herein, in its capacity as co-bond counsel, such firms have reviewed the information in this Official Statement appearing under the captions and subcaptions "**INTRODUCTION**" (excluding the information in the first, fifth and sixth paragraphs under such caption as to which no opinion will be expressed), "**PLAN OF FINANCE – The Refunding,**" "**THE SERIES 2017 BONDS,**" "**GENERAL INFORMATION REGARDING THE BONDS**" (excluding the information under the subcaption "**Book-Entry-Only System,**" as to which no opinion will be expressed), "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**" (excluding the information regarding outstanding obligations under the subcaption "**Outstanding Obligations**" as to which no opinion will be expressed, and excluding, in particular, the current balances in various funds and accounts, as to which no opinion will be expressed), "**TAX MATTERS,**" "**LEGAL MATTERS,**" (excluding the second, third, fourth and fifth paragraphs under such caption as to which no opinion will be expressed), "**REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,**" "**LEGAL INVESTMENTS IN TEXAS**" and "**CONTINUING DISCLOSURE OF INFORMATION**" (except under the subcaption "**Compliance with Prior Undertakings,**" as to which no opinion will be expressed) and **APPENDIX D** and such firms are of the opinion that the information contained under such

captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Resolution and the Trust Agreement.

CDM Smith, the Traffic Engineers, has reviewed the information contained in "**APPENDIX A — OPERATION OF THE NTTA SYSTEM — Operations** — *Revenue Recovery Assumptions in Traffic and Revenue Study*" and "**—TRAFFIC AND REVENUE STUDY**" and has found that such statements therein are true, correct and complete in all material respects and do not omit any material fact, which in their opinion should be included or referred to therein so as to make the information or statements made therein not misleading. CDM Smith has reviewed the September 2017 T&R Study incorporated by reference herein and found that nothing has come to their attention that would cause them to believe the September 2017 T&R Study is or was inaccurate in any material respect.

Atkins North America, the Consulting Engineers, have reviewed the information contained in "**ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME AND ESTIMATED DEBT SERVICE COVERAGE**" and in "**APPENDIX A — THE NTTA SYSTEM,**" "**— OTHER POTENTIAL PROJECTS (ON SYSTEM AND OFF SYSTEM),**" "**— THE 360 TOLLWAY**" and "**— ENGINEERING REPORTS AND PROGRESS REPORTS**" and has found that such statements therein are true, correct and complete in all material respects and do not omit any material fact, which in their opinion should be included or referred to therein so as to make the information or statements made therein not misleading.

Locke Lord LLP, counsel to NTTA, has reviewed the information contained in "**RISK FACTORS — Clean Air Non-Attainment and Conformity Risk; NEPA Environmental Litigation Risk**" and "**LITIGATION AND INVESTIGATIONS**" and "**APPENDIX A — INTRODUCTION AND OVERSIGHT,**" "**— GOVERNANCE AND MANAGEMENT,**" "**— THE NTTA SYSTEM,**" "**— OTHER POTENTIAL PROJECTS (ON SYSTEM AND OFF SYSTEM),**" "**— TOLLING SERVICES AGREEMENTS**" and "**— THE 360 TOLLWAY**" (other than any financial or statistical data or biographies contained therein) and has found that such statements made therein are a fair and accurate summary of the matters set forth therein and are true and correct in all material respects.

The payment of certain legal fees to co-bond counsel in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for NTTA by Locke Lord LLP, Dallas, Texas, counsel to NTTA. Certain legal matters will be passed upon for NTTA by McCall, Parkhurst & Horton L.L.P., Dallas, Texas and Mahomes Bolden PC, Dallas, Texas, as co-disclosure counsel to NTTA. The payment of certain legal fees to co-disclosure counsel in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by Winstead PC and West & Associates L.L.P., co-counsel for the Underwriters. The payment of legal fees to co-counsel for the Underwriters in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. In connection with the issuance of the Bonds, co-bond counsel has been engaged by, and only represent, NTTA.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, a firm of independent certified public accountants, will deliver to NTTA, on or before the settlement date of the Bonds, its Report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the escrow securities, to pay, when due or upon early redemption, the principal of, interest on and related call premium requirements, if any, of the SPS Refunded Bonds and the NTTA System Refunded Bonds, (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Series 2017A Bonds and Series 2017B Bonds will be excluded from gross income for federal income tax purposes and (c) the mathematical computations of the adequacy of the cash to pay, upon early prepayment, the principal of, interest on the SPS TIFIA Loan.

Grant Thornton relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, NTTA. In addition, Grant Thornton has relied on any information provided to it by NTTA's retained advisors, consultants or legal counsel. Grant Thornton was not engaged to perform audit

or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

The Report will be relied upon by co-bond counsel in rendering their opinions with respect to the tax-exemption of interest on the Bonds and with respect to the defeasance of the SPS Refunded Bonds and the NTTA System Refunded Bonds.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR

The financial statements of NTTA's North Texas Tollway Authority System, An Enterprise Fund of the North Texas Tollway Authority, as of December 31, 2016, and for the year then ended (the "*NTTA System Audited 2016 Financial Statements*"), have been filed with the Electronic Municipal Market Access System ("*EMMA*") maintained by the MSRB and are incorporated by reference to this Official Statement and have been audited by Crowe Horwath LLP, independent auditors.

The financial statements of NTTA's Special Projects System, An Enterprise Fund of the North Texas Tollway Authority, as of August 31, 2016, and for the year then ended (the "*SPS Audited 2016 Financial Statements*"), have been filed with EMMA and are incorporated by reference to this Official Statement and have been audited by Crowe Horwath LLP, independent auditors.

Crowe Horwath LLP has not been engaged to perform and has not performed, since the date of the NTTA System Audited 2016 Financial Statements and the SPS Audited 2016 Financial Statements (collectively, the "*Audited Reports*"), any procedures on the financial statements addressed in such Audited Reports.

The pro forma unaudited financial statements of NTTA's combined Existing NTTA System and Special Projects System as of December 31, 2016 and 2015, and for the years then ended, and as of June 30, 2017, and for the six months then ended, are included in **APPENDIX B-1**, **APPENDIX B-2** and **APPENDIX B-3** to this Official Statement. Crowe Horwath LLP has not been engaged to perform and has not performed any procedures on the pro forma financial statements.

PROFESSIONAL ENGINEERS

In September 2017, CDM Smith, the traffic engineers for the NTTA System, prepared the September 2017 T&R Study to estimate traffic and toll revenues for the NTTA System. The September 2017 T&R Study is incorporated by reference herein and has been incorporated by reference in this Official Statement in reliance on CDM Smith's expertise as professional consultants and CDM Smith has consented to its inclusion in this Official Statement.

CO-FINANCIAL ADVISORS

FirstSouthwest, a division of Hilltop Securities, Inc., Estrada Hinojosa & Co., Inc. and RSI Group, LLC are acting as Co-Financial Advisors to NTTA. FirstSouthwest, a division of Hilltop Securities, Inc., Estrada Hinojosa & Co., Inc. and RSI Group, LLC in their respective capacities, have not verified and do not assume any responsibility for the information, covenants, and representations contained in this Official Statement or any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. NTTA assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS IN TEXAS

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

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

CONTINUING DISCLOSURE OF INFORMATION

In the Trust Agreement, NTTA has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. NTTA is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, NTTA will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the MSRB.

Annual Reports

NTTA will provide certain updated financial information and operating data to the MSRB. The information to be updated includes (i) either as part of its comprehensive annual financial reports, or by notice referencing a recently released official statement or other offering document of NTTA, all quantitative financial information and operating data with respect to NTTA and the NTTA System of the general type included in this Official Statement under the captions or subcaptions "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Outstanding Obligations,**" "**PRO FORMA DEBT SERVICE REQUIREMENTS,**" "**ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME, AND ESTIMATED DEBT SERVICE COVERAGE,**" "**OPERATION OF THE NTTA SYSTEM — Operations — General**" and "**— Toll Collection Variance**" in APPENDIX A and "**OTHER FINANCIAL INFORMATION — Historical Traffic and Net Revenues**" and "**— Historical Debt Service Coverage**" in APPENDIX A, and updates to the NTTA System toll rate schedules in APPENDIX C "**NTTA SYSTEM TOLL RATE SCHEDULES,**" (ii) a copy of the progress reports required under the Trust Agreement, and (iii) the annual financial statements "**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY SYSTEM, AN ENTERPRISE FUND OF THE NORTH TEXAS TOLLWAY AUTHORITY, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**" incorporated herein by reference. NTTA will update and provide this information within six months after the end of each Fiscal Year for the NTTA System.

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

The current Fiscal Year end for the NTTA System is December 31. Accordingly, NTTA must provide updated information by June 30 of each year, unless NTTA changes the Fiscal Year for the NTTA System. If

NTTA changes the Fiscal Year for the NTTA System, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which NTTA would otherwise be required to provide financial information and operating data as described above.

Event Notices

NTTA will also provide timely notices of certain events to the MSRB. NTTA will provide notice of any of the following events with respect to the Bonds in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) ratings changes; (12) bankruptcy, insolvency, receivership or similar event of NTTA; (13) the consummation of a merger, consolidation, or acquisition involving NTTA or the sale of all or substantially all of the assets of NTTA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) the appointment of a successor or additional trustee or the change of the name of a trustee, if material. In addition, NTTA will provide timely notice of any failure by NTTA to provide information, data or financial statements in accordance with its agreement described above under " — *Annual Reports.*"

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for NTTA in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of NTTA, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of NTTA.

Availability of Information from the MSRB

NTTA has agreed to provide the foregoing information only to the MSRB. The information will be provided to the MSRB, in an electronic format as prescribed by the MSRB, and will be available to Bondholders through the MSRB's internet website at www.emma.msrb.org.

Limitations and Amendments

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

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

Bonds. NTTA may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds. If NTTA so amends its continuing disclosure agreement, it will include with any amended financial information or operating data next provided in accordance with such agreement an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Compliance with Prior Undertakings

During the last five years, NTTA has to its knowledge and belief complied materially with all continuing disclosure agreements made by it in accordance with the Rule. However, NTTA has had several instances of noncompliance under certain continuing disclosure agreements during the last five years. Bonds associated with certain CUSIPs were inadvertently omitted from particular continuing disclosure filings made by NTTA. NTTA corrected this clerical error. For the Fiscal Years ending in 2012 and 2013, NTTA did not file updated information regarding toll collection variance as required under certain of its continuing disclosure undertakings for Existing NTTA System bonds. NTTA did not file notices of certain rating changes occurring during the last five years for various credit enhancement providers supporting previously issued obligations. NTTA did not file notices of defeasance for three separate issuances that were defeased in October and November, 2012 (the defeased bonds were refunded on January 1, 2013 and notices of redemption were filed on November 30, 2012; official statements for the refunding bonds describing the defeasances were also on file with EMMA at the time the bonds were defeased and the escrow agreements and verification reports for the defeasances were filed with the state information depository in October and November, 2012).

Most of the operating data required to be disclosed under NTTA's continuing disclosure undertakings may be found in NTTA's comprehensive annual financial reports filed on an annual basis. Operating data disclosures comprised of forward-looking information for the Existing NTTA System for estimated toll revenues, expenses, other income and estimated debt service coverage was not included in NTTA's annual filings for the Fiscal Years ending in 2012 and 2013; however, such information was either unchanged for the reporting period from previously filed information or was made available as models and assumptions changed through other offering statements filed with EMMA from time to time. Other operating data disclosures comprised of (i) forward-looking information for the Special Projects System for estimated toll revenues, expenses, other income and estimated debt service coverage, was not included in NTTA's annual filings for the Special Project System fiscal years ending in 2012, 2013 and 2014, and (ii) information regarding the "maximum available amount" and "aggregate amount of eligible costs" relating to the Special Projects System was not included in NTTA's annual filings for the Special Project System fiscal years ending in 2012, 2013, 2014 and 2016, in all cases because the information remained unchanged for the relevant reporting period from previously filed information.

OTHER MATTERS

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

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SCHEDULE I
SCHEDULE OF REFUNDED OBLIGATIONS

System Variable Rate
Revenue Bonds, Series
2005C (NTTA System
Refunded Bonds)

Stated Maturity	Coupon	Principal Amount Outstanding (\$)	Principal Amount Refunded (\$)	Redemption Price (%)	Redemption Date	CUSIP No. ⁽¹⁾
1/1/2020	5.250%	12,430,000	10,105,000	100.000	1/1/2019	662858FR5
1/1/2021	5.375%	26,590,000	21,615,000	100.000	1/1/2019	662858FS3
1/1/2022	6.250%	28,390,000	23,080,000	100.000	1/1/2019	662858FT1
1/1/2023	6.000%	30,300,000	24,630,000	100.000	1/1/2019	662858FU8
1/1/2025	6.000%	68,795,000	55,925,000	100.000	1/1/2019	662858FV6

First Tier Current
Interest Revenue
Refunding Bonds, Series
2008A (NTTA System
Refunded Bonds)

Stated Maturity	Coupon	Principal Amount Outstanding (\$)	Principal Amount Refunded (\$)	Redemption Price (%)	Redemption Date	CUSIP No. ⁽¹⁾
1/1/2019	6.000%	39,815,000	39,815,000	100.000	1/1/2018	66285WAL0
1/1/2020	6.000%	5,025,000	5,025,000	100.000	1/1/2018	66285WMC7
1/1/2021	6.000%	6,765,000	6,765,000	100.000	1/1/2018	66285WMD5
1/1/2022	6.000%	6,800,000	6,800,000	100.000	1/1/2018	66285WME3
1/1/2023	6.000%	7,175,000	7,175,000	100.000	1/1/2018	66285WMF0
1/1/2024	6.000%	8,740,000	8,740,000	100.000	1/1/2018	66285WMG8
1/1/2025	6.000%	9,520,000	9,520,000	100.000	1/1/2018	66285WMH6
1/1/2028	5.125%	45,980,000	45,980,000	100.000	1/1/2018	66285WTB2
1/1/2033	5.625%	25,575,000	25,575,000	100.000	1/1/2018	66285WTE6
1/1/2040	5.750%	49,800,000	49,800,000	100.000	1/1/2018	66285WTL0
1/1/2048	5.750%	36,905,000	36,905,000	100.000	1/1/2018	66285WQE9

First Tier Current
Interest Revenue
Refunding Bonds, Series
2008B (NTTA System
Refunded Bonds)

Stated Maturity	Coupon	Principal Amount Outstanding (\$)	Principal Amount Refunded (\$)	Redemption Price (%)	Redemption Date	CUSIP No. ⁽¹⁾
1/1/2019	4.750%	420,000	420,000	100.000	1/1/2018	66285WBD7
1/1/2020	5.000%	440,000	440,000	100.000	1/1/2018	66285WBE5
1/1/2021	5.125%	460,000	460,000	100.000	1/1/2018	66285WBF2
1/1/2022	5.250%	60,000	60,000	100.000	1/1/2018	66285WTC0
1/1/2023	5.250%	65,000	65,000	100.000	1/1/2018	66285WTD8
1/1/2024	5.375%	65,000	65,000	100.000	1/1/2018	66285WQF6
1/1/2025	6.000%	1,090,000	1,090,000	100.000	1/1/2018	66285WQG4
1/1/2026	6.000%	1,155,000	1,155,000	100.000	1/1/2018	66285WQH2
1/1/2027	6.000%	1,225,000	1,225,000	100.000	1/1/2018	66285WQJ8
1/1/2028	5.625%	1,295,000	1,295,000	100.000	1/1/2018	66285WQK5
1/1/2033	5.625%	7,665,000	7,665,000	100.000	1/1/2018	66285WTF3
1/1/2040	5.750%	15,000,000	15,000,000	100.000	1/1/2018	66285WQM1

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First Tier Revenue
Refunding Bonds, Series
2010 (NTTA System
Refunded Bonds)

<u>Stated Maturity</u>	<u>Coupon</u>	<u>Principal Amount Outstanding (\$)</u>	<u>Principal Amount Refunded (\$)</u>	<u>Redemption Price (%)</u>	<u>Redemption Date</u>	<u>CUSIP No.⁽¹⁾</u>
1/1/2034	6.000%	40,025,000	40,025,000	100.000	1/1/2021	66285WFY7
1/1/2038	6.000%	89,360,000	89,360,000	100.000	1/1/2021	66285WFX9
1/1/2043	6.000%	202,840,000	202,840,000	100.000	1/1/2021	66285WFW1

First Tier Current
Interest Revenue Bonds,
Series 2011A (SPS
Refunded Bonds)

<u>Stated Maturity</u>	<u>Coupon</u>	<u>Principal Amount Outstanding (\$)</u>	<u>Principal Amount Refunded (\$)</u>	<u>Redemption Price (%)</u>	<u>Redemption Date</u>	<u>CUSIP No.⁽¹⁾</u>
9/1/2018	4.000%	60,000	60,000			66285WGL4
9/1/2020	5.000%	9,650,000	9,650,000			66285WGU4
9/1/2021	4.000%	5,000,000	5,000,000			66285WGM2
9/1/2021	5.000%	9,190,000	9,190,000			66285WGZ3
9/1/2023	5.000%	5,860,000	5,860,000	100.000	9/1/2021	66285WGN0
9/1/2024	5.000%	170,000	170,000	100.000	9/1/2021	66285WGV2
9/1/2025	5.000%	730,000	730,000	100.000	9/1/2021	66285WGW0
9/1/2026	5.000%	360,000	360,000	100.000	9/1/2021	66285WGX8
9/1/2028	5.500%	5,365,000	5,365,000	100.000	9/1/2021	66285WGY6
9/1/2029	5.250%	4,645,000	4,645,000	100.000	9/1/2021	66285WGP5
9/1/2030	5.000%	7,195,000	7,195,000	100.000	9/1/2021	66285WGQ3
9/1/2031	5.000%	16,040,000	16,040,000	100.000	9/1/2021	66285WGR1
9/1/2036	5.500%	47,335,000	47,335,000	100.000	9/1/2021	66285WGS9
9/1/2041	5.500%	280,545,000	280,545,000	100.000	9/1/2021	66285WGT7
9/1/2041	6.000%	50,000,000	50,000,000	100.000	9/1/2021	66285WHC3

First Tier Capital
Appreciation Revenue
Bonds, Series 2011B
(SPS Refunded Bonds)

<u>Stated Maturity</u>	<u>Coupon</u>	<u>Original Principal Amount (\$)</u>	<u>Accreted Value at Redemption (\$)</u>	<u>Redemption Price (%)</u>	<u>Redemption Date</u>	<u>CUSIP No.⁽¹⁾</u>
9/1/2037	7.550%	42,620,650.80	192,459,439.20	100.000	9/1/2031	66285WHD1
9/1/2043	7.600%	12,483,022.65	56,926,707.60	100.000	9/1/2031	66285WHE9

First Tier Convertible
Capital Appreciation
Revenue Bonds, Series
2011C (SPS Refunded
Bonds)

<u>Stated Maturity</u>	<u>Coupon</u>	<u>Original Principal Amount (\$)</u>	<u>Accreted Value Refunded* (\$)</u>	<u>Redemption Price (%)</u>	<u>Redemption Date</u>	<u>CUSIP No.⁽¹⁾</u>
9/1/2043	7.000%	36,767,691.00	85,950,000.00	100.000	9/1/2031	66285WHF6
9/1/2045	6.750%	93,072,085.20	184,920,000.00	100.000	9/1/2031	66285WHG4

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* Accreted value outstanding for the 2043 maturity is \$85,950,000.00. Accreted value outstanding for the 2045 maturity is \$184,920,000.00.

First Tier Current
Interest Revenue Bonds,
Series 2011D (SPS
Refunded Bonds)

<u>Stated Maturity</u>	<u>Coupon</u>	<u>Principal Amount Outstanding (\$)</u>	<u>Principal Amount Refunded (\$)</u>	<u>Redemption Price (%)</u>	<u>Redemption Date</u>	<u>CUSIP No.⁽¹⁾</u>
9/1/2019	5.000%	100,000	100,000			66285WHZ2
9/1/2020	5.000%	790,000	790,000			66285WJA5
9/1/2021	5.000%	780,000	780,000			66285WJB3
9/1/2022	5.000%	1,620,000	1,620,000	100.000	9/1/2021	66285WJC1
9/1/2023	5.000%	16,675,000	16,675,000	100.000	9/1/2021	66285WJD9
9/1/2024	5.000%	42,825,000	42,825,000	100.000	9/1/2021	66285WJE7
9/1/2025	5.250%	44,190,000	44,190,000	100.000	9/1/2021	66285WJF4
9/1/2026	5.250%	53,575,000	53,575,000	100.000	9/1/2021	66285WJG2
9/1/2027	5.250%	48,655,000	48,655,000	100.000	9/1/2021	66285WJH0
9/1/2028	5.000%	73,540,000	73,540,000	100.000	9/1/2021	66285WJJ6
9/1/2029	5.000%	79,950,000	79,950,000	100.000	9/1/2021	66285WJK3
9/1/2030	5.000%	84,300,000	84,300,000	100.000	9/1/2021	66285WJL1
9/1/2031	5.000%	87,595,000	87,595,000	100.000	9/1/2021	66285WJM9
9/1/2032	5.000%	32,275,000	32,275,000	100.000	9/1/2021	66285WJN7

First Tier Current
Interest Revenue Bonds,
Taxable Series 2011E
(SPS Refunded Bonds)

<u>Stated Maturity</u>	<u>Coupon</u>	<u>Principal Amount Outstanding (\$)</u>	<u>Principal Amount Refunded (\$)</u>	<u>Redemption Price (%)</u>	<u>Redemption Date</u>	<u>CUSIP No.⁽¹⁾</u>
9/1/2019	3.269%	1,865,000	1,865,000	102.822	11/1/2017	66285WHY5
9/1/2020	3.419%	15,095,000	15,095,000	104.398	11/1/2017	66285WHU3
9/1/2021	3.569%	14,850,000	14,850,000	106.449	11/1/2017	66285WHV1
9/1/2022	3.719%	30,860,000	30,860,000	107.311	11/1/2017	66285WHW9
9/1/2023	3.869%	10,995,000	10,995,000	109.552	11/1/2017	66285WHX7

SPS TIFIA
Loan

<u>Stated Maturity</u>	<u>Coupon</u>	<u>Principal Amount Outstanding (\$)</u>	<u>Principal Amount Refunded (\$)</u>	<u>Redemption Price (%)</u>	<u>Redemption Date</u>
9/1/2047	4.51%	478,026,323.47	478,026,323.47	100.000	11/1/2017

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APPENDIX A

THE NORTH TEXAS TOLLWAY AUTHORITY

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THE NORTH TEXAS TOLLWAY AUTHORITY

INTRODUCTION AND OVERSIGHT

Introduction

The North Texas Tollway Authority ("*NTTA*") is a regional tollway authority governed by Chapter 366 of the Texas Transportation Code (the "*NTTA Act*") and a political subdivision of the State of Texas. The *NTTA Act* authorizes *NTTA* to acquire, construct, maintain, repair and operate turnpike projects at locations within its jurisdiction and to issue bonds and other obligations for the purpose of paying all or any part of the cost of a turnpike project. *NTTA* serves Collin, Dallas, Denton and Tarrant Counties (the "*Member Counties*") and Johnson County (together with the Member Counties, the "*Project Counties*"). Ellis County joined *NTTA*'s Contiguous County Advisory Committee in April 2016 and will be served by *NTTA* upon the Texas Department of Transportation's ("*TxDOT*") completion of the 360 Tollway (defined below), and transfer thereof to *NTTA*, which is scheduled for April 2018.

NTTA's Board of Directors (the "*Board*") adopted a mission statement for *NTTA* "to provide a safe and reliable toll road system, increase value and mobility options for our customers, operate *NTTA* in a businesslike manner, protect our bondholders and partner to meet our region's growing need for transportation infrastructure."

NTTA came into existence on September 1, 1997, as the successor to the Texas Turnpike Authority (the "*TTA*"), an agency of the State of Texas that was created in 1953. At the time of *NTTA*'s creation, *NTTA* assumed all obligations of the *TTA* related to the system of toll roads then owned and operated by the *TTA* and *NTTA* took ownership of such system of toll roads. *NTTA* currently owns and operates the Dallas North Tollway (the "*DNT*"), the Addison Airport Toll Tunnel (the "*AATT*"), the President George Bush Turnpike (the "*PGBT*"), the President George Bush Turnpike Eastern Extension (the "*PGBT EE*"), the Mountain Creek Lake Bridge (the "*MCLB*"), the Lewisville Lake Toll Bridge (the "*LLTB*") and the Sam Rayburn Tollway (which will revert to *TxDOT* on September 1, 2058) (the "*SRT*" and, collectively with the foregoing toll roads the "*Existing NTTA System*"). Upon the issuance of the Bonds, the *PGBT WE* (as defined below) and the *CTP* (as defined below) will become part of the *NTTA System*, and the term "*NTTA System*" as used herein means, collectively, the Existing *NTTA System* and the *PGBT WE* and the *CTP* unless otherwise specified.

The Special Projects System

The metropolitan planning organization for North Central Texas identified both President George Bush Turnpike Western Extension (State Highway 161) (the "*PGBT WE*") and the Chisolm Trail Parkway (the "*CTP*") as integral elements of its regional transportation plan for the Dallas, Johnson and Tarrant County areas through its "Mobility 2030: The Metropolitan Transportation Plan." Beginning in 2008, *NTTA* and *TxDOT* entered into various agreements and understandings to facilitate and expedite the delivery and financing of *PGBT WE* and *CTP*, which culminated in *NTTA* and *TxDOT* entering into a Toll Equity Loan Agreement ("*TELA*") under which *TxDOT* made a toll equity loan available to *NTTA* to provide financial assistance with the two projects. The structure of this financial assistance necessitated that the projects be financed, constructed and operated separate and apart from the *NTTA System*. For this reason, *NTTA* formed the "Special Projects System" consisting of *PGBT WE* and *CTP*. To provide funding for the design and construction of these two facilities, in 2011, *NTTA* obtained the \$418 million SPS TIFIA Loan and issued approximately \$1.3 billion in bonds secured by the revenues of the Special Projects System. *NTTA* is able to draw on the *TELA* to pay debt service on the Special Projects System revenue bonds and the SPS TIFIA Loan in the event of a shortfall in revenues from the Special Projects System.

The *TELA* support enabled *NTTA* to issue S&P "AA" and Fitch "AA-" credit rated debt to fund and deliver *PGBT WE* and *CTP*. However, the *TELA* was not intended as a long-term financial commitment and contains restrictive covenants. Under the *TELA*, if and when certain conditions are met, *NTTA* must discharge *TxDOT* of its obligations under the *TELA* by refinancing the Special Projects System debt without the *TELA* support. *NTTA* projects the refinancing will be required by 2022. *NTTA* could refinance the Special Projects System debt by issuing *NTTA System* debt and making *PGBT WE* and *CTP* part of the *NTTA System*. Alternatively, *NTTA* could refinance the Special Projects System debt outside the *NTTA System*. Further, if *NTTA* is unable to refinance the Special Projects System without the *TELA* support, the *TELA* requires *NTTA* to pay *TxDOT* an annual *TELA* support fee, starting in 2022.

In 2014 *NTTA* developed a strategic refinancing plan for its *NTTA System* revenue bonds to capitalize on the low interest rate environment, stabilize debt coverage requirements and generate cash flow savings. Over the past 36 months, *NTTA* has refunded over \$3 billion in *NTTA System* revenue bonds, achieving approximately \$467

million in debt service savings and lowering maximum annual debt service by over \$130 million. These refundings have created additional NTTA System debt capacity. The opportunity for NTTA to accelerate the refinancing of the Special Projects System debt with NTTA System revenue bonds arises from the new debt capacity, merging of PGBT WE and CTP revenues into the NTTA System and continued low interest rates. In addition to achieving notable debt service savings, bringing PGBT WE and CTP into the NTTA System will also create efficiencies and reduce operating costs by eliminating duplicate efforts of maintaining two separate systems, including auditing services, budget development, asset inspection, traffic and revenue consultants and financial advisory services. Upon issuance of the Bonds, all liabilities of the Special Projects System will be paid or provided for and the PGBT WE and the CTP will be transferred to and become part of the NTTA System.

360 Tollway

NTTA has entered into a project agreement with TxDOT for the development of a 9.7-mile toll road on State Highway 360 located in Ellis, Johnson and Tarrant Counties, Texas (the "*360 Tollway*"). TxDOT is designing and constructing the 360 Tollway and is required to transfer ownership of the 360 Tollway to NTTA upon substantial completion. It is anticipated that the 360 Tollway will be open to traffic in April 2018. **The Bonds are not secured by the revenues of the 360 Tollway or any agreements relating to the 360 Tollway.**

Oversight by Member Counties

Under the NTTA Act, NTTA is required to issue, in each even-numbered year, a strategic plan for its operations covering the next five fiscal years. The strategic plan must contain information specified by the commissioners courts of the Member Counties.

By June 30 of each year, NTTA must file with the commissioners courts of the Member Counties a report describing all turnpike revenue bond issuances anticipated by NTTA during the coming year, the financial condition of NTTA, project schedules for all NTTA projects and the status of NTTA's performance under its most recent strategic plan.

If requested by the commissioners court of a Member County, NTTA is required to present the report to the commissioners, answer questions and take comments from the commissioners.

NTTA is required to notify each Member County's commissioners court by the 90th day before the date of issuance of revenue bonds.

NTTA is in compliance with the foregoing requirements.

GOVERNANCE AND MANAGEMENT

The Board of Directors

NTTA is governed by a nine-member Board. One of the directors is appointed by the Governor of Texas. Such director must be from a county outside of, but adjacent to, one of the Member Counties. The commissioners court of each Member County appoints two directors to the Board. See "**NTTA BOARD, ADMINISTRATION, CONSULTANTS AND ADVISORS**" in the forepart to this Official Statement for information regarding the current Board membership. Directors serve staggered two-year terms, may be reappointed to the Board and remain in office until a successor has been appointed and assumes the office.

If the Board approves a petition by a county adjacent to a Member County to join NTTA, the Board is required to be enlarged by one seat. Such seat is to be filled by appointment of the county commissioners of the new county.

If a non-Member County has an NTTA turnpike project within its borders, that county automatically joins NTTA on the date that (i) electronic toll collections within that county account for at least 4% of all of NTTA's electronic toll collections and (ii) the population of that county is at least 4% of the aggregate population of the Member Counties. If such a county joins NTTA, the Board will be enlarged by one seat, to be filled by appointment of the county commissioners of such county.

The Board appoints an Executive Director who is responsible for day-to-day operations of NTTA, including general management, hiring and termination of employees and other duties described in NTTA's bylaws.

Key Staff Members

Name	Position	Current Position Since	At NTTA Since
Gerald E. Carrigan	CEO/Executive Director	April 2012	December 2008
Horatio Porter	Chief Financial Officer/Assistant Executive Director of Finance	May 2013	May 2013
Dena DeNooyer Stroh	Assistant Executive Director of Legal Services/General Counsel	March 2015	March 2015
James Hofmann	Assistant Executive Director of Operations	May 2013	May 2013*
Elizabeth Mow	Assistant Executive Director of Infrastructure	June 2012	May 2008
Magdalena M. Brady	Director of Internal Audit	March 2008	March 2008
Lorelei Griffith	Secretary of the Board	June 2013	November 2001

Set forth below are biographies of certain key staff members of NTTA:

GERALD E. CARRIGAN, CEO/Executive Director. Mr. Carrigan is responsible for oversight of the operations of NTTA and acts as a liaison to key stakeholders within the region. Mr. Carrigan served as the interim Executive Director from October 19, 2011 until his permanent appointment in 2012. Prior to becoming the interim Executive Director, Mr. Carrigan served as Assistant Executive Director of Project Delivery.

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

Mr. Carrigan earned a Bachelor's of Science Degree in civil engineering from Southern Illinois University and a Master of Public Administration Degree from the University of South Florida. He is also a Registered Professional Engineer and holds memberships and affiliations with several professional associations.

HORATIO PORTER, Chief Financial Officer/Assistant Executive Director of Finance. Mr. Porter joined NTTA as Chief Financial Officer/Assistant Executive Director of Finance in May 2013. He oversees NTTA's finance, procurement, business diversity and cash and debt management departments. His responsibilities include assessing and mitigating financial risks to NTTA, planning financial strategies and ensuring compliance with federal, state and local regulatory laws. Mr. Porter also serves as NTTA's Treasurer.

Prior to joining NTTA, Mr. Porter oversaw an annual operating budget of more than \$1.4 billion as the City of Fort Worth's Chief Financial Officer. He also managed Fort Worth's \$1.8 billion debt portfolio. He previously served as Fort Worth's budget officer and developed the city's five-year financial forecast.

Before moving into governmental finance, Mr. Porter spent almost 15 years in various financial and accounting roles in the private sector, including serving as assistant vice president/officer for AmeriCredit (now GM Financial), as a manager of financial planning and analysis for FedEx and as an auditor for Coopers & Lybrand.

Mr. Porter is a licensed Certified Public Accountant and holds a Bachelor's Degree in accounting and a Master's of Business Administration Degree in finance, each from Texas Christian University.

DENA DENOYER STROH, Assistant Executive Director of Legal Services/General Counsel. As General Counsel, Ms. Stroh is responsible for a wide variety of legal work related to NTTA, including reviewing and negotiating contracts, litigation management, real estate matters, data security, procurement, intellectual property, collections and employment law issues. Additionally, Ms. Stroh provides legal advice to the Board, creates and reviews internal NTTA policies and procedures, and reviews all NTTA legal financing documents. She also serves as NTTA's Ethics Officer.

Ms. Stroh has more than 17 years of legal experience. Prior to joining NTTA, she served as General Counsel and Corporate Secretary of Murchison Oil and Gas, Inc. for three years and was responsible for all legal

* Mr. Hofmann first joined NTTA in 2005 as a Director of Information Technology. See James Hofmann, Assistant Executive Director of Operations.

issues affecting the company including contracts, regulatory, land, structuring, corporate governance, human resources, compliance, insurance and other matters. Previously, Ms. Stroh was a partner at Gruber Hurst Johansen Hail Shank, LLP (now known as Gruber Elrod Johansen Hail Shank, LLP), where she handled a wide range of commercial litigation matters and appeals. Ms. Stroh also worked at Carrington, Coleman, Sloman, & Blumenthal, LLP, where she became a partner and handled complex civil litigation in both state and federal court.

Ms. Stroh earned a Bachelor's of Arts Degree in psychology from Yale University and a Juris Doctor Degree from Southern Methodist University, Dedman School of Law, where she graduated cum laude.

JAMES HOFMANN, Assistant Executive Director of Operations. Mr. Hofmann is the Assistant Executive Director of Operations for NTTA, overseeing its customer service, information technology and human resources departments.

Mr. Hofmann first joined NTTA in 2005 as director of information technology. In October 2006, he was named NTTA's director of business solutions. Previously, Mr. Hofmann worked with NTTA in consulting and interim roles, including as interim assistant director of information technology and as a software project manager.

Mr. Hofmann left NTTA in August 2007 to return to the private sector, serving as a consultant and project manager for HNTB on various ventures related to the tolling and highway industry. His experience includes work with public-private partnerships, intergovernmental negotiations and business process improvements. Mr. Hofmann served as associate vice president for HNTB, overseeing programs and projects for many of the firm's largest clients. Mr. Hofmann returned to NTTA in 2013.

Mr. Hofmann earned a Bachelor's of Science Degree in science from Texas A&M University and a Master's of Science Degree from the University of Utah.

ELIZABETH MOW, P.E., Assistant Executive Director of Infrastructure. Ms. Mow leads the project delivery, maintenance and system and incident management departments, all in support of the planning, design, construction, maintenance and operation of NTTA's approximately 966 lane miles of toll roads and non-tolled service roads.

Ms. Mow joined NTTA in 2008 as the director of project delivery. In this role, she was responsible for directing the day-to-day activities of the \$4 billion Corridor Expansion and Capital Improvement Program from the planning stage through construction on all new turnpike and capital improvement projects.

Ms. Mow has more than 19 years of professional experience in the field of engineering and management. She is experienced in all phases of program delivery, including the development of long and short range planning, project development and the National Environmental Policy Act approval process, project management, design, right-of-way acquisition, environmental permitting, utility coordination, construction contract administration and construction inspection.

Ms. Mow graduated from the University of Toledo with a Bachelor of Science Degree in civil engineering and is a licensed Professional Engineer in the state of Texas.

MAGDALENA M. BRADY, CPA, CIA, Internal Audit Director. Ms. Brady serves as the Internal Audit Director for NTTA and has over 25 years of audit experience. Ms. Brady is responsible for planning and performing audits and business process reviews to improve the relevance, reliability, control and timeliness of information being reported to executive management of NTTA. Ms. Brady manages the external auditor's audit process and interacts with all levels of management. In addition, Ms. Brady is responsible for operational, compliance, special projects and internal control reviews and recommendations for best practices. Ms. Brady reports to the Finance and Audit Committee of the Board.

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

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

LORELEI GRIFFITH, Secretary to the Board. Ms. Griffith previously served as Assistant Secretary to the Board from September 2007 to May 2013 and initially served as Executive Assistant to the Executive Director.

THE NTTA SYSTEM

General

NTTA operates and maintains the Existing NTTA System, which consists of the DNT, the AATT, the PGBT, the PGBT EE, the MCLB, the LLTB and the SRT. The SRT will revert to TxDOT on September 1, 2058. Upon issuance of the Bonds and the application of the proceeds thereof to defease all of the debt of the Special Projects System, the PGBT WE and the CTP will become part of the NTTA System. The NTTA System also includes such other additional extensions, expansions, improvements and enlargements to the NTTA System as may be designated by the Board. As used herein, the term "NTTA System" includes the PGBT WE and the CTP unless otherwise specified.

The aggregate average daily revenue vehicle transactions on the NTTA System were approximately 2,068,067 in calendar year 2015 and 2,168,038 in calendar year 2016. Upon the addition of the PGBT WE and the CTP, the NTTA System will have approximately 966 lane miles of roads. Presented below are descriptions of the seven components of the Existing NTTA System including audited Fiscal Year 2015 and Fiscal Year 2016 average revenue vehicle transactions per day for each component of the Existing NTTA System, as well as descriptions of the PGBT WE and the CTP, including unaudited calendar year 2015 and 2016 revenue vehicle transactions per day. The Fiscal Year for the NTTA System is the calendar year.

Dallas North Tollway

The DNT is a limited access tollway providing a connection for motorists between downtown Dallas and cities in northern Dallas and southern Collin and Denton Counties. It is a six-lane limited access expressway passing through or along the cities of Dallas, Highland Park, University Park, Addison, Farmers Branch, Plano and Frisco and is approximately 31 miles in length with approximately 179 lane miles of toll roads. The first section of the DNT opened to traffic in June 1968. The DNT connects with major traffic arteries in the areas it serves: IH 35E (Stemmons Freeway), Loop 12, IH 635, Belt Line Road, Frankford Road, the PGBT, Park Boulevard, Legacy Drive, the SRT, FM 2934 (Eldorado Parkway) and US 380. The DNT's average revenue vehicle transactions per day were approximately 699,719 in Fiscal Year 2015 and 711,766 in Fiscal Year 2016.

A 17.6-mile extension of the DNT northward from US 380 to FM 428 (Phase 4A) and from FM 428 through the Collin/Grayson county line to FM 121 (Phase 4B) has been proposed. The proposed extension is for a limited access toll road with six main lanes and four frontage road lanes. See "**OTHER POTENTIAL PROJECTS (ON-SYSTEM AND OFF-SYSTEM) — Projects Under Consideration — DNT Extension Phase 4A**" and "**— DNT Extension Phase 4B.**"

NTTA is adding a fourth lane in each direction to the DNT between Belt Line Road and the SRT. Construction began in 2015, will be done in stages and is expected to be completed in early 2018.

President George Bush Turnpike

The PGBT is the northern portion of an outer loop around the Dallas Metropolitan Area and was opened in its entirety to traffic in September 2005. The PGBT runs from West Belt Line Road in Irving to SH 78 in Garland, a distance of approximately 30 miles, with approximately 181 lane miles of toll roads and 4 lane miles of non-tolled service roads. It passes through seven cities and three counties and connects with US 75 (Central Expressway), the DNT, IH 35E and IH 635. It also provides an alternative route to the Dallas-Fort Worth International Airport. Average revenue vehicle transactions per day on the PGBT were approximately 649,629 in Fiscal Year 2015 and 666,610 in Fiscal Year 2016.

NTTA is adding a fourth lane to the main lanes in each direction between north of Belt Line Road (in Irving) and SH 78 to increase capacity and improve the flow of traffic between north of Belt Line Road and SH 78. Construction began in May 2015 on the first phase of the project between DNT and Renner Road. Construction on all phases is expected to be completed in late 2021.

President George Bush Turnpike Eastern Extension

General Information

The PGBT EE is an extension of the PGBT from SH 78 east and south to IH 30 and is approximately 9.9 miles in length with approximately 59 lane miles of toll roads. The PGBT EE passes through the cities of Dallas,

Garland, Sachse and Rowlett in eastern Dallas County and includes a one-mile bridge over Dallas' Lake Ray Hubbard. The PGBT EE opened to traffic in its entirety in December 2011. The PGBT EE's average revenue vehicle transactions per day were approximately 90,384 in Fiscal Year 2015 and 98,745 in Fiscal Year 2016. The PGBT EE was developed, financed and constructed and is operated by NTTA under a Construction, Operation and Maintenance Agreement (the "*PGBT EE Project Agreement*") dated December 5, 2007, as amended, between NTTA and TxDOT.

PGBT EE Project Agreement

General. The PGBT EE Project Agreement contains the representations, commitments and obligations of NTTA and TxDOT related to the development, financing, design, construction, operation and maintenance of the PGBT EE. TxDOT acknowledges its approval of and support for the financing, design, construction, operation and maintenance by NTTA of the PGBT EE in perpetuity as a turnpike project pursuant to the NTTA Act.

Operations and Maintenance. NTTA operates and maintains the main lanes on the PGBT EE and associated right-of-way in accordance with prescribed standards. TxDOT is responsible, at NTTA's expense, for operating and maintaining the 29 lane miles of non-tolled service roads on the PGBT EE.

Revenue Sharing. NTTA shares revenue with TxDOT as set forth in the PGBT EE Project Agreement through a supplemental toll collected by NTTA and held in trust for TxDOT. The supplemental toll is equal to 20% of the publicly announced toll at the TollTag transaction rate. **Revenues from the supplemental toll are not Pledged Revenues of the NTTA System and are not pledged to the payment of the Bonds.** See "**NTTA SYSTEM TOLL RATE SCHEDULES**" in **APPENDIX C**.

Toll Rates. The PGBT EE Project Agreement sets forth projected toll rates for the PGBT EE for the years 2009 through 2061. The toll rate schedule for the PGBT EE set forth in **APPENDIX C** hereto complies with the PGBT EE Project Agreement.

Sam Rayburn Tollway

General Information

The SRT is a toll road in Collin, Dallas and Denton Counties extending northeasterly from SH 121 Business in Denton County to US 75 in Collin County, and is approximately 26 miles in length with approximately 154 lane miles of toll roads and 154 lane miles of non-tolled service roads. The SRT serves as a northeast-southwest traffic artery between IH 35E and US 75 and is an artery to the Dallas-Fort Worth International Airport. The SRT opened in its entirety to traffic in November 2011. The SRT's average vehicle transactions per day were approximately 387,355 in Fiscal Year 2015 and 415,264 in Fiscal Year 2016. The SRT was developed, financed and constructed and is operated by NTTA under a Project Agreement (the "*SRT Project Agreement*") dated October 18, 2007, as amended, between NTTA and TxDOT.

On September 1, 2058, NTTA's interests in the SRT will revert to TxDOT.

SRT Project Agreement

General. The SRT Project Agreement contains the representations, commitments and obligations of NTTA and TxDOT related to the development, financing, design, construction, operation, maintenance and reversion to TxDOT of the SRT. TxDOT acknowledges its approval of and support for the financing, design, construction, operation and maintenance by NTTA of the SRT as a turnpike project pursuant to the NTTA Act.

Capacity Improvements. NTTA is required to make capacity improvements to the SRT if certain minimum required levels of traffic flow are not maintained. NTTA currently plans to add a fourth main lane in each direction, with construction expected to commence in late-2018 and completion expected in mid-2021.

Operations and Maintenance. NTTA operates and maintains the SRT main lanes, service roads and associated right-of-way in accordance with prescribed standards. Notwithstanding the foregoing, TxDOT is responsible for handling requests and permitting for adjacent property access to the service roads and utility placement within the service roads, and for the repair, maintenance and operation of the traffic signal systems on the service roads.

Term and Handback. The SRT Project Agreement has a term ending on September 1, 2058. On the scheduled termination date, all of NTTA's rights under the SRT Project Agreement will automatically terminate and title to the SRT, including all improvements, will revert and transfer to TxDOT, at no charge to TxDOT.

Banded Revenue Sharing. NTTA is required to pay TxDOT a specified portion of toll revenues on the SRT that exceed a minimum threshold (the "*Revenue Share Amount*"). The minimum threshold revenues and the specified portion of revenues to be paid to TxDOT are set forth in the SRT Project Agreement. The Revenue Share Amount is determined on a calendar-year basis and is required to be paid within fifteen days after the end of each calendar year. To date there has been no Revenue Share Amount. **The Revenue Share Amount is not Pledged Revenues of the NTTA System and is not pledged to the payment of the Bonds.**

Toll Rates. NTTA has covenanted to charge toll rates on the SRT that do not exceed the maximum rates for each user classification as set forth in the SRT Project Agreement, unless NTTA determines that it is necessary to (a) preserve the financial condition of the NTTA System, (b) comply with the provisions of any bonds, notes, trust agreements or other financial instruments or agreements secured by the revenues of the NTTA System or (c) comply with law. Prior to establishing rates in excess of those set forth in the SRT Project Agreement, NTTA must increase the toll rate schedule for the remainder of the NTTA System (other than those portions for which a lower toll rate is projected to produce higher revenues) to a level substantially equivalent to the toll rate schedule for the SRT. The toll rate schedule for the SRT set forth in **APPENDIX C** hereto complies with these requirements. The SRT Project Agreement provides that maximum rates on the SRT will escalate at a rate of 2.75% per annum, adjusted every two years on July 1 of odd-numbered years.

Mountain Creek Lake Bridge

The MCLB, located in southwestern Dallas County, opened in April 1979. The MCLB provides a direct east-west crossing of Mountain Creek Lake between the Oak Cliff section of Dallas and the City of Grand Prairie as well as convenient access to attractions like Six Flags Over Texas, AT&T Stadium and Globe Life Park in Arlington. The MCLB extends eastward from the intersection of Spur 303 and Southeast 14th Street in Grand Prairie, across the lake, to the intersection of Spur 303 and Mountain Creek Parkway in Dallas. The MCLB is approximately 2 miles in length, with approximately 4 lane miles of toll roads and a two-lane bridge structure that is 7,425 feet long. The MCLB's average revenue vehicle transactions per day were approximately 6,950 in Fiscal Year 2015 and 7,347 in Fiscal Year 2016. NTTA has designed pavement improvements to the east and west approach of the MCLB and a new toll gantry. Construction is anticipated to start in October 2017.

Addison Airport Toll Tunnel

The AATT, a two-lane tunnel crossing under the Addison Airport, opened to traffic in February 1999 and was the first toll tunnel in Texas. The AATT is approximately 3,700 feet in length, with approximately 1.5 lane miles of toll roads and a 1,600 foot tunnel.

The AATT expands traffic capacity and eases congestion in the northern sector of Dallas and Addison by providing an alternate east-west route between the DNT and IH 35E. The tunnel allows motorists to continue on Keller Springs Road, which once ended on either side of Addison Airport, paralleling Belt Line Road and Trinity Mills Road, both congested city streets. The AATT's average revenue vehicle transactions per day were approximately 6,651 in Fiscal Year 2015 and 6,272 in Fiscal Year 2016.

Lewisville Lake Toll Bridge

The LLTB, a 1.7-mile four-lane bridge with approximately 8 lane miles of toll roads, opened to traffic in August 2009 and provides an east-west route over Lewisville Lake in southern Denton County and is part of a 13.8-mile corridor. The LLTB's average revenue vehicle transactions per day were approximately 12,695 in Fiscal Year 2015 and 15,019 in Fiscal Year 2016.

President George Bush Turnpike Western Extension

The PGBT WE extends the TxDOT section of SH 161 south of the current terminus by approximately 11.5 miles, from SH 183 south to IH 20 in Dallas County, with approximately 54 lane miles of toll roads and 53 lane miles of non-tolled service roads. The PGBT WE opened in its entirety to traffic in October 2012. The PGBT WE's unaudited average revenue vehicle transactions per day were approximately 148,685 for calendar year 2015 and 166,175 for calendar year 2016 (the fiscal year for the Special Projects System was September 1 to August 31). The PGBT WE was developed, financed and constructed and is operated by NTTA under a Project Agreement (the "*PGBT WE Project Agreement*") dated July 30, 2009, as amended, between NTTA and TxDOT.

PGBT WE Project Agreement

General. The PGBT WE Project Agreement contains the representations, commitments and obligations of NTTA and TxDOT related to the development, financing, design, construction, operation and maintenance of the PGBT WE and provides that NTTA will own the PGBT WE in perpetuity. TxDOT acknowledges its approval of and support for the financing, design, construction, operation and maintenance by NTTA of the PGBT WE as a turnpike project pursuant to the NTTA Act.

Capacity Improvements. NTTA is required to make capacity improvements to the PGBT WE by January 1, 2020 and January 1, 2031 if certain minimum required levels of service are not maintained or if certain minimum required levels of traffic flow are not maintained. NTTA currently plans to add a third main lane in each direction between IH 20 and IH 30 and a fourth main lane in each direction between IH 30 and SH 183, with construction planned to begin in mid-2019.

Operations and Maintenance. NTTA operates and maintains the PGBT WE main lanes, frontage roads and associated right-of-way in accordance with prescribed standards. Notwithstanding the foregoing, TxDOT is responsible for handling requests and permitting for adjacent property access to the frontage roads and utility placement within the frontage roads, and for the repair, maintenance and operation of the traffic signal systems on the frontage roads.

Net Revenue and Capital Improvement Sharing. Commencing on July 30, 2061, NTTA is required to pay to TxDOT 50% of the net revenue from PGBT WE (the "*Net Revenue Share Amount*"), and TxDOT and NTTA will equally share (50%/50%) all capital improvement costs pertaining to PGBT WE. Net revenue means all toll revenue received from PGBT WE, less all operating expenses for PGBT WE. The Net Revenue Share Amount and capital improvement costs will be determined on a calendar-year basis and any required payments must be paid within fifteen (15) days after the end of each calendar year. **The Net Revenue Share Amount is not Pledged Revenues of the NTTA System and is not pledged to the payment of the Bonds.**

Toll Rates. NTTA has covenanted to charge toll rates on the PGBT WE that do not exceed the maximum rates for each user classification as set forth in the PGBT WE Project Agreement, unless NTTA determines that it is necessary to (a) preserve the financial condition of the NTTA System, (b) comply with the provisions of any bonds, notes, trust agreements or other financial instruments or agreements secured by the revenues of the NTTA System or (c) comply with law. The toll rate schedule for the PGBT WE set forth in **APPENDIX C** hereto complies with these requirements. The PGBT WE Project Agreement provides that maximum rates on the PGBT WE will escalate at a rate of 2.75% per annum, adjusted every two years on July 1 of odd-numbered years.

Chisholm Trail Parkway

The CTP is a 27.6 mile extension of SH 121 from IH 30 near the central business district of Fort Worth to FM 1187 in Tarrant County, and continuing south to US 67 in Johnson County, with approximately 99 lane miles of toll roads. It traverses a large portion of the City of Fort Worth with major interchanges at IH 30 and IH 20 at SH 183, and continuing into Johnson County to the City of Cleburne, Texas. The CTP consists of two to six controlled-access main lanes with discontinuous two to three-lane service roads in certain segments. The CTP was fully opened to traffic on May 11, 2014. The CTP's unaudited average revenue vehicle transactions per day were approximately 65,999 for calendar year 2015 and 80,840 for calendar year 2016. The CTP was developed, financed and constructed and is operated by NTTA under a Project Agreement (the "*CTP Project Agreement*") dated October 27, 2010, between NTTA and TxDOT.

CTP Project Agreement

General. The CTP Project Agreement contains the representations, commitments and obligations of NTTA and TxDOT related to the development, financing, design, construction, operation and maintenance of the CTP and provides that NTTA will own the CTP in perpetuity. TxDOT acknowledges its approval of and support for the financing, design, construction, operation and maintenance by NTTA of the CTP as a turnpike project pursuant to the NTTA Act.

Operations and Maintenance. NTTA operates and maintains the CTP main lanes and associated right-of-way in accordance with prescribed standards. The City of Fort Worth will operate, maintain, police and regulate all of the frontage roads within its corporate limits.

Toll Rates. Until October 27, 2062, NTTA has covenanted to charge toll rates on the CTP that do not exceed the maximum rates for each user classification as set forth in the CTP Project Agreement, unless NTTA determines that it is necessary to (a) preserve the financial condition of the NTTA System, (b) comply with the provisions of any bonds, notes, trust agreements or other financial instruments or agreements secured by the revenues of the NTTA System or (c) comply with law. The toll rate schedule for the CTP set forth in **APPENDIX C** hereto complies with these requirements. The CTP Project Agreement provides that maximum rates on the CTP will escalate at a rate of 2.75% per annum, adjusted every two years on July 1 of odd-numbered years.

Multi-Year NTTA System Capital Plan

NTTA's Capital Improvement Program for the NTTA System for Fiscal Years 2017-2021 (the "CIP") includes all major maintenance, rehabilitation, corridor expansion projects and corridors under study. Current corridor expansion projects include (i) DNT fourth lane additions in each direction from Belt Line Road to SRT that are expected to be completed in early 2018, (ii) bottleneck improvements at the DNT/PGBT interchange that are anticipated to be open to traffic at the beginning of 2018, (iii) PGBT fourth lane additions in each direction between north of Belt Line Road and SH 78 that are anticipated to be completed in stages between 2016 and 2021, (iv) SRT fourth lane additions in each direction, with construction planned to begin in late 2018, (v) PGBT WE widening with the addition of one main lane in each direction from I-30 to I-20 that are anticipated to be completed in 2021 and (vi) the DNT main lane bridges over US 380, with construction to begin in 2020. The CIP also includes planned expenditures for replacement of equipment, roadway resurfacing, roadway safety improvements, repair and reconstruction of retaining walls and office facility improvements. The estimated costs for the NTTA System in the CIP over the period 2017-2021 are expected to be approximately \$1.18 billion. Of the \$1.18 billion, approximately \$213 million is expected to be paid from the Reserve Maintenance Fund, approximately \$884 million is expected to be paid from the Capital Improvement Fund, approximately \$52 million is expected to be paid from the Construction Fund, approximately \$4.6 million is expected to be paid from the Feasibility Study Fund, and \$27 million is expected to be paid from reimbursement agreements. As of July 31, 2017, NTTA had on deposit approximately \$55 million in the Reserve Maintenance Fund, \$187 million of unrestricted funds in the Capital Improvement Fund and \$106 million in the Construction Fund for those projects. NTTA anticipates funding the CIP from the amounts in and future anticipated deposits to the above-mentioned funds. NTTA also anticipates having approximately \$89 million in various funds held under the SPS Trust Agreement that will be available for those projects after the issuance of the Bonds. Although not anticipated, NTTA may utilize its commercial paper note program, as needed, to finance the CIP if cash flow from the NTTA System is not sufficient to make such deposits.

OPERATION OF THE NTTA SYSTEM

Introduction

Set forth below is certain information relating to the operation of the NTTA System, including information relating to NTTA's electronic tolling system and toll collections process.

Electronic Tolling

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

All of the roadways use an all-electronic toll collection system ("*All-ETC*"), including automatic vehicle identification ("*AVI*") and video tolling ("*ZipCash*"), to maximize traffic flow.

The primary electronic toll collection method is AVI, where vehicles are recognized through communications with transponders issued by NTTA ("*TollTags*") or other transponders that are interoperable with NTTA's AVI system, and tolls are collected from the customers' accounts with NTTA or the issuers of such other transponders.

The ZipCash toll collection method is used for vehicles without a TollTag or interoperable transponder (or with a transponder that is inoperative or malfunctioning), where an image of the vehicle's license plate is captured in the lane and used to identify the vehicle's owner for invoicing. See "**OPERATION OF THE NTTA SYSTEM — Operations — Toll Collection**" below for information regarding collection of TollTag and ZipCash transactions.

Operations

General

NTTA and its predecessor, TTA, have operated toll roads in the North Texas region for more than 60 years. The number of active TollTags was approximately 4.68 million as of July 31, 2017. The NTTA System currently utilizes main lane gantries ("MLGs") for toll collection, at which vehicle information is captured in both directions, along with ramp toll gantries to prohibit toll-free entrance or exit. Under the current toll schedule, the weighted average two-axle TollTag toll rate for the NTTA System (excluding AATT, MCLB, LLTB and CTP) is approximately \$0.1801 per mile.

The DNT has four MLGs with three lanes in each direction and 16 pairs of ramp toll gantries. The PGBT has five MLGs with three or four lanes in each direction and 15 pairs of ramp toll gantries. The SRT has three MLGs with three lanes in each direction and 20 pairs of ramp toll gantries. The PGBT EE has one MLG with three lanes in each direction and six pairs of ramp toll gantries. The PGBT WE has two MLGs with two or three lanes in each direction and 9 pairs of ramp toll gantries. The CTP has three MLGs with one, two or three lanes in each direction and 12 pairs of ramp toll gantries. There is one MLG at each of the AATT, the LLTB and the MCLB.

The use of All-ETC at highway speeds allows NTTA to maximize vehicle throughput, improve safety and realize environmental benefits.

Employees

To administer the NTTA System, the 360 Tollway and Tolling Services (as defined below) for non-NTTA toll projects in NTTA's service area, NTTA has budgeted for 819 full-time employees in Fiscal Year 2017 to be involved in maintenance, customer service, collections and toll enforcement, administration, project delivery, finance, human resources, government affairs, information technology, legal, communications and marketing, loss prevention, internal audit and business diversity.

Toll Collection

The entire NTTA System has operated on an All-ETC basis since January 2011. With All-ETC, NTTA collects tolls in two ways - through its AVI system or through its ZipCash video tolling system. With the AVI system, a TollTag transaction is one in which the AVI system detects the TollTag or other transponder in the vehicle as it passes through the toll gantry and the TollTag or other transponder account contains funds adequate to pay the toll. All other toll transactions are initially recorded as ZipCash transactions.

A transaction initially recorded as a ZipCash transaction but later reclassified as a TollTag transaction ("*VToll*" transaction) occurs when a vehicle associated with a TollTag or other transponder account passes through a toll gantry but the TollTag or other transponder is not detected by the AVI equipment. A TollTag may not be detected because the AVI equipment fails to identify the TollTag or the TollTag is defective or not properly installed in the vehicle. VToll transactions also occur when a transaction is detected by the AVI system but not initially recorded as a TollTag transaction, which may be for a number of reasons, including if an insufficient balance exists in the TollTag account at the time of the transaction.

A normal TollTag transaction is collected by debiting the TollTag account of the user or through the interoperability agreement with the issuer of a non-TollTag transponder. A VToll transaction is collected upon identification of the transaction as a VToll by debiting the TollTag account of the user. ZipCash transactions are collected through invoices generated by NTTA and mailed to the owner of the vehicle using the tollway.

To pursue collection of a ZipCash transaction through the invoicing process, there are two requirements: (i) the video system must capture a readable license plate image and (ii) the license plate information must be matched to the vehicle owner information, including the owner's mailing address. If these two requirements are not met for a ZipCash transaction, NTTA is unable to pursue collection of that transaction. Through agreements directly with the State of Texas, other direct state to state agreements and contracts with various third parties, NTTA is able to obtain vehicle ownership information from 47 states within the United States.

NTTA and several other tolling agencies within Texas, including TxDOT and Harris County, Texas, acting through the Harris County Toll Road Authority, entered into an Interlocal Agreement in 2007 (the "*2007 Interoperability Agreement*") relating to the interoperability of the various toll collection systems within Texas and fees relating thereto. In October 2014, NTTA entered into an interlocal agreement with Oklahoma Turnpike Authority to exchange ownership information with NTTA (Oklahoma has the largest number of out of state users on

NTTA tollways). The 2007 Interoperability Agreement and direct agreement with Oklahoma was superceded by an Interlocal Agreement (the "2017 Interoperability Agreement") entered into by NTTA, with all other Texas tolling agencies, the Kansas Turnpike Authority and the Oklahoma Turnpike Authority in early 2017. The 2017 Interoperability Agreement provides for the use of any tolling entity's transponder on any other tolling entity's toll roads and the processing by each agency of tolls for the transactions involving their own transponders on toll roads operated by other agencies. In order to reimburse the costs to process interoperability transactions and manage customer accounts, under the 2017 Interoperability Agreement the processing agency is paid by the owner of the toll road a fee, which is currently set at \$0.05 plus 3% of the revenue for each interoperable transaction. Unaudited net toll revenue for interoperability transactions on the NTTA System represented approximately 5.14% and 5.16% of toll revenue in calendar years 2015 and 2016, respectively.

If a ZipCash transaction is pursuable, NTTA will determine if the transaction meets its business rules regarding the invoicing of transactions. The business rules establish the minimum value of tolls that need to be included in an invoice in order to make delivery and collection of the invoice cost effective. Once an invoice is mailed to the vehicle owner, NTTA has processes and procedures in place to collect the invoice, such as delivery of notices of non-payment, the charging of administrative fees, use of third-party collection agencies and use of justice of the peace court proceedings. In addition, NTTA may take advantage of certain statutory remedies, including publishing a user's name and amount of unpaid tolls, placing a block on a user's vehicle registration, prohibiting a user from further use of NTTA's roadways and impounding a user's vehicle. See "— *Enforcement.*"

NTTA focuses on three key areas relating to the development and maintenance of a successful All-ETC program: (i) TollTag penetration (*i.e.*, the percentage of total transactions constituting TollTag transactions), (ii) pursuable ZipCash transactions and (iii) revenue collection processes.

The most effective and efficient way to collect a toll is through the AVI system, so increasing the TollTag penetration has a direct, positive effect on net revenues. Having better quality license plate images and current license plate and owner address information increases the number of pursuable ZipCash transactions, which also has a direct, positive effect on net revenues. The revenue collection process includes collection of payment from TollTag users, the use of business rules for creation and delivery of invoices to ZipCash users and the subsequent processes and procedures for collection of those invoices. The revenue collection process has a direct impact on revenues and expenses. The Board is advised by staff each month on key metrics that describe NTTA's TollTag penetration, pursuable ZipCash transactions and revenue collection. NTTA's staff provides the Board with a quarterly review and tracking of projects and initiatives that impact these key areas and identifies needed improvements to these key areas in order to optimize toll operations and net revenues.

NTTA continually monitors the TollTag penetration rates and trends on its roadways. TollTag penetration percentages are adjusted upward when ZipCash transactions are reclassified to TollTag transactions (*i.e.*, a VToll Transaction). Most adjustments for VToll transactions occur within six months of the transaction. VToll transactions are 100% collectible because they become associated with a TollTag account with a sufficient balance to pay the toll. NTTA does, however, incur additional costs in connection with certain types of VToll transactions as compared to normal TollTag transactions because NTTA has to match the license plate of the vehicle to a valid TollTag account. Although NTTA incurs these additional costs, VToll transactions had historically been collected at the TollTag toll rate rather than the higher ZipCash toll rate. To offset these additional costs, NTTA assesses the ZipCash rate for VToll transactions resulting from account user error, such as where a TollTag account had a negative balance at the time of the transaction.

The TollTag penetration rates as of January 2013, 2014, 2015, 2016 and 2017 are set out in the table below. These calculations use aggregate transaction information from the NTTA System. The calculations are based on unaudited financial information. The percentage of transactions initially recorded as TollTag transactions and the percentage of transactions reclassified from ZipCash to VToll transactions shown in the table reflect all transactions on a rolling twelve-month basis as of the reporting month with a two-month lag.

	January 2013	January 2014	January 2015	January 2016	January 2017
Percent of transactions initially recorded as TollTag transactions as of reporting month:	65.8%	66.2%	65.5%	64.4%	65.6%
ZipCash transactions reclassified to VToll transactions as of reporting month ⁽¹⁾ :	<u>13.5%</u>	<u>11.9%</u>	<u>12.8%</u>	<u>13.8%</u>	<u>14.0%</u>
Total TollTag penetration rate:	79.3%	78.1%	78.3%	78.2%	79.6%

⁽¹⁾ As a percent of total transactions for the month.

NTTA continues to seek to improve TollTag penetration, the number of pursuable ZipCash transactions and the revenue collection process. Over the last several years, NTTA has added an entry level, lower balance TollTag account type, and targeted corridor campaigns to increase TollTag penetration. NTTA has also implemented improvements to the image review quality of its video system used for ZipCash transactions to improve billing accuracy, standardized payment plans for ZipCash customers, restructured its administrative fees for nonpayment of ZipCash invoices to encourage early payment, reducing the emphasis on escalating fees and discouraging late payment and instituted monthly and consolidated ZipCash invoices to provide predictability to customers and eliminate confusion of multiple invoices in varying amounts and dates.

Enforcement

NTTA has certain statutory remedies available to enforce the collection of tolls. NTTA may publish the names of registered owners (or lessees) of nonpaying vehicles who are liable for past due and unpaid tolls and administrative fees. NTTA may also enter into agreements providing for toll violation payment plans and file suit in district court to enforce these agreements. NTTA may block the vehicle registration of toll scofflaws who are "habitual violators" and ban certain "habitual violators" from operating their motor vehicles on NTTA tollways.

Repeat violations of a vehicle ban allow law enforcement on the tollways to impound the habitual violator's vehicle after the habitual violator has been notified in person of such intent if found on the tollway. NTTA has negotiated agreements with the Tax Collector/Assessors from each of the Member Counties, four other adjacent counties and the Texas Department of Motor Vehicles to implement the vehicle registration block remedy. Since NTTA implemented the registration block and the vehicle ban programs in July of 2014, NTTA has mailed over 368,000 habitual violator letters, placed over 258,000 registration blocks and delivered over 188,000 notices banning owners from operating vehicles on NTTA tollways. In response to the registration blocks and vehicle bans, NTTA has had over 80,000 habitual violators pay their outstanding invoices in full, and over 47,000 habitual violators enter into payment plans. NTTA requires habitual violators entering into a payment plan to obtain a TollTag, and estimates that from June 2014 through June 30, 2017, NTTA collected over \$38.6 million from new transactions attributable to these TollTag accounts.

Toll Collection Variance

NTTA evaluates the correlation between traffic on the tollways and actual tolls collected by calculating the uncollected and uninvoiced amounts as compared to the total value of tollway transactions. The toll collection variance calculation (the "*All-ETC Methodology*") is as follows:

$$\frac{\text{(value of invoiced ZipCash transactions for the reporting period uncollected as of end of reporting period + value of uninvoiced ZipCash transactions for the reporting period as of end of reporting period)}}{\text{value of all AVI and ZipCash transactions that have occurred during the reporting period as adjusted for VToll transactions}}$$

An AVI transaction is valued at the TollTag toll rate. A ZipCash transaction is valued at the ZipCash toll rate, which includes the premium above the TollTag rate but not any administrative fees or fines. See "**APPENDIX C — NTTA SYSTEM TOLL RATE SCHEDULES**" for TollTag and ZipCash toll rates for each portion of the NTTA System. Upon identification, the value of a VToll transaction is adjusted downward from the ZipCash rate to the TollTag rate.

The toll collection variance for the NTTA System based on the All-ETC methodology for calendar years 2012, 2013, 2014, 2015 and 2016 is set out in the table below. The calculations are based on unaudited financial information.

	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016
Value of invoiced ZipCash transactions uncollected as of period-end:	\$80,413,340	\$81,701,089	\$81,508,283	\$102,767,093	\$113,455,688
Value of uninvoiced ZipCash transactions as of period-end:	<u>52,451,196</u>	<u>61,518,201</u>	<u>80,989,673</u>	<u>81,035,240</u>	<u>71,002,940</u>
TOTAL:	\$132,864,536	\$143,219,290	\$162,497,956	\$183,802,333	\$184,458,628
Value of all AVI and ZipCash transactions during the reporting period as adjusted for VToll transactions:	÷ <u>\$591,226,667</u>	÷ <u>\$676,584,037</u>	÷ <u>\$795,784,407</u>	÷ <u>\$894,514,347</u>	÷ <u>\$967,410,315</u>
Toll collection variance:	22.47%	21.17%	20.42%	20.55%	19.07%

The table below sets out the following information for calendar years 2012, 2013, 2014, 2015 and 2016 (i) the percentage, by value, of ZipCash transactions out of all the NTTA System transactions for the reporting period, (ii) the percentage, by value, of all ZipCash transactions that occurred during the reporting period that were invoiced prior to the end of the reporting period and (iii) the percentage, by value, of the ZipCash transactions that were invoiced during the reporting period and were collected by the end of the reporting period. The calculations are based on unaudited financial information.

	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016
Percentage of ZipCash transactions (by value) out of all NTTA transactions during period:	29.43%	28.83%	30.40%	30.42%	28.90%
Percentage of ZipCash transactions (by value) that were invoiced during period:	62.94%	61.92%	64.61%	68.26%	72.68%
Percentage of invoiced ZipCash transactions (by value) that were collected as of period end:	41.29%	48.75%	45.03%	41.40%	41.30%

Uninvoiced ZipCash transactions that are paid in the reporting period are deemed to be invoiced and are reflected in the percentages in the preceding table. ZipCash transactions that are invoiced in a reporting period subsequent to their occurrence are not reflected in the percentages of ZipCash transactions that were invoiced or invoiced ZipCash transactions that were collected in the preceding table. Invoiced ZipCash transactions that are collected in a reporting period subsequent to their invoicing, are not reflected in the percentages of invoiced ZipCash transactions that were collected in the preceding table. Furthermore, the percentages in the table do not take into account adjustments for VToll transactions and unassigned ZipCash invoices occurring after such reporting period. ZipCash transactions are not invoiced if the transaction (i) does not meet NTTA's business rules regarding invoicing,

or (ii) is not pursuable because a readable license plate image was not captured or because the license plate information could not be matched to the vehicle owner information.

The All-ETC Methodology does not include ZipCash transactions collected after the end of the calendar year in which the transaction occurred, therefore NTTA also reports total ZipCash collections, including invoiced and uninvoiced payments, for the calendar year. This amount includes all ZipCash transactions collected regardless of the date the transactions occurred. Total ZipCash collections were approximately \$67.4 million for 2012, \$68.3 million for 2013, \$78.0 million for 2014, \$81.4 million for 2015 and \$92.0 million for 2016 for the Existing NTTA System. Unaudited ZipCash collections were \$87.5 million for 2014, \$97.0 million for 2015 and \$110.5 million for 2016 for the NTTA System.

Revenue Recovery Assumptions in Traffic and Revenue Study

The current traffic and toll revenue analysis for the NTTA System (defined below under "**TRAFFIC AND REVENUE STUDY**" as the "*September 2017 T&R Study*") reflects the most current ZipCash revenue recovery assumptions and distribution of TollTag/ZipCash transactions. For all transactions within the forecast period, the September 2017 T&R Study uses a revenue recovery rate of 36.0% for all ZipCash transactions (includes invoiced and uninvoiced transactions and excludes all VToll transactions) at one year after the transaction, with the rate increasing to 40.0% at two years after the transaction. The September 2017 T&R Study assumes the average NTTA System TollTag penetration rate (including all VToll transactions with a three-month lag) to be 78.6% in 2017 with a ramp up based on a logistic function to an average of 79.7% for all NTTA System roadways in 2020, 82.1% in 2030, 83.3% in 2040, 84.0% in 2050 and 84.4% in 2060. See "**TRAFFIC AND REVENUE STUDY.**" Projected annual toll revenues in the September 2017 T&R Study are revenues projected to be collected in each year (*i.e.*, cash basis) after applying the above-described assumptions to the projected toll transactions for the year. Historical toll revenues and historical debt service coverage are based on revenues determined on an accrual basis in accordance with generally accepted accounting principles ("*GAAP*"). See "*— Reporting of Toll Accounts Receivable*" below and "**OTHER FINANCIAL INFORMATION.**" Inevitably, some underlying assumptions and projections used to develop these financial forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast periods will vary from the forecasts, and such differences may be material.

Reporting of Toll Accounts Receivable

In its annual audited and monthly unaudited financial statements NTTA reports revenues in its statement of net assets and statement of revenues, expenses, and changes in net assets on an accrual basis in accordance with GAAP. ZipCash transactions are recorded as receivables in accordance with GAAP. NTTA's unaudited net toll receivables for the NTTA System as of December 31, 2012, 2013, 2014, 2015 and 2016 are as follows:

	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Toll accounts receivables:	\$111,725,776	\$110,181,962	\$156,663,304	\$199,659,650	\$206,067,488
Allowance for uncollectible receivables:	<u>\$(82,965,326)</u>	<u>\$(76,067,217)</u>	<u>\$(110,517,972)</u>	<u>\$(148,321,186)</u>	<u>\$(156,126,620)</u>
Net toll receivables:	<u>\$28,760,450</u>	<u>\$34,114,745</u>	<u>\$46,145,332</u>	<u>\$51,338,464</u>	<u>\$49,940,868</u>

See "**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY SYSTEM, AN ENTERPRISE FUND OF THE NORTH TEXAS TOLLWAY AUTHORITY, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**" — **Note 9, Page 58** and "**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SPECIAL PROJECTS SYSTEM, AN ENTERPRISE FUND OF THE NORTH TEXAS TOLLWAY AUTHORITY, FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**" — **Note 9, Page 35** incorporated herein by reference for additional information regarding NTTA's accounts receivable.

Currently, NTTA maintains an allowance for uncollectible receivables in its financial statements with respect to a toll receivable, with the amount of the allowance based upon historical monthly collections patterns from 2011 to present. Based upon the payment history for each 30 day bucket of aged toll receivables, an allowance is calculated for the expected percentage that will remain unpaid based upon these historical trends. The allowance for uncollectible receivables currently ranges from a minimum of 20% on invoices that are current (age of 0-30 days) to a maximum of 100% for invoices that have met the business rules for write-off with an overall weighted average of 74.7% reserved for all invoices. In October 2013, the Board adopted a toll receivable write-off policy. See "*Toll Receivables Write-Off*." See "**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY SYSTEM, AN ENTERPRISE FUND OF THE NORTH TEXAS TOLLWAY AUTHORITY, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**" — **Note 9, Page 58** and "**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SPECIAL PROJECTS SYSTEM, AN ENTERPRISE FUND OF THE NORTH TEXAS TOLLWAY AUTHORITY, FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**" — **Note 9, Page 35** incorporated herein by reference for more information on toll receivables.

Toll Receivables Write-Off

NTTA has a toll receivable write-off policy. The policy states in part that, on an annual basis in November of each year, NTTA's Operations department will provide a list, by customer, of all receivables that have aged through the collections process and are eligible to be written-off. In order to provide an opportunity for toll enforcement remedies to assist in collection efforts, invoices must have aged for two years from the date of the initial ZipCash invoice before becoming eligible for write-off. In December, the Executive Director will recommend to the Board, for their review and approval, a list of toll receivables to be written-off. Toll receivables are written-off from an accounting and financial reporting perspective only. They will continue to be legal obligations of the users and collection efforts will continue.

For the NTTA System, NTTA wrote off \$56,192,668 in toll receivables effective as of December 31, 2013, \$19,504,034 in toll receivables effective as of December 31, 2014, \$41,254,040 in toll receivables effective as of December 31, 2015 and \$64,272,410 in toll receivables effective as of December 31, 2016. All of the above figures are unaudited.

OTHER POTENTIAL PROJECTS (ON-SYSTEM AND OFF-SYSTEM)

General

Future turnpike projects of NTTA may be financed as part of the NTTA System or independently of the NTTA System. See "**RISK FACTORS – Additional Obligations**" in the forepart. NTTA is in the preliminary review stage for a number of projects and has begun the multi-staged review process for some of these projects. The review process entails performing various environmental studies, which may need to be approved by State and federal agencies, feasibility studies, the development of traffic and revenue studies, an analysis of financing structures (such as stand-alone or system) and development options (*e.g.*, Comprehensive Development Agreement ("*CDA*"), design-build and construction manager at risk).

A key factor in determining whether to undertake a project is the impact on NTTA's credit profile (including expected revenue contribution and ability to service the related debt). NTTA's objective in determining whether to undertake projects is to maintain or enhance the overall NTTA credit profile and preserve or enhance debt capacity for future projects. If NTTA determines to pursue any of these projects, NTTA anticipates this process to be gradual. Funding agreements and cost estimates are preliminary and therefore subject to change, which changes may be material.

Local Primacy

Chapter 373 of the Texas Transportation Code ("*Chapter 373*") establishes the framework for giving local toll entities the primary responsibility for toll road development within its boundaries. Under Chapter 373, NTTA has the first option to develop, finance, construct, and operate a toll project within its boundaries, but must exercise its option not later than:

- (a) 180 days after NTTA or TxDOT notifies the other of its intent to initiate the primacy process; or

(b) 120 days after the U.S. Department of Transportation Federal Highway Administration (the "FHWA") issues a decision ("*Decision*") on an environmental impact statement for the project, if the FHWA issued its Decision more than 60 days after TxDOT issued its notice of intent to initiate the primacy process to NTTA.

The option period may be extended for 90 days if agreed upon by NTTA and TxDOT. TxDOT and NTTA may enter into an agreement waiving the primacy terms in Chapter 373 and providing instead for alternative terms that are mutually agreeable to the parties.

Projects Under Consideration

DNT Extension Phase 4A

DNT Extension Phase 4A, a proposed 6-mile extension of the DNT, would begin at US 380 in Collin County and extend north to FM 428. No financial commitments have been made by NTTA for DNT Extension Phase 4A. In September 2008, the Board approved the DNT Extension Phase 4A schematic and environmental assessment. Collin County has constructed an initial two-lane county road on the proposed alignment from US 380 to FM 428 using proceeds of a bond sale approved by voters in 2003. Collin County's two lane road opened to traffic in October 2008 and is anticipated to serve as the northbound frontage road for the potential DNT Extension Phase 4A. Collin County is acquiring all of the right-of-way for this possible DNT extension. CDM Smith developed sketch level traffic and revenue forecasts for the DNT Extension Phase 4A in August 2015 but a financial feasibility study has not been conducted.

DNT Extension Phase 4B

NTTA has completed a planning study on the DNT extension north of FM 428 north into Grayson County (Phase 4B to the Collin/Grayson county line). No financial commitments have been made by NTTA for DNT Extension Phase 4B; per Chapter 373, the Grayson County Regional Mobility Authority has primacy on any toll project within Grayson County, including portions of the DNT which may extend into Grayson County. The study involved seeking input from affected counties, municipalities and property owners, and performing route studies for possible alignments. In July 2010, the Board selected the "county line" alignment as the "Locally Preferred Alternative." NTTA has completed the environmental documentation and schematic development stage for Phase 4B. Denton County has committed \$21.5 million to fund the southbound frontage road for the DNT Phase 4B project. NTTA began design of the project in December 2014 and is currently finalizing right-of-way donation along the corridor.

Trinity Parkway

In 1999, NTTA, TxDOT and the City of Dallas entered into an interlocal agreement concerning the development of the proposed Trinity Parkway in the City of Dallas from the SH 183/IH 35E junction north of downtown Dallas to US 175 southeast of downtown Dallas, a distance of approximately nine miles. On August 9, 2017, the Dallas City Council approved a resolution eliminating the City of Dallas's preferred alignment for Trinity Parkway. Further, the City of Dallas recently made written requests to NTTA and TxDOT to terminate the interlocal agreement for the Trinity Parkway. Based on the actions of the City of Dallas, NTTA does not believe the Trinity Parkway will move forward as a toll project.

Other Possible Projects

NTTA is currently considering a number of additional projects, including SH 190/East Branch, and an extension of the PGBT EE between IH 30 and IH 20 of approximately 11 miles in length. The foregoing projects are subject to the local primacy requirements of state law. See "**Local Primacy.**"

TOLLING SERVICES AGREEMENTS

General

The NTTA Act provides that NTTA shall provide, for reasonable compensation, tolling services normally provided through its customer service center, including customer service, customer account maintenance, transponder supply and toll collection and enforcement (collectively, "*Tolling Services*") for toll projects in NTTA's service area of Collin, Dallas, Denton and Tarrant counties. NTTA provides these Tolling Services for third parties, along with its services under the 2017 Interoperability Agreement, under its Enterprise Fund, which is separate and apart from the NTTA System.

Pursuant to the requirements of the NTTA Act, NTTA has entered into (i) a Tolling Services Agreement dated September 4, 2009 (as amended, the "*IH 635 TSA*") with LBJ Infrastructure Group LLC (the "*IH 635 Developer*") for the IH 635 Managed Lanes Project in Dallas County, Texas (the "*IH 635 Project*"), which fully opened to traffic in September 2015, (ii) a Tolling Services Agreement dated June 23, 2009 (as amended, the "*NTE Segment 1/2W TSA*") with NTE Mobility Partners LLC (the "*NTE Segment 1/2W Developer*") for Segments 1 and 2W of the North Tarrant Express Project in Tarrant County, Texas (the "*NTE Segment 1/2W Project*"), which fully opened to traffic in October 2014, (iii) a Tolling Services Agreement dated September 19, 2013 (as amended, the "*NTE Segment 3A/3B TSA*") with TxDOT, as TxDOT's subcontractor, to provide Tolling Services to NTE Mobility Partners Segments 3 LLC (the "*NTE Segment 3A/3B Developer*") for Segments 3A and 3B of the North Tarrant Express Project in Tarrant County, Texas (the "*NTE Segment 3A/3B Project*"), the first phase of which opened to traffic in July 2017 and (iv) a Tolling Services Agreement dated September 1, 2014 (as amended, the "*Regional TSA*") with TxDOT for certain planned TxDOT managed toll lane projects in the NTTA's service area (the "*Regional Projects*"), under which NTTA performs Tolling Services for the DFW Connector, IH 35E and I-30 Projects in Dallas and Tarrant Counties, Texas. There is no assurance that any other Regional Projects will go forward. NTTA does not anticipate entering into any other TSAs in the near future. **Revenues generated by NTTA under these or future TSAs will not secure the Bonds.**

As described below, the IH 635 TSA and the NTE Segment 1/2W TSA place most of the toll collection risk on NTTA. Both the IH 635 TSA and the NTE Segment 1/2W TSA require NTTA to pay to the developer a portion of the toll for each transaction, subject to certain exceptions, regardless of whether NTTA actually collects the toll. While NTTA is only required to pay the developer tolls for video transactions where the license plate image is readable, NTTA is taking all other collection risk. See the discussion regarding collection of ZipCash video transactions under "**THE NTTA SYSTEM — Operations — Toll Collection.**" All fees assessed and collected by NTTA are intended to serve as mitigation of uncollected tolls for these projects. NTTA expects to have sufficient funds in the Enterprise Fund to cover required payments under the TSAs. To the extent funds in the Enterprise Fund are insufficient to cover such required payments, NTTA may use funds in the Capital Improvement Fund for the NTTA System to cover such payments. Due primarily to the collection risk described above, through the first six months of 2017, NTTA's allocated costs to provide the Tolling Services and actual payments to the developers under the TSAs exceeded the tolls collected under the TSAs by \$1.9 million, against a budgeted shortfall of \$3.3 million. When fully opened to traffic, the revenues under the NTE Segment 3A/3B TSA are expected to mitigate the collection risk under the IH 635 TSA and the NTE Segment 1/2 TSA.

IH 635 Tolling Services Agreement

The IH 635 TSA expires on September 4, 2061.

Subject to certain exceptions, NTTA is required to pay the IH 635 Developer an amount equal to the transponder toll for each transaction, less its fee, within two business days after the date the transaction has been properly transmitted to NTTA.

NTTA is entitled to a fee for each transaction, consisting of a base transaction fee and (except for interoperability transactions) a variable transaction fee. In addition, NTTA may impose on and collect from users of the IH 635 Project, and retain as additional compensation, incidental charges consistent with NTTA's practices concerning customers of its own facilities, including, with respect to video transactions, a video toll premium.

NTTA is required to provide performance security in the form of a letter of credit for its payment obligations under the IH 635 TSA.

The delivery of the letter of credit is a condition to NTTA's right to receive compensation for services. The IH 635 Developer is obligated to reimburse NTTA for the costs of the issuance of the letters of credit. The required face amount of the letter of credit for each service year is 50% of the toll revenues that the IH 635 Developer's base case financial model projects will be earned in the applicable service year. In lieu of a letter of credit, NTTA may provide substitute performance security acceptable to the IH 635 Developer. NTTA and the IH 635 Developer entered into a Second Amended and Restated Agreement Regarding IH 635 TSA Performance Security dated as of December 1, 2015 (as amended, the "*Second Amended IH 635 TSA Performance Security Agreement*"), which constitutes substitute performance security under the IH 635 TSA through October 31, 2017, and pursuant to which NTTA (i) reaffirmed the establishment of a separate sub-account for the sole benefit of the IH 635 Developer (the "*IH 635 TSA Cash Collateral Sub-Account*") under the Master Cash Collateral Trust Agreement (as defined below) and funded the IH 635 TSA Cash Collateral Sub-Account in the amount of \$15 million (the "*Account Requirement*")

and (ii) caused JPMorgan Chase Bank, N.A. to deliver to the IH 635 Developer an Irrevocable Standby Letter of Credit in the stated amount of \$36.6 million and with a stated expiration date of December 12, 2017. As of June 30, 2017, the IH 635 TSA Cash Collateral Sub-Account was fully funded. If the IH 635 Developer withdraws any amounts from the IH 635 TSA Cash Collateral Sub-Account, then NTTA is required to replenish the IH 635 TSA Cash Collateral Sub-Account to an amount not less than the Account Requirement not later than five business days after the withdrawal occurs. The Second Amended IH 635 TSA Performance Security Agreement will continue in effect until October 31, 2017, or such later date mutually agreed to by NTTA and the IH 635 Developer. Upon termination of such agreement, NTTA will be required to provide a letter of credit, or substitute performance security acceptable to the IH 635 Developer, as required under the IH 635 TSA. NTTA, TxDOT and the IH 635 Developer are in negotiations to amend the IH 635 TSA to reduce the size of the performance security amount and permit such performance security to be satisfied solely with amounts on deposit in the IH 635 TSA Cash Collateral Sub-Account. NTTA anticipates that such amendment will be in place before October 31, 2017, but no assurance is given thereto.

NTE Segment 1/2W Tolling Services Agreement

The NTE Segment 1/2W TSA expires on June 23, 2061.

Subject to certain exceptions, NTTA is required to pay the NTE Segment 1/2W Developer an amount equal to the transponder toll for each transaction, less its fee, within two business days after the date the transaction has been properly transmitted to NTTA.

NTTA is entitled to a fee for each transaction, consisting of a base transaction fee and (except for interoperability transactions) a variable transaction fee. In addition, NTTA may impose on and collect from users of the managed lanes of the NTE Segment 1/2W Project, and retain as additional compensation, incidental charges consistent with NTTA's practices concerning customers of its own facilities, including, with respect to video transactions, a video toll premium.

NTTA is required to provide performance security in the form of cash collateral for its payment obligations under the NTE Segment 1/2W TSA.

NTTA established a master cash collateral trust account (the "*Master Cash Collateral Trust Account*") under a Master Cash Collateral Trust Agreement (the "*Master Cash Collateral Trust Agreement*") among NTTA, TxDOT and Wilmington Trust, National Association (the "*Collateral Account Trustee*") and initially deposited \$25,598,000 therein.

NTTA, TxDOT, the Collateral Account Trustee and the Segment 1/2W Developer entered into a Joinder Agreement dated as of May 1, 2014 that established a separate sub-account, for the sole benefit of the NTE Segment 1/2W Developer (the "*NTE Segment 1/2W Cash Collateral Sub-Account*"), which currently has a required amount of \$10,176,427. As of June 30, 2017, the NTE Segment 1/2W Cash Collateral Sub-Account was fully funded. On each July 1, the required amount increases by two percent. NTTA and TxDOT intend to use available funds on deposit in the Master Cash Collateral Trust Account to fund any shortfall in the NTE Segment 1/2W Collateral Sub-Account, other than a shortfall caused by a default by NTTA under the NTE Segment 1/2W TSA. If the NTE Segment 1/2W Developer withdraws any amounts from the NTE Segment 1/2W TSA Cash Collateral Sub-Account, then NTTA is required to replenish the NTE Segment 1/2W TSA Cash Collateral Sub-Account to the required amount not later than five business days after the withdrawal occurs. NTTA, TxDOT and the NTE Segment 1/2W Developer are in negotiations to amend the NTE Segment 1/2W TSA to reduce the size of the performance security amount. NTTA anticipates that such amendment will be in place before December 12, 2017, but no assurance is given thereto.

NTE Segment 3A/3B Tolling Services Agreement

The NTE Segment 3A/3B TSA expires on the tenth anniversary of the service commencement date for the NTE Segment 3A/3B Project, but will renew automatically for successive five-year periods until June 23, 2061.

Subject to certain exceptions, NTTA is required to pay the NTE Segment 3A/3B Developer and/or TxDOT an amount equal to the toll for each transaction, including any video transaction toll premium, less its fee, within two business days after the date NTTA collects such toll. Unlike the IH 635 TSA and the NTE Segment 1/2 TSA, NTTA does not bear any collection risk under the NTE Segment 3A/3B TSA.

NTTA is entitled to a fee for each transaction, consisting of a base transaction fee and (except for interoperability transactions) a variable transaction fee. In addition, NTTA may impose on and collect from users of

the managed lanes of the NTE Segment 3A/3B Project, and retain as additional compensation, incidental charges consistent with NTTA's practices concerning customers of its own facilities. Incidental charges do not include any video transaction toll premiums.

Regional Tolling Services Agreement

The Regional TSA expires on September 1, 2019, but will automatically renew for additional five-year periods, unless NTTA or TxDOT elects not to extend.

NTTA must pay TxDOT an amount equal to the payment received for each transaction within two business days after receipt. NTTA does not bear any collection risk under the Regional TSA.

TxDOT must reimburse NTTA for its costs and expenses to perform tolling services under the Regional TSA, including an allocated portion of NTTA's overhead and shared services under generally accepted government accounting principles. The Regional TSA is intended to be cost neutral to NTTA.

THE 360 TOLLWAY

General

The 360 Tollway will be a 9.7-mile toll road project located in Ellis, Johnson and Tarrant Counties, Texas, extending generally from Green Oaks Boulevard in Tarrant County south to US 287 in Ellis County with approximately 78 lane miles of toll roads and frontage roads. The 360 Tollway will be an All-ETC facility initially consisting of four controlled-access main lanes from just south of Green Oaks Boulevard to US 287, with continuous service roads along the entire corridor. The 360 Tollway will be a stand-alone toll project and will not be a part of the NTTA System. Revenues of the 360 Tollway may only be used to pay costs, including debt service, that are related to the 360 Tollway. **Revenues from the 360 Tollway will not secure and will not be available to pay debt service on the Bonds or other obligations entitled to the benefit of the Trust Agreement.**

Project Agreement

NTTA entered into the Project Agreement State Highway 360 dated February 28, 2014 (the "*360 Tollway Project Agreement*") with TxDOT for the 360 Tollway, which contains the representations, commitments and obligations of NTTA and TxDOT related to the development, financing, design, construction, operation and maintenance of the 360 Tollway. Under the 360 Tollway Project Agreement, TxDOT is required to design and construct the 360 Tollway and has allocated funds in the amount of \$300 million for such purpose. The actual amount of such allocated funds expended for the design and construction of the 360 Tollway, less TxDOT's internal soft costs, up to a maximum of \$294 million, will constitute a loan (the "*Project Loan*") from TxDOT to NTTA payable, except as set forth below, solely from net revenues of the 360 Tollway. The Project Loan will have a term of 35 years, commencing on the date of substantial completion of the 360 Tollway, and will bear interest at a fixed rate of 4.25% per annum. The Project Loan is not secured by the revenues of the NTTA System. In May 2015, TxDOT executed a design-build contract for design and construction of the 360 Tollway. Construction of the 360 Tollway commenced in 2015 and NTTA anticipates the 360 Tollway will be substantially complete and open to traffic in April 2018. Upon substantial completion of the 360 Tollway, TxDOT is required to transfer ownership thereof to NTTA, at which time NTTA will have the obligation to make payments on the Project Loan.

Financial Backstop Agreement

To provide support for TxDOT's efforts to develop, finance and construct the 360 Tollway and NTTA's efforts to operate and maintain the 360 Tollway, the Regional Transportation Council (the "*RTC*"), TxDOT and NTTA entered into that certain Financial Backstop Agreement State Highway 360 dated February 28, 2014 (the "*Financial Backstop Agreement*"). Under the Financial Backstop Agreement, if 360 Tollway revenues are insufficient to make a scheduled payment on the Project Loan or a scheduled transfer for payment of operating and maintenance costs, NTTA is required to submit to TxDOT and the RTC an expense draw request for the amount of such shortfall, and TxDOT, on behalf of the RTC, is required to make a draw under the Financial Backstop Agreement in the amount of such shortfall (i) to the extent the payment is owing to TxDOT, through the Texas Transportation Commission's reduction of allocation of funds allocated to the Dallas-Fort Worth Region in the Unified Transportation Program developed by TxDOT and approved by the Texas Transportation Commission (the "*UTP Funds*") after the scheduled payment date or (ii) to the extent the payment is owing to NTTA, by transferring UTP Funds or other funds the RTC is authorized to allocate to projects to NTTA by the fifteenth business day after

receipt of such draw request. NTTA is required to repay the RTC, but only from available 360 Tollway revenues, any amounts drawn under the Financial Backstop Agreement, together with interest on such amount at the fixed rate of 4.25% per annum. The Financial Backstop Agreement is not secured by the revenues of the NTTA System.

Reverter and Nonrecourse

If the obligations of the RTC under the Financial Backstop Agreement are determined to be inoperative or if the RTC otherwise fails to perform its obligations under the Financial Backstop Agreement, and TxDOT's rights under the Financial Backstop Agreement to self-effectuate a cure are unenforceable or otherwise unavailable, then (i) if 360 Tollway revenues are insufficient to make at least 50% of any scheduled Project Loan payment, NTTA will be required to transfer to TxDOT, from other sources available to NTTA, the difference between 50% of the scheduled Project Loan payment and the amount of 360 Tollway revenues available to make such payment, and (ii) any shortfall in a scheduled Project Loan payment will be added to the Project Loan balance and NTTA will be required to pay such shortfall to TxDOT, together with interest thereon, on before the earlier of the fifth anniversary of the applicable payment date or the maturity date of the Project Loan. If NTTA fails to make a payment described in this paragraph, NTTA will have 90 days after written notice from TxDOT to make such payment. If NTTA does not make such payment within the 90-day period, the 360 Tollway Project Agreement and all of NTTA's rights thereunder will automatically terminate and title to the 360 Tollway will revert to TxDOT. NTTA's failure to make any such payment to TxDOT will not constitute a default under the 360 Tollway Project Agreement, and the obligations of NTTA under the 360 Tollway Project Agreement are subject to the availability of 360 Tollway revenues to perform such obligations. NTTA may use funds in the Capital Improvement Fund for the NTTA System to make any payment described in this paragraph, but is not obligated to do so.

360 Tollway Revenues Do Not Secure Bonds

Although not currently contemplated, NTTA may refinance the 360 Tollway with NTTA System revenue debt and make the 360 Tollway a part of the NTTA System pursuant to the terms of the Trust Agreement. **The Bonds will be secured only by the NTTA System revenues and not by the 360 Tollway revenues or any other assets of NTTA.**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

General

The pro forma unaudited financial statements of the combined Existing NTTA System and Special Projects System as of and for the twelve months ending December 31, 2016 and December 31, 2015 are attached hereto as **APPENDIX B-1** and **APPENDIX B-2**. The pro forma unaudited financial statements of the combined Existing NTTA System and Special Projects System as of and for the six months ended June 30, 2017 are attached hereto as **APPENDIX B-3**. The pro forma unaudited financial statements of the NTTA System reflect the financial condition of the NTTA System, which does not include the 360 Tollway or the Tolling Services.

Highlights of the combined Existing NTTA System and Special Projects System as of December 31, 2016

- Revenue Vehicle Transactions for the twelve months ending December 31, 2016 were 793,502,055, an increase of 38,449,509 or 5.09% over the twelve months ending December 31, 2015.
- Approximately 4.3 million and 3.7 million TollTags were active as of December 31, 2016 and 2015, respectively.
- As of December 31, 2016, the NTTA System's total net position increased by \$76,001,640 from the total net position as of December 31, 2015. The change was primarily due to an increase in net income from operations driven by growth in toll revenue.
- For the twelve months ending December 31, 2016, toll revenues, net of bad debt expense, were \$758,799,316 an increase of \$65,519,348 or 9.45% over the twelve months ending December 31, 2015. The increase was primarily a result of an increase in transactions and an increase in the toll rates that took place in July 2015.

- The operating and administration expenses for the Operations and Maintenance Fund for the twelve months ending December 31, 2016 were \$153,516,250, an increase of 1.9% compared to the operating and administration expenses for the Operations and Maintenance Fund for the twelve months ending December 31, 2015.

Net Position

Set forth below is an analysis of the Existing NTTA System's and Special Projects System's combined unaudited financial position as of December 31, 2016 and December 31, 2015.

Table A-1
Net Position

	Unaudited As of December 31, 2016	Unaudited As of December 31, 2015
Current assets	\$ 502,485,546	\$ 414,473,999
Current restricted assets	527,229,697	393,203,617
Noncurrent assets		
Restricted investments	481,624,138	612,910,607
Other assets	64,236,497	71,392,877
Capital assets	<u>8,275,324,436</u>	<u>8,252,785,788</u>
Total assets	<u>9,850,900,314</u>	<u>9,744,766,888</u>
Deferred outflow of resources	<u>439,903,668</u>	<u>334,320,584</u>
Current liabilities	100,280,269	95,272,590
Liabilities payable from restricted assets	263,515,183	220,025,092
Long-term debt	<u>10,025,223,101</u>	<u>9,939,150,620</u>
Total liabilities	<u>10,389,018,553</u>	<u>10,254,448,302</u>
Deferred inflow of resources	<u>6,443,549</u>	<u>5,298,930</u>
Net position:		
Investment in capital assets	(3,715,068,946)	(3,957,632,080)
Restricted for debt service	1,039,061,480	992,621,008
Restricted for TSAs	2,688,410,225	2,752,866,500
Unrestricted	<u>(117,060,879)</u>	<u>31,484,812</u>
Total net position	<u>\$ (104,658,120)</u>	<u>\$ (180,659,760)</u>

The NTTA System net position indicates an unrestricted current ratio of 5.01 and 4.35 as of December 31, 2016, and December 31, 2015, respectively. Working capital was \$402,205,277 and \$319,201,409 as of December 31, 2016, and December 31, 2015, respectively. Total unrestricted current assets were \$502,485,546 as of December 31, 2016, compared to \$414,473,999 as of December 31, 2015 (see Table A-1). Total unrestricted and restricted current assets were \$1,029,715,243 and \$807,677,616 as of December 31, 2016, and December 31, 2015, respectively. Cash and investments of \$953,972,126 represent the largest component of current assets as of December 31, 2016. The remaining \$75,743,117 is comprised of accrued interest receivables of \$2,520,606, accounts receivable of \$63,870,503, prepaid insurance expenses of \$1,937,948 and interproject/interagency receivables of \$7,414,060.

Total unrestricted current liabilities for the NTTA System were \$100,280,269 as of December 31, 2016, including \$25,010 for accounts payable, \$56,739,889 of deferred revenue, \$27,354,529 for accrued liabilities, mainly accrued salaries and vacation liability, and interfund payables of \$16,160,841.

Summary of Operations

Set forth below is a summary of the combined unaudited operations of the Existing NTTA System and Special Projects System for the twelve months ending December 31, 2016 and 2015.

Table A-2
Change in Net Position

	Twelve Months Ending	
	Unaudited December 31, 2016	Unaudited December 31, 2015
Revenues		
Tolls	\$ 758,799,316	\$ 693,279,968
Other revenues	52,132,804	37,625,288
Operating revenues	810,932,120	730,905,256
Operating expenses before depreciation	199,196,372	200,091,909
Income from operations before amortization and depreciation	611,735,748	530,813,347
Amortization of intangible (Sam Rayburn Tollway)	64,916,168	65,385,114
Depreciation	8,716,326	6,889,660
Operating income	538,103,254	458,538,573
Nonoperating revenue (expenses):		
Loss on fair value of investments	(2,864,867)	(1,401,271)
Interest expense	(512,481,907)	(517,030,670)
Other	25,809,151	(15,799,136)
Net nonoperating revenue (expenses):	(489,537,623)	(534,231,077)
Capital contributions		
Payments from other governments	379,642	4,956,435
Build America Bond's interest subsidy	26,993,077	26,935,120
Capital contribution	63,291	-
Change in net position	76,001,641	(43,800,949)
Net position- beginning	(180,659,761)	(136,858,811)
Net position - ending	\$ (104,658,120)	\$ (180,659,760)

Total operating revenues for the NTTA System were \$810,932,120 for the twelve months ending December 31, 2016 and \$730,905,256 for the twelve months ending December 31, 2015 (See Table A-2). Toll revenues for the twelve months ending December 31, 2016 were \$758,799,316 (net of bad debt expense of \$69,493,226), a 9.45% increase over the toll revenues of \$693,279,968 (net of bad debt expense of \$75,877,635) for the twelve months ending December 31, 2015. Traffic on the NTTA System continues to grow, with average daily revenue transactions of 2,168,038 and 2,068,637 for the twelve months ending December 31, 2016 and 2015, respectively.

Total operating expenses for the NTTA System before depreciation for the twelve months ending December 31, 2016, were \$199,196,372 compared to the twelve months ending December 31, 2015, of \$200,091,909, a 0.45% decrease (See Table A-2). Interest expense, inclusive of capitalized interest, for the twelve months ending December 31, 2016, was \$512,481,907, a 0.9% decrease from the interest expense of \$517,030,670 for the twelve months ending December 31, 2015. Debt service coverage for the twelve months ending December 31, 2016 and December 31, 2015 for First Tier Bonds and Second Tier Bonds was 1.51 and 1.47 times, respectively (calculated in accordance with the Trust Agreement requirements and assuming that the first tier debt of the Special Projects System would constitute First Tier Bonds under the Trust Agreement and that second tier debt of the Special Projects System would constitute Second Tier Bonds under the Trust Agreement). The Trust Agreement and NTTA's Debt Policy both require bond principal and interest coverage of at least 1.20 times (calculated on an annual basis) for First Tier Bonds and Second Tier Bonds.

Investments

The NTTA System's total investments as of December 31, 2016, and December 31, 2015, were \$1.4 billion and \$1.3 billion, respectively.

Revenues by Type

Total gross operating revenues for the NTTA System were \$880.4 million for the twelve months ending December 31, 2016. Toll revenues of \$758.8 million (net of bad debt expense of \$69.5 million) account for 93.6% of total net operating revenues. Interest income (excluding Construction Fund interest) was \$9.6 million or 1.2% of total net operating revenues and included in other revenue. The balance of other revenue, mostly administrative and statement fees for collection of tolls from violators and interoperability fees, was \$42.5 million, representing 5.2% of total net operating revenues.

Revenues Compared to Estimates

The NTTA System actual toll revenue for the twelve months ending December 31, 2016 was 4.8% over the toll revenue estimated for such period by NTTA's Traffic Engineers. It should be noted that the projected toll revenues were revenues projected to be collected in each year (*i.e.*, cash basis) after applying the appropriate ZipCash revenue leakages. Actual toll revenue reported by NTTA in its financial statements is based on revenues determined on an accrual basis in accordance with GAAP.

Toll revenue exceeding budget was largely attributed to the continued growth of population and employment in the Member Counties (Collin, Dallas, Denton and Tarrant), and full-year benefit of the Toll Rate increase in July 2015.

Capital Assets

The NTTA System's investment in capital assets includes land, buildings, right-of-way, roadway, bridges, equipment, and computer systems. Capital assets (excluding NTTA's investments and capital lease for SRT of approximately \$2.6 billion) as of December 31, 2016, were \$5.6 billion, increasing from December 31, 2015, by approximately \$87.0 million.

NTTA utilizes GASB No. 34, Modified Approach of reporting infrastructure assets. Each year a comprehensive assessment is conducted on all NTTA infrastructure assets which affect the following years maintenance budget. For the twelve months ending December 31, 2015, NTTA estimated it would spend \$23.9 million for infrastructure maintenance and preservation but actually spent \$12.8 million. For the twelve months ending December 31, 2016, NTTA estimated it would spend \$41.3 million for infrastructure maintenance and preservation but actually spent \$21.7 million. Fluctuations from year to year between the amount spent to preserve and maintain NTTA's infrastructure assets and the estimated amount result primarily from the timing of work activities. The Existing NTTA System's Condition Index for 2015 was 8.8 on a ten point scale with a score of ten meaning "like new" and for 2016 was 8.7, which was above the 8.0 goal established by NTTA. The Special Projects System's Condition Index for 2015 was 9.2 and for 2016 was 9.2, which was above the 8.0 goal established by NTTA.

The SRT will revert to TxDOT after the expiration of the 50-year period commencing on the date NTTA began collecting tolls on the project on its own behalf (September 2008). NTTA is amortizing the cost of the acquisition and the construction costs of the SRT over the 50-year period utilizing the straight-line basis. The effect of amortizing the cost of the acquisition and the construction costs of the SRT reduces NTTA's net revenues as

reported on a GAAP basis. Since the amortization is a non-cash item, it does not impact NTTA's calculation of net revenues available per the Trust Agreement.

Long-Term Debt

As of December 31, 2016, long-term debt of NTTA of approximately \$10.0 billion included NTTA System bonded debt outstanding of approximately \$9.01 billion (including accrued and accreted interest on capital appreciation bonds and convertible capital appreciation bonds) compared to approximately \$9.08 billion (including accrued and accreted interest on capital appreciation bonds and convertible capital appreciation bonds) as of December 31, 2015. The bonded debt is secured solely by toll revenue of the NTTA System. The bonded debt represented by obligations of the Special Projects System will be defeased upon issuance of the Bonds. Additionally, part of the construction of the PGBT was funded with the proceeds from the ISTEAL Loan in the amount of \$135 million, made by TxDOT in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991. Interest accrued from 2000 to 2004 and annual payments began in Fiscal Year 2004. As of December 31, 2016, the outstanding principal balance on the ISTEAL Loan was approximately \$128.9 million.

Also, as of December 31, 2016, the Special Projects System TIFIA Loan outstanding principal balance was approximately \$465 million compared to \$444.7 million as of December 31, 2015. The SPS TIFIA Loan will be repaid upon issuance of the Bonds.

After the issuance of the Bonds and the application of the proceeds thereof, it is anticipated that the NTTA System will have outstanding obligations of approximately \$9.06 billion under the Trust Agreement.

CURRENT AND HISTORICAL INFORMATION

NTTA System Toll Rate Schedule

Set forth in **APPENDIX C** is the toll rate schedule currently in effect for the NTTA System. Under this toll rate schedule, rates on the NTTA System increase approximately 2.75% per annum, and are adjusted on July 1 of every odd-numbered year. Under NTTA's toll rate structure, there is a differential in tolls, with those not using TollTags or other transponders being charged a higher toll than those using TollTags or other transponders. While the Board may at any time in the future adopt a different toll rate schedule or alter any of the scheduled increases, absent Board action the scheduled rate increases will automatically go into effect. Before any change in the current NTTA System toll rate schedule can become effective, the Trust Agreement requires that an opinion of the Traffic Engineers be delivered to the Trustee and NTTA stating either (a) that if such proposed toll rate schedule had been in effect during the preceding Fiscal Year, it would not have caused a decrease in the Net Revenues for said preceding Fiscal Year, or (b) the adoption of such proposed toll rate schedule will not adversely affect the ability of NTTA to comply with its rate covenant under the Trust Agreement. See "**TRAFFIC AND REVENUE STUDY**" herein and the T&R Report (hereinafter defined) incorporated by reference herein for assumptions relating to toll rates for the NTTA System. See "**INCORPORATION BY REFERENCE.**"

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OTHER FINANCIAL INFORMATION

Historical Traffic and Net Revenues

The table set forth below shows the net revenues available for debt service of the NTTA System for the calendar years 2012 through 2016.

Year	Revenue Vehicle Transactions ⁽¹⁾	Toll Revenue ⁽¹⁾⁽²⁾	Investment and Other Earnings ⁽¹⁾⁽³⁾	Current Expenses ⁽¹⁾	Net Revenues	Change in Net Revenues
<u>Existing NTTA System Only</u>						
2012.....	585,051,845	485,463,608	28,832,506	106,236,324	408,059,790	18%
2013 ^(a)	610,129,737	525,458,723	21,721,506	109,240,378	437,939,851	7%
2014.....	644,669,523	580,045,215	28,170,791	115,465,976	492,750,030	13%
2015 ^(b)	676,484,779	617,488,044	33,019,683	128,107,355	522,400,372	6%
2016.....	703,094,602	665,212,316	43,467,901	131,310,220	577,369,997	11%
2017 ^(c)	353,680,491	335,791,887	27,239,857	66,214,257	296,817,487	N/A
<u>NTTA System</u>						
2015 ^(b)	755,052,546	693,279,968	37,625,288	150,573,807	580,331,449	N/A
2016.....	793,502,055	758,799,316	52,132,804	153,516,250	657,415,870	13%
2017 ^(c)	401,053,593	384,597,641	32,508,223	79,304,835	337,801,029	N/A

^(a) A system-wide increase of toll rates was implemented on July 1, 2013

^(b) A system-wide increase of toll rates was implemented on July 1, 2015.

^(c) January through June 2017 (unaudited).

⁽¹⁾ Source for the Existing NTTA System for the years 2012-2016 – Comprehensive Annual Financial Report of the North Texas Tollway Authority System, an Enterprise Fund of the North Texas Tollway Authority, for the Fiscal Year ended December 31, 2016 incorporated herein by reference. Source for the NTTA System for 2015-2017 and for the Existing NTTA System for 2017 is unaudited financial information of NTTA.

⁽²⁾ Toll Revenue is net of allowance for uncollectible receivables.

⁽³⁾ Includes inter-fund transfer(s).

Historical Debt Service Coverage

The table below sets forth the debt service coverage for all outstanding debt (including First Tier Bonds, Second Tier Bonds, Third Tier Bonds, the ISTEAL Loan and the Subordinate Lien Bonds) of NTTA secured by revenues of the Existing NTTA System for Fiscal Years 2012 through 2016 as calculated pursuant to the Trust Agreement and in accordance with GAAP. The information in the table is the debt service coverage for the Existing NTTA System, and is not shown on a consolidated basis with the Special Projects System in any year. The unaudited debt service coverage for the NTTA System for 2016 is 1.51x.

Fiscal Year	Actual Coverage
2012	1.47x
2013	1.26x
2014	1.41x
2015	1.48x
2016	1.48x

Pension Plans and Other Post-Employment Benefits

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

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

NTTA requires mandatory participation in both the TCDRS and the NTTA Plan by all eligible employees. For more detailed information concerning the TCDRS and the NTTA Plan, see Note (6) of the financial statements "Comprehensive Annual Report of the North Texas Tollway Authority System, an Enterprise Fund of the North Texas Tollway Authority, for the Fiscal Year Ended December 31, 2016" incorporated by reference herein.

NTTA annual other post employment benefit ("OPEB") cost is calculated on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The baseline estimated results as of January 1, 2016, showed an Actuarial Accrued Liability ("AAL") of \$20,630,980 and an ARC of \$2,680,967. NTTA has recorded OPEB accrued liabilities of \$25,038,427 through Fiscal Year 2016. See Note (8) of the financial statements "Comprehensive Annual Report of the North Texas Tollway Authority System, an Enterprise Fund of the North Texas Tollway Authority, for the Fiscal Year Ended December 31, 2016" incorporated by reference herein for additional information on OPEB.

TRAFFIC AND REVENUE STUDY

In September 2017, CDM Smith, the traffic engineers for the NTTA System, prepared the Comprehensive Traffic and Toll Revenue Study (the "*September 2017 T&R Study*") to estimate traffic and toll revenues for the NTTA System. The September 2017 T&R Study involved a detailed evaluation of a new metropolitan transportation plan adopted by the North Central Texas Council of Governments ("NCTCOG") in March 2016 called Mobility 2040. The updated travel demand networks of Mobility 2040 were incorporated into the September 2017 T&R Study. This study included an assessment of current economic conditions and other key factors influencing forecasted traffic and revenue on all NTTA System toll facilities. This effort included an independent economic review of the Mobility 2040 demographics along the NTTA System corridors as well as comprehensive traffic count and travel time data collection.

The September 2017 T&R Study involved the following key elements:

- **Traffic Trends and Characteristics** – CDM Smith evaluated historical and recent traffic and toll revenue trends on all NTTA System toll facilities, as detailed in Section 2 of the September 2017 T&R Study. This included an analysis of annual and monthly transaction trends on NTTA System toll facilities, and AVI and ZipCash transaction shares. In addition, the then latest traffic counts and travel time data were analyzed and incorporated into the traffic and revenue forecasting models.
- **NTTA System Corridor Growth Considerations** – Beginning with the NCTCOG's official regional demographics included in Mobility 2040, CDM Smith evaluated the socioeconomic conditions along NTTA System corridors as described in Section 4 of the September 2017 T&R Study. This included a review of the historical population and employment growth trends, as well as the future growth projections of these two major socioeconomic characteristics along the NTTA System corridors. A demographic consultant performed an independent economic review of the official demographic datasets and identified necessary modifications to the regional growth projections along and near NTTA System corridors. A summary of the independent economic review performed for the study area is also presented in Section 4 of the September 2017 T&R Study.
- **NTTA System Traffic and Toll Revenue Forecasts** – CDM Smith developed traffic and toll revenue forecasts for the NTTA System, including PGBT WE and CTP, as detailed in Section 6 of the September 2017 T&R Study. The traffic and toll revenue forecasts were made using trip tables developed based on

findings of the NTTA System independent economic review, with additional adjustments that were done as part of the model validation process.

The results of toll sensitivity analyses for the NTTA System, as described in Section 6 of the September 2017 T&R Study, indicate that the planned toll rates are below the revenue maximization points, demonstrating that, if needed, there is potential for revenue enhancement through toll increases above those assumed for traffic and revenue forecasting purposes.

Based on the traffic forecast at each toll gantry location, annual forecasts for each toll facility of the NTTA System were prepared through 2066. The projections extend from 2017 through 2066 and include the revenue forecasts for DNT, PGBT, SRT, PGBT EE, PGBT WE, CTP, AATT, MCLB and LLTB. In each case, forecasts for each of the facilities are based on modeled traffic estimates at each toll collection location through the year 2040. Estimates beyond year 2040 are based on nominal assumptions regarding future traffic growth. These modeled estimates were refined using post-model adjustments and validation factors used to match observed through August 2017 traffic data at each toll gantry location.

The average toll at each location was based on the current mix of passenger car and commercial vehicle traffic, and the current average tolls, modified in future years to reflect changing assumptions in the proportion of AVI and ZipCash transaction shares. Toll rates for ZipCash transactions are 50 percent higher than the rates for AVI transactions (with a minimum differential of \$0.25 in 2017 dollars for passenger cars) at each toll gantry location.

As shown in the September 2017 T&R Study, the estimated annual revenue on the DNT is expected to be \$247.9 million in 2017, increasing to \$364.8 million by 2025 and \$545.5 million by 2035. Revenue on the PGBT is expected to be \$221.0 million in 2017, increasing to \$320.6 million by 2025 and \$481.7 million by 2035. Revenue on the SRT is expected to be \$177.9 million in 2017, increasing to \$268.0 million by 2025 and \$424.4 million by 2035. As 2058 is the end of the fifty-year operational agreement of the SRT between NTTA and TxDOT, revenue from SRT is estimated through August 31, 2058, while the other facilities are assumed to generate revenue for NTTA in perpetuity. The PGBT EE toll revenue shown in the September 2017 T&R Study is the NTTA's share of the toll revenue. Together, the DNT, PGBT and SRT account for the majority of revenue generated by the NTTA System. NTTA's share of the revenue on the PGBT EE is expected to be \$36.9 million in 2017, increasing to \$57.0 million by 2025 and \$93.2 million by 2035. Revenue on the PGBT WE is expected to be \$56.1 million in 2017, increasing to \$96.2 million by 2025 and \$151.9 million by 2035. Revenue on the CTP is expected to be \$44.9 million in 2017, increasing to \$82.9 million by 2025 and \$149.9 million by 2035. Revenue from the AATT, MCLB and LLTB combined is expected to be about \$10.3 million in 2017. By 2025 this is estimated to reach a combined \$15.5 million, still a very small share of total NTTA System revenue.

As shown in the following table captioned "**NTTA System – Annual Transactions and Revenue**" total revenue on the NTTA System is expected to increase from an estimated \$795.0 million in 2017 to \$1.20 billion in 2025 and \$1.87 billion in 2035. Driven by nominal traffic growth and continued assumed modest inflationary adjustments in toll rates, revenue on the NTTA System is expected to reach more than \$3 billion per year by 2047.

Future traffic growth on the NTTA System toll facilities is constrained to reflect available capacity, although the widening of DNT from north of Belt Line to SRT and the widening of PGBT from six to eight lanes between IH 35E and SH 78 are assumed, and the widening of the main lanes of SRT from six to eight lanes is also assumed.

Several sensitivity test results were included as part of the September 2017 T&R Study to provide the traffic and revenue impacts of changes to some key variables. While the state of the North Texas economy, population and employment growth, specifically along NTTA System corridors, are critical to the transactions and revenue on the NTTA System, the following are other critical parameters that will continue to have a material impact on the NTTA System traffic and revenue:

- AVI transaction shares and ZipCash revenue recovery rates
- Growth in the NTTA System toll rates and toll rates on the several non-NTTA managed lane facilities, including those that will open in the next few years
- Growth in the perceived NTTA customers' values of time
- Gasoline prices
- Truck traffic shares on the NTTA System facilities

- Regional air quality requirements and the regional metropolitan transportation plan
- Future growth and performance of the regional economy
- The timing of capacity improvements along sections of DNT, PGBT and SRT; impacts that the associated construction activities will have on the flow of NTTA System traffic during construction
- Improvements or openings of complementary and competing transportation facilities along the NTTA System corridors; impacts the associated construction activities will have on the NTTA System's traffic and revenue. The critical non-NTTA roadway facilities/improvements that could materially impact the NTTA System's traffic and toll revenue include the expansion of SH 161 between SH 183 and Belt Line Road, DNT Extension Phase 4A/4B/5, IH 635 Project, DFW Connector Project, US 75 Project, IH 35E Project, SH 183 Project and SH 190/East Branch.

The September 2017 T&R Study is incorporated by reference herein. See "**INCORPORATION BY REFERENCE.**"

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NTTA System – Annual Transactions and Revenue						
Year	Annual Transactions			Annual Toll Revenue		
	Total	AVI	ZipCash	Total	AVI	ZipCash
2017	807,526,600	634,769,400	172,757,200	\$795,034,300	\$673,598,500	\$121,435,800
2018	833,537,600	658,887,300	174,650,300	\$843,189,300	\$717,268,200	\$125,921,100
2019	849,644,700	674,689,800	174,954,900	\$885,895,300	\$755,713,100	\$130,182,200
2020	867,298,500	691,648,500	175,650,000	\$930,556,400	\$795,320,300	\$135,236,100
2021	888,796,600	711,464,400	177,332,200	\$980,803,300	\$841,624,500	\$139,178,800
2022	919,877,800	738,979,300	180,898,500	\$1,039,443,300	\$893,815,600	\$145,627,700
2023	940,930,900	758,503,300	182,427,600	\$1,092,581,300	\$941,957,100	\$150,624,200
2024	962,117,900	778,073,400	184,044,500	\$1,147,844,200	\$991,060,300	\$156,783,900
2025	978,948,700	794,062,100	184,886,600	\$1,205,084,400	\$1,043,599,400	\$161,485,000
2026	1,001,655,400	814,738,300	186,917,100	\$1,267,351,800	\$1,099,019,200	\$168,332,600
2027	1,014,608,600	827,445,400	187,163,200	\$1,320,081,000	\$1,146,902,800	\$173,178,200
2028	1,030,527,400	842,468,900	188,058,500	\$1,378,577,200	\$1,199,010,100	\$179,567,100
2029	1,046,335,700	857,332,300	189,003,400	\$1,439,428,500	\$1,255,191,000	\$184,237,500
2030	1,062,434,600	872,366,400	190,068,200	\$1,503,965,800	\$1,312,399,300	\$191,566,500
2031	1,079,667,600	888,275,000	191,392,600	\$1,572,086,400	\$1,374,977,800	\$197,108,600
2032	1,096,045,600	903,415,900	192,629,700	\$1,641,906,500	\$1,436,771,800	\$205,134,700
2033	1,113,020,100	918,992,400	194,027,700	\$1,714,510,800	\$1,503,399,100	\$211,111,700
2034	1,130,146,400	934,643,600	195,502,800	\$1,790,693,400	\$1,570,895,200	\$219,798,200
2035	1,147,526,200	950,456,500	197,069,700	\$1,870,601,400	\$1,644,149,700	\$226,451,700
2036	1,165,116,400	966,400,000	198,716,400	\$1,954,800,600	\$1,718,506,700	\$236,293,900
2037	1,182,191,500	981,882,400	200,309,100	\$2,040,760,700	\$1,797,278,500	\$243,482,200
2038	1,197,113,700	995,514,600	201,599,100	\$2,124,379,100	\$1,870,822,800	\$253,556,300
2039	1,212,340,500	1,009,358,900	202,981,600	\$2,211,380,700	\$1,950,401,200	\$260,979,500
2040	1,227,591,500	1,023,185,500	204,406,000	\$2,301,903,000	\$2,030,411,200	\$271,491,800
2041	1,242,888,900	1,037,014,200	205,874,700	\$2,394,616,800	\$2,115,244,700	\$279,372,100
2042	1,258,225,100	1,050,841,100	207,384,000	\$2,491,361,400	\$2,200,732,700	\$290,628,700
2043	1,273,777,100	1,064,815,900	208,961,200	\$2,593,986,100	\$2,294,777,600	\$299,208,500
2044	1,289,617,600	1,079,001,100	210,616,500	\$2,701,685,800	\$2,389,705,100	\$311,980,700
2045	1,305,672,800	1,093,338,500	212,334,300	\$2,811,402,700	\$2,490,222,600	\$321,180,100
2046	1,318,427,100	1,104,859,200	213,567,900	\$2,919,497,300	\$2,585,148,300	\$334,349,000
2047	1,331,324,700	1,116,470,800	214,853,900	\$3,031,816,400	\$2,687,756,100	\$344,060,300
2048	1,344,314,000	1,128,132,200	216,181,800	\$3,148,617,800	\$2,790,558,500	\$358,059,300
2049	1,357,842,400	1,140,220,200	217,622,200	\$3,268,740,400	\$2,900,587,900	\$368,152,500
2050	1,371,410,900	1,152,317,500	219,093,400	\$3,394,062,300	\$3,010,787,900	\$383,274,400
2051	1,383,300,300	1,162,975,700	220,324,600	\$3,518,235,900	\$3,124,209,800	\$394,026,100
2052	1,394,487,200	1,173,017,900	221,469,300	\$3,644,715,800	\$3,235,425,100	\$409,290,700
2053	1,406,180,800	1,183,464,500	222,716,300	\$3,777,241,500	\$3,356,849,000	\$420,392,500
2054	1,417,962,100	1,193,963,100	223,999,000	\$3,915,141,200	\$3,478,134,500	\$437,006,700
2055	1,429,759,400	1,204,454,900	225,304,500	\$4,055,846,400	\$3,606,662,300	\$449,184,100
2056	1,441,735,200	1,215,077,500	226,657,700	\$4,202,135,600	\$3,735,201,800	\$466,933,800
2057	1,453,634,600	1,225,619,000	228,015,600	\$4,353,214,400	\$3,873,815,300	\$479,399,100
2058	1,356,538,800	1,144,162,500	212,376,300	\$4,139,371,000	\$3,683,833,800	\$455,537,200
2059	1,149,628,500	969,919,900	179,708,600	\$3,520,117,600	\$3,135,912,600	\$384,205,000
2060	1,157,668,000	977,059,700	180,608,300	\$3,645,266,100	\$3,244,157,600	\$401,108,500
2061	1,166,029,200	984,458,200	181,571,000	\$3,774,388,400	\$3,359,459,100	\$414,929,300
2062	1,174,265,900	991,739,500	182,526,400	\$3,899,539,400	\$3,474,504,100	\$425,035,300
2063	1,182,453,300	998,968,100	183,485,200	\$4,034,414,700	\$3,597,790,200	\$436,624,500
2064	1,190,562,000	1,006,119,000	184,443,000	\$4,174,690,800	\$3,721,122,600	\$453,568,200
2065	1,199,007,600	1,013,543,000	185,464,600	\$4,319,624,300	\$3,853,603,200	\$466,021,100
2066	1,207,442,900	1,020,948,600	186,494,300	\$4,469,925,900	\$3,986,042,000	\$483,883,900
Total	58,559,156,900	48,660,055,400	9,899,101,500	\$127,252,514,700	\$112,496,337,800	\$14,756,176,900

Key assumptions for the foregoing table are as follows:

- 1) NTTA systemwide toll rate increases on July 1 of every odd year by applying an annual toll increase of 2.75% in accordance with NTTA's adopted toll rate policy.
- 2) The SRT Project Agreement permits NTTA to implement congestion pricing if certain capacity improvement triggers are met. However, NTTA anticipates amending the SRT Project Agreement with the approval of TxDOT to remove the congestion pricing provisions. The September 2017 T&R Study assumes that congestion pricing will not be put in place on the SRT at any time.
- 3) Under the PGBT EE Project Agreement, NTTA retains 80% of the AVI transaction revenue generated

from the PGBT EE, and the remaining 20% of the AVI transaction revenue is paid to TxDOT. NTTA retains 80% of the revenue collected from the ZipCash transactions at the AVI toll rate, but NTTA retains 100% of the toll premium collected on ZipCash transactions.

- 4) Revenue forecasts for PGBT WE represent gross toll revenues and do not account for net revenue sharing with TxDOT commencing in 2061 as prescribed in the PGBT WE Project Agreement.
- 5) The extension of the DNT main lanes over US 380 and the first pair of ramps north of US 380 (ramps to/from First Street) are assumed to open by January 1, 2022.
- 6) DNT's Panther Creek Parkway ramps – toll gantries added to accommodate City of Frisco building Panther Creek Parkway – are assumed to be complete by January 1, 2022.
- 7) The DNT will be expanded to four lanes in each direction between Trinity Mills Road and PGBT (northbound) and between Frankford Road and south of Keller Springs Road (southbound), and it is assumed such expansion will be completed by December 31, 2017.
- 8) The DNT will be expanded to four lanes in each direction between SRT and PGBT, including improvements to the DNT/PGBT interchange and the full opening of the new Windhaven Parkway toll ramps, and it is assumed such expansion will be completed by April 1, 2018. There is a ramp reversal between Windhaven and Parker Road.
- 9) The DNT Extension Phase 4A between US 380 and FM 428 will open by January 1, 2025.
- 10) The DNT Extension Phase 4B frontage road between FM 428 and the Grayson County line is assumed to open by December 31, 2020.
- 11) The expansion of PGBT from three lanes to four lanes in each direction from IH 35E to DNT, and US 75 to SH 78 is assumed to be completed by December 31, 2019. Expansion of PGBT from three lanes to four lanes in each direction between IH 35E and north of Beltline road is assumed to be completed by December 31, 2020.
- 12) Capacity improvements on SRT from Denton Creek to US 75 from three lanes to four lanes in each direction are assumed to be completed on July 1, 2021 with construction assumed to begin on September 1, 2018.
- 13) SH 161 between SH 183 and Belt Line Road is assumed to operate with an additional lane in each direction during weekday peak periods (6:00-10:00 a.m. and 2:00-7:00 p.m.). This section is assumed to be expanded to eight lanes by July 1, 2021.
- 14) SH 190/East Branch from IH 30/PGBT EE to IH 20/Loop 9 opens by January 1, 2027.
- 15) AVI/ZipCash toll transactions splits are applied on a plaza by plaza basis. AVI (TollTag) shares assumed for traffic and revenue forecasting purposes include AVI shares at the lane and all types of VToll transaction shares with a three-month lag. Based on the actual data and recent trends, the average NTTA System AVI shares are assumed to be 78.6% in 2017. The average AVI transaction shares on all NTTA facilities are assumed to ramp up based on a logistic function from 78.6% in 2017 to an average of 79.7% in 2020, 82.1% in 2030, 83.3% in 2040, 84.0% in 2050 and 84.4% in 2060.
- 16) The average NTTA System ZipCash effective revenue recovery rate is assumed to be 36.0% at one year after the transaction occurred (includes invoiced and un-invoiced transactions and excludes all VToll transactions) and 40.0% at two years after the transaction occurred. The effective revenue recovery from TollTag transactions is assumed to be 99.5% in all forecast years, based on historical observations.
- 17) Projected annual toll revenues are revenues projected to be collected in each year (*i.e.*, cash basis) after applying the above-described revenue recovery assumptions to the projected toll transactions for the year.
- 18) 2058 is the fiftieth year of operation of SRT as part of the NTTA System. SRT is expected to be returned to TxDOT at the end of August 2058.
- 19) Background network for travel demand modeling is based on Mobility 2040.
- 20) Trip tables used to generate traffic and revenues projections are based on the Mobility 2040

demographics, updated to reflect independent economic review by Research and Demographic Solutions in 2017 for the September 2017 T&R Study.

- 21) Truck transaction shares are applied on a plaza by plaza basis, at an NTTA System average of 3.0% (based on 2017 data), and are assumed to remain constant throughout the forecast period.
- 22) NTTA will employ business rules to encourage increases in AVI shares on its facilities and to increase the ZipCash toll revenue recovery.
- 23) In accordance with the existing practice of NTTA, all NTTA System facilities will be well-maintained, efficiently operated and effectively signed to encourage maximum usage.
- 24) Growth in vehicle operating costs (which include fuel, maintenance and tires) will not significantly deviate from the assumed inflation rate in the September 2017 T&R Study.
- 25) Growth in traveler values of time will not significantly deviate from the assumed annual escalation rates in the September 2017 T&R Study.
- 26) No local, regional or national emergency will arise which would abnormally restrict the use of motor vehicles.

INCORPORATION BY REFERENCE

For additional information, the September 2017 T&R Study has been filed with EMMA and is incorporated by reference herein. In addition, the NTTA System Audited 2016 Financial Statements, the SPS Audited 2016 Financial Statements and NTTA's monthly financial statements filed with EMMA are incorporated by reference herein. The documents incorporated by reference are also available upon request made to NTTA or (other than NTTA's monthly financial statements) may be accessed on NTTA's website by accessing the following respective links:

https://www.ntta.org/whatwedo/fin_invest_info/financial_Info/Documents/2017/2016_NTTA_SYSTEM_CAFR_Dec_2016.pdf

https://www.ntta.org/whatwedo/fin_invest_info/financial_Info/Documents/2016/SPS_2016_CAFR.pdf

https://www.ntta.org/whatwedo/fin_invest_info/financial_Info/Documents/2017/NTTA_System_TandR_Report_091517.pdf

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

ENGINEERING REPORTS AND PROGRESS REPORTS

NTTA has received multiple engineering reports and semi-annual construction progress reports with respect to various components of the NTTA System. Copies of all engineering and semi-annual progress reports are available upon request at the offices of NTTA. Such reports reflect the facts, conditions, and estimates existing or made at the time of the report. Each such report speaks only as of its date and no effort has been made to update such reports.

INVESTMENTS

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

NTTA is required by the Public Funds Investment Act to invest its money under written investment policies that (i) primarily emphasize safety of principal and liquidity, (ii) address investment diversification, yield, maturity and the quality and capability of investment management and (iii) include a list of authorized investments, maximum allowable stated maturity of any individual investment for pooled funds, the maximum dollar-weighted average maturity, methods to monitor the market price of investments and a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis. For a discussion of the investments of NTTA, see the financial statements "**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY SYSTEM, AN ENTERPRISE FUND OF THE NORTH TEXAS TOLLWAY AUTHORITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**," the "**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SPECIAL PROJECTS SYSTEM, AN ENTERPRISE FUND OF THE NORTH TEXAS TOLLWAY AUTHORITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**" and North Texas Tollway Authority Monthly Financial Report For The Month Ended June 30, 2017 incorporated by reference herein.

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

Additionally, the Board must (i) review annually its adopted policies and strategies, (ii) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records, and any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (iii) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and NTTA, (iv) require the qualified representative of firms offering to engage in an investment transaction with NTTA to: (a) receive and review NTTA's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between NTTA and the business organization that are not authorized by the Board's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of NTTA's entire portfolio or requires an interpretation of subjective investment standards) and (c) deliver a written statement in a form acceptable to NTTA and the business organization attesting to these requirements, (v) perform an annual audit of the management controls on investments and adherence to NTTA's investment policy, (vi) provide specific investment training for the treasurer, chief financial officer and investment officers, (vii) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement, (viii) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of NTTA's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, (ix) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements and (x) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with NTTA.

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

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APPENDIX B-1

**PRO FORMA UNAUDITED FINANCIAL STATEMENTS OF NTTA'S COMBINED NTTA
SYSTEM AND SPECIAL PROJECTS SYSTEM AS OF DECEMBER 31, 2016**

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North Texas Tollway Authority
Combined Financials - NTTA System & Special Projects System
 Pro-Forma Unaudited Statement of Revenues, Expenses and Changes in Net Position

	Calendar 2016
Operating revenues:	
Tolls	\$ 758,799,316
Other	52,132,804
Total operating revenues	<u>810,932,120</u>
Operating expenses:	
General	
Administration	27,744,513
Operations	125,771,737
Preservation	
Reserve maintenance	21,467,178
Capital improvement	21,616,924
Construction improvement	2,596,020
Amortization of intangibles	64,916,168
Depreciation	8,716,326
Operating expenses	<u>272,828,866</u>
Operating income	<u>538,103,254</u>
Nonoperating revenues (expenses):	
Net decrease in fair value of investments	(2,864,867)
Interest expense	(512,481,907)
Other	25,809,149
Net nonoperating expenses	<u>(489,537,625)</u>
Income before capital contributions, subsidies, and transfers	48,565,629
Payments from other governments	379,642
Build America Bonds Subsidy (BAB's)	26,993,077
Capital contribution	63,291
Change in net position	<u>76,001,639</u>
Beginning net position	(180,659,761)
Ending net position	\$ <u><u>(104,658,122)</u></u>

North Texas Tollway Authority
Combined Financials - NTTA System & Special Projects System
Pro-Forma Unaudited Statement of Net Position

Assets	12/31/2016
Current assets:	
Cash and cash equivalents	\$ 47,882,125
Investments	385,106,210
Accounts receivable (net of allowance for uncollectibles)	59,411,083
Other assets	10,086,128
Total current unrestricted assets	<u>502,485,545</u>
Current restricted assets:	
Restricted for construction:	
Investments	118,036,974
Accrued interest receivable	128,816
Restricted for debt service:	
Investments	402,946,817
Accrued interest receivable	1,657,670
Accounts receivable	4,459,420
Total current restricted assets	<u>527,229,697</u>
Total current assets	<u>1,029,715,242</u>
Noncurrent assets:	
Investments restricted for construction	2,663,661
Investments restricted for debt service	478,960,477
Unavailable feasibility study costs	63,289,804
Net pension asset	946,693
Service Concession Arrangement - Intangible asset (net of accumulated amortization)	2,688,410,225
Capital assets:	
Nondepreciable	5,531,113,095
Depreciable (net)	55,801,116
Total noncurrent assets	<u>8,821,185,071</u>
Total assets	<u>9,850,900,313</u>
Deferred outflow of resources	
Accumulated decrease in fair value of hedging derivatives	24,576,417
Loss on refunding	402,926,517
Pension contributions after measurement date	3,157,550
Difference in projected and actual earnings on pension assets	8,486,985
Changes in actuarial assumptions used to determined pension liability	756,199
Total deferred outflow of resources	<u>439,903,668</u>
Liabilities	
Current liabilities:	
Accounts payable	25,010
Accrued liabilities	27,354,529
Unearned revenue	56,739,889
Other liabilities	16,160,841
Total current unrestricted liabilities	<u>100,280,269</u>
Payable from restricted assets:	
Construction-related payables:	
Retainage payable	6,362,037
Debt service-related payables:	
Accrued interest payable	202,472,054
Accrued arbitrage rebate payable	411,092
Revenue bonds payable, current portion	54,270,000
Total current liabilities payable from restricted assets	<u>263,515,183</u>

Total current liabilities	363,795,452
Noncurrent liabilities:	
Other post-employment benefits	25,038,427
Accumulated increase in fair value of hedging derivatives	24,576,417
Loans payable	593,884,980
Revenue bonds payable, net of bond discount (premium)	9,381,723,277
Total noncurrent liabilities	10,025,223,101
Total liabilities	10,389,018,553
Deferred inflow of resources	
Difference in expected and actual pension experience	2,399,203
Gain on refunding	4,044,346
Total deferred inflow of resources	6,443,549
Net Position	
Net investment in capital assets	(3,715,068,946)
Restricted for:	
Debt service	1,039,061,480
SCA Intangible	2,688,410,225
Unrestricted	(117,060,879)
Total net position	\$ (104,658,120)

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APPENDIX B-2

**PRO FORMA UNAUDITED FINANCIAL STATEMENTS OF NTTA'S COMBINED NTTA SYSTEM
AND SPECIAL PROJECTS SYSTEM AS OF DECEMBER 31, 2015**

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North Texas Tollway Authority
Combined Financials - NTTA System & Special Projects System
 Pro-Forma Unaudited Statement of Revenues, Expenses and Changes in Net Position

	Calendar 2015
Operating revenues:	
Tolls	\$ 693,279,968
Other	<u>37,625,288</u>
Total operating revenues	730,905,256
Operating expenses:	
General	
Administration	26,207,047
Operations	124,366,760
Preservation	
Reserve maintenance	12,795,008
Capital improvement	31,318,168
Construction improvement	5,404,926
Amortization of intangibles	65,385,114
Depreciation	<u>6,889,660</u>
Operating expenses	272,366,683
Operating income	<u>458,538,573</u>
Nonoperating revenues (expenses):	
Net decrease in fair value of investments	(1,401,271)
Interest expense	(517,030,670)
Other	<u>(15,799,136)</u>
Net nonoperating expenses	<u>(534,231,077)</u>
Income before capital contributions, subsidies, and transfers	(75,692,504)
Payments from other governments	5,074,087
Build America Bonds Subsidy (BAB's)	26,935,120
Capital contribution	<u>—</u>
Change in net position	(43,683,297)
Beginning net position	<u>(136,858,811)</u>
Ending net position	\$ <u>(180,542,108)</u>

North Texas Tollway Authority
Combined Financials - NTTA System & Special Projects System
Pro-Forma Unaudited Statement of Net Position

Assets	12/31/2015
Current assets:	
Cash and cash equivalents	\$ 25,453,164
Investments	322,793,168
Accounts receivable (net of allowance for uncollectibles)	59,739,489
Other assets	6,488,178
Total current unrestricted assets	<u>414,473,999</u>
Current restricted assets:	
Restricted for construction:	
Investments	84,337,782
Accrued interest receivable	266,470
Restricted for debt service:	
Investments	302,566,810
Accrued interest receivable	1,568,345
Accounts receivable	4,464,210
Total current restricted assets	<u>393,203,617</u>
Total current assets	<u>807,677,616</u>
Noncurrent assets:	
Investments restricted for construction	10,998,816
Investments restricted for debt service	601,911,791
Unavailable feasibility study costs	63,585,906
Net pension asset	7,806,971
Service Concession Arrangement - Intangible asset (net of accumulated amortization)	2,752,866,500
Capital assets:	
Nondepreciable	5,454,266,475
Depreciable (net)	45,652,813
Total noncurrent assets	<u>8,937,089,272</u>
Total assets	<u>9,744,766,888</u>
Deferred outflow of resources	
Accumulated decrease in fair value of hedging derivatives	29,801,868
Loss on refunding	300,106,306
Pension contributions after measurement date	3,305,101
Difference in projected and actual earnings on pension assets	1,107,309
Changes in actuarial assumptions used to determined pension liability	-
Total deferred outflow of resources	<u>334,320,584</u>

Liabilities

Current liabilities:	
Accounts payable	2,807,344
Accrued liabilities	26,534,456
Unearned revenue	49,369,584
Other liabilities	16,561,206
Total current unrestricted liabilities	<u>95,272,590</u>
Payable from restricted assets:	
Construction-related payables:	
Retainage payable	896,894
Debt service-related payables:	
Accrued interest payable	196,403,046
Accrued arbitrage rebate payable	335,152
Revenue bonds payable, current portion	22,390,000
Total current liabilities payable from restricted assets	<u>220,025,092</u>
Total current liabilities	<u>315,297,682</u>
Noncurrent liabilities:	
Other post-employment benefits	23,118,647
Accumulated increase in fair value of hedging derivatives	29,801,868
Loans payable	576,102,939
Revenue bonds payable, net of bond discount (premium)	9,310,127,166
Total noncurrent liabilities	<u>9,939,150,620</u>
Total liabilities	<u>10,254,448,302</u>
Deferred inflow of resources	
Difference in expected and actual pension experience	961,498
Gain on refunding	4,337,432
Total deferred inflow of resources	<u>5,298,930</u>
Net Position	
Net investment in capital assets	(3,957,632,080)
Restricted for:	
Debt service	992,621,008
SCA Intangible	2,752,866,500
Unrestricted	31,484,812
Total net position	\$ <u>(180,659,760)</u>

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APPENDIX B-3

**PRO FORMA UNAUDITED FINANCIAL STATEMENTS OF NTTA'S COMBINED NTTA
SYSTEM AND SPECIAL PROJECTS SYSTEM AS OF YEAR TO DATE JUNE 30, 2017**

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North Texas Tollway Authority
Combined Financials - NTTA System & Special Projects System
 Pro-Forma Unaudited Statement of Revenues, Expenses and Changes in Net Position

	6/30/2017
Operating revenues:	
Tolls	\$ 384,597,640
Other	32,508,225
Total operating revenues	417,105,865
Operating expenses:	
General	
Administration	13,148,046
Operations	66,156,789
Preservation	
Reserve maintenance	6,933,227
Capital improvement	13,115,933
Construction improvement	466,924
Amortization of intangibles	32,447,415
Depreciation	5,141,836
Operating expenses	137,410,170
Operating income	279,695,694
Nonoperating revenues (expenses):	
Net decrease in fair value of investments	1,625,008
Interest expense	(255,375,573)
Other	13,688,938
Net nonoperating expenses	(240,061,628)
Income before capital contributions, subsidies, and transfers	39,634,067
Payments from other governments	92,472
Build America Bonds Subsidy (BAB's)	13,489,294
Capital contribution	—
Change in net position	53,215,832
Beginning net position	(104,658,122)
Ending net position	\$ (51,442,290)

North Texas Tollway Authority
Combined Financials - NTTA System & Special Projects System
Pro-Forma Unaudited Statement of Net Position

Assets	<u>6/30/2017</u>
Current assets:	
Cash and cash equivalents	\$ 35,007,810
Investments	441,656,364
Accounts receivable (net of allowance for uncollectibles)	53,171,964
Other assets	<u>9,523,707</u>
Total current unrestricted assets	<u>539,359,845</u>
Current restricted assets:	
Restricted for construction:	
Investments	93,490,743
Accrued interest receivable	99,215
Restricted for debt service:	
Investments	350,274,722
Accrued interest receivable	1,537,518
Accounts receivable	<u>4,459,420</u>
Total current restricted assets	<u>449,861,618</u>
Total current assets	<u>989,221,463</u>
Noncurrent assets:	
Investments restricted for construction	69,474,464
Investments restricted for debt service	481,807,303
Unavailable feasibility study costs	63,280,648
Net pension asset	946,693
Service Concession Arrangement - Intangible asset (net of accumulated amortization)	2,656,182,125
Capital assets:	
Nondepreciable	5,557,267,643
Depreciable (net)	<u>55,184,113</u>
Total noncurrent assets	<u>8,884,142,989</u>
Total assets	<u>9,873,364,452</u>
Deferred outflow of resources	
Accumulated decrease in fair value of hedging derivatives	22,534,100
Loss on refunding	392,087,685
Pension contributions after measurement date	3,157,550
Difference in projected and actual earnings on pension assets	8,486,985
Changes in actuarial assumptions used to determined pension liability	<u>756,198</u>
Total deferred outflow of resources	<u>427,022,518</u>

Liabilities

Current liabilities:	
Accounts payable	5,772,156
Accrued liabilities	4,710,281
Unearned revenue	62,483,081
Other liabilities	<u>15,135,022</u>
Total current unrestricted liabilities	<u>88,100,540</u>
Payable from restricted assets:	
Construction-related payables:	
Retainage payable	1,745,637
Debt service-related payables:	
Accrued interest payable	204,176,393
Accrued arbitrage rebate payable	411,092
Revenue bonds payable, current portion	<u>63,880,000</u>
Total current liabilities payable from restricted assets	<u>270,213,122</u>
Total current liabilities	<u>358,313,661</u>
Noncurrent liabilities:	
Other post-employment benefits	25,998,317
Accumulated increase in fair value of hedging derivatives	22,534,100
Loans payable	600,147,537
Revenue bonds payable, net of bond discount (premium)	<u>9,338,196,705</u>
Total noncurrent liabilities	<u>9,986,876,659</u>
Total liabilities	<u>10,345,190,320</u>

Deferred inflow of resources

Difference in expected and actual pension experience	2,399,203
Gain on refunding	<u>4,239,737</u>
Total deferred inflow of resources	6,638,940

Net Position

Net investment in capital assets	(3,621,206,353)
Restricted for:	
Debt service	1,047,401,892
SCA Intangible	2,656,182,125
Unrestricted	<u>(133,819,954)</u>
Total net position	\$ <u><u>(51,442,290)</u></u>

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APPENDIX C

NTTA SYSTEM TOLL RATE SCHEDULES

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DNT, PGBT, AATT, MCLB and LLTB Tolling

Toll Rates

- Toll rates for the DNT, PGBT, AATT, MCLB and LLTB shall be as set forth in the following schedules for the period indicated in the schedules.
- Toll rate for two-axle vehicles with TollTags is \$0.145 per mile for the DNT and PGBT (Segments I through V) starting September 1, 2009. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- Toll rate for two-axle vehicles with TollTags is \$0.50 for the MCLB and the AATT starting September 1, 2009 and \$1.00 for LLTB starting August 1, 2009. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of the TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year with toll adjustments made every two years commencing July 1, 2011, for DNT, PGBT, MCLB, AATT and LLTB.
- Tolls for two-axle vehicles at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total video toll charged to a five-axle vehicle will be four times the total video toll charged to a two-axle vehicle.

DNT, PGBT, AATT, MCLB and LLTB TOLL RATES EFFECTIVE JULY 1, 2017 THROUGH JUNE 30, 2019

Dallas North Tollway										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Wycliff Main Lane Gantry(MLP1)	\$1.56	\$2.34	\$3.12	\$4.68	\$4.68	\$7.02	\$6.24	\$9.36	\$7.80	\$11.70
Mockingbird Lane (MOCLN)	\$1.14	\$1.71	\$2.28	\$3.42	\$3.42	\$5.13	\$4.56	\$6.84	\$5.70	\$8.55
Northwest Highway (NORHY)	\$0.77	\$1.16	\$1.54	\$2.32	\$2.31	\$3.48	\$3.08	\$4.64	\$3.85	\$5.80
Royal Lane (ROYLN)	\$0.41	\$0.66	\$0.82	\$1.32	\$1.23	\$1.98	\$1.64	\$2.64	\$2.05	\$3.30
Spring Valley Road (SPVRD)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Belt Line Road (BELRD)	\$0.36	\$0.61	\$0.72	\$1.22	\$1.08	\$1.83	\$1.44	\$2.44	\$1.80	\$3.05
Keller Springs Road (KESRD)	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05
Trinity Mills Main Lane Gantry(MLP2)	\$1.12	\$1.68	\$2.24	\$3.36	\$3.36	\$5.04	\$4.48	\$6.72	\$5.60	\$8.40
Frankford Road (FRARD)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Park Boulevard (PARBD)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Park Boulevard from Direct Connector (PARDC)*	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Parker Main Lane Gantry (MLP3)	\$1.00	\$1.50	\$2.00	\$3.00	\$3.00	\$4.50	\$4.00	\$6.00	\$5.00	\$7.50
Parker Road (PARRD)	\$0.59	\$0.89	\$1.18	\$1.78	\$1.77	\$2.67	\$2.36	\$3.56	\$2.95	\$4.45
Windhaven Parkway (WINPY)*	\$0.48	\$0.73	\$0.96	\$1.46	\$1.44	\$2.19	\$1.92	\$2.92	\$2.40	\$3.65
Spring Creek Parkway (SPCPY)	\$0.33	\$0.58	\$0.66	\$1.16	\$0.99	\$1.74	\$1.32	\$2.32	\$1.65	\$2.90
Legacy Drive (LEGDR)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Headquarters Drive (HEADR)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Gaylord Parkway (GAYPY)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Lebanon Road (LEBRD)	\$0.41	\$0.66	\$0.82	\$1.32	\$1.23	\$1.98	\$1.64	\$2.64	\$2.05	\$3.30
Stone Brook Parkway (STOPY)	\$0.52	\$0.78	\$1.04	\$1.56	\$1.56	\$2.34	\$2.08	\$3.12	\$2.60	\$3.90
Main Street (MAIST)	\$0.85	\$1.28	\$1.70	\$2.56	\$2.55	\$3.84	\$3.40	\$5.12	\$4.25	\$6.40
Eldorado Main Lane Gantry(MLP4)	\$1.76	\$2.64	\$3.52	\$5.28	\$5.28	\$7.92	\$7.04	\$10.56	\$8.80	\$13.20
Eldorado Parkway(ELDPY)	\$0.63	\$0.95	\$1.26	\$1.90	\$1.89	\$2.85	\$2.52	\$3.80	\$3.15	\$4.75
President George Bush Turnpike										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
North Garland Avenue (GARRD)	\$0.32	\$0.57	\$0.64	\$1.14	\$0.96	\$1.71	\$1.28	\$2.28	\$1.60	\$2.85
Campbell Road (CANRD)	\$0.51	\$0.77	\$1.02	\$1.54	\$1.53	\$2.31	\$2.04	\$3.08	\$2.55	\$3.85
East Renner Road (ERERD)	\$0.83	\$1.25	\$1.66	\$2.50	\$2.49	\$3.75	\$3.32	\$5.00	\$4.15	\$6.25
Shiloh Main Lane Gantry(MLP6)	\$1.24	\$1.86	\$2.48	\$3.72	\$3.72	\$5.58	\$4.96	\$7.44	\$6.20	\$9.30
Shiloh Road (SHIRD)	\$0.64	\$0.96	\$1.28	\$1.92	\$1.92	\$2.88	\$2.56	\$3.84	\$3.20	\$4.80
West Renner Road (WREERD)	\$0.42	\$0.67	\$0.84	\$1.34	\$1.26	\$2.01	\$1.68	\$2.68	\$2.10	\$3.35
Independence Parkway (INDPY)	\$0.43	\$0.68	\$0.86	\$1.36	\$1.29	\$2.04	\$1.72	\$2.72	\$2.15	\$3.40
Coit Road (COIRD)	\$0.64	\$0.96	\$1.28	\$1.92	\$1.92	\$2.88	\$2.56	\$3.84	\$3.20	\$4.80
Coit Main Lane Gantry(MLP7)	\$1.34	\$2.01	\$2.68	\$4.02	\$4.02	\$6.03	\$5.36	\$8.04	\$6.70	\$10.05
Preston Road (PRERD)	\$0.36	\$0.61	\$0.72	\$1.22	\$1.08	\$1.83	\$1.44	\$2.44	\$1.80	\$3.05
Midway Road (MIDRD)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Marsh Lane (MARLN)	\$0.36	\$0.61	\$0.72	\$1.22	\$1.08	\$1.83	\$1.44	\$2.44	\$1.80	\$3.05
Frankford Main Lane Gantry(MLP8)	\$1.24	\$1.86	\$2.48	\$3.72	\$3.72	\$5.58	\$4.96	\$7.44	\$6.20	\$9.30
Kelly Boulevard (KELBD)	\$0.65	\$0.98	\$1.30	\$1.96	\$1.95	\$2.94	\$2.60	\$3.92	\$3.25	\$4.90
Josey Lane (JOSLN)	\$0.43	\$0.68	\$0.86	\$1.36	\$1.29	\$2.04	\$1.72	\$2.72	\$2.15	\$3.40
Sandy Lake Main Lane Gantry(MLP9)	\$0.99	\$1.49	\$1.98	\$2.98	\$2.97	\$4.47	\$3.96	\$5.96	\$4.95	\$7.45
Belt Line - Luna Road (NBERD)	\$0.59	\$0.89	\$1.18	\$1.78	\$1.77	\$2.67	\$2.36	\$3.56	\$2.95	\$4.45
Royal Lane (ROYLN)	\$0.30	\$0.55	\$0.60	\$1.10	\$0.90	\$1.65	\$1.20	\$2.20	\$1.50	\$2.75
Belt Line Road (SBERD)	\$0.57	\$0.86	\$1.14	\$1.72	\$1.71	\$2.58	\$2.28	\$3.44	\$2.85	\$4.30
Belt Line Main Lane Gantry(MLP10)	\$0.57	\$0.86	\$1.14	\$1.72	\$1.71	\$2.58	\$2.28	\$3.44	\$2.85	\$4.30
Addison Airport Toll Tunnel										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Addison Airport Toll Tunnel (AATT)	\$0.63	\$0.95	\$1.26	\$1.90	\$1.89	\$2.85	\$2.52	\$3.80	\$3.15	\$4.75
Mountain Creek Lake Bridge										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Mountain Creek Lake Toll Bridge (MCLB)	\$0.63	\$0.95	\$1.26	\$1.90	\$1.89	\$2.85	\$2.52	\$3.80	\$3.15	\$4.75
Lewisville Lake Toll Bridge										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Lewisville Lake Toll Bridge (LLTB)	\$1.25	\$1.88	\$2.50	\$3.76	\$3.75	\$5.64	\$5.00	\$7.52	\$6.25	\$9.40

* Improvements along DNT between Sam Rayburn Tollway and PGBT as sused to be completed by April 1, 2018

DNT, PGBT, AATT, MCLB and LLTB TOLL RATES EFFECTIVE JULY 1, 2019 THROUGH JUNE 30, 2021

Dallas North Tollway										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Wycliff Main Lane Gantry (MLP1)	\$1.65	\$2.48	\$3.30	\$4.96	\$4.95	\$7.44	\$6.60	\$9.92	\$8.25	\$12.40
Mockingbird Lane (MOCLN)	\$1.20	\$1.80	\$2.40	\$3.60	\$3.60	\$5.40	\$4.80	\$7.20	\$6.00	\$9.00
Northwest Highway (NORHY)	\$0.82	\$1.23	\$1.64	\$2.46	\$2.46	\$3.69	\$3.28	\$4.92	\$4.10	\$6.15
Royal Lane (ROYLN)	\$0.43	\$0.70	\$0.86	\$1.40	\$1.29	\$2.10	\$1.72	\$2.80	\$2.15	\$3.50
Spring Valley Road (SPVRD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Belt Line Road (BELRD)	\$0.38	\$0.65	\$0.76	\$1.30	\$1.14	\$1.95	\$1.52	\$2.60	\$1.90	\$3.25
Keller Springs Road (KESRD)	\$0.57	\$0.86	\$1.14	\$1.72	\$1.71	\$2.58	\$2.28	\$3.44	\$2.85	\$4.30
Trinity Mills Main Lane Gantry (MLP2)	\$1.18	\$1.77	\$2.36	\$3.54	\$3.54	\$5.31	\$4.72	\$7.08	\$5.90	\$8.85
Frankford Road (FRARD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Park Boulevard (PARBD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Park Boulevard from Direct Connector (PARDC)*	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Parker Main Lane Gantry (MLP3)	\$1.05	\$1.58	\$2.10	\$3.16	\$3.15	\$4.74	\$4.20	\$6.32	\$5.25	\$7.90
Parker Road (PARRD)	\$0.63	\$0.95	\$1.26	\$1.90	\$1.89	\$2.85	\$2.52	\$3.80	\$3.15	\$4.75
Windhaven Parkway (WINPY)*	\$0.50	\$0.77	\$1.00	\$1.54	\$1.50	\$2.31	\$2.00	\$3.08	\$2.50	\$3.85
Spring Creek Parkway (SPCPY)	\$0.35	\$0.62	\$0.70	\$1.24	\$1.05	\$1.86	\$1.40	\$2.48	\$1.75	\$3.10
Legacy Drive (LEGDR)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Headquarters Drive (HEADR)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Gaylord Parkway (GAYPY)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Lebanon Road (LEBRD)	\$0.43	\$0.70	\$0.86	\$1.40	\$1.29	\$2.10	\$1.72	\$2.80	\$2.15	\$3.50
Stone Brook Parkway (STOPY)	\$0.55	\$0.83	\$1.10	\$1.66	\$1.65	\$2.49	\$2.20	\$3.32	\$2.75	\$4.15
Main Street (MAIST)	\$0.89	\$1.34	\$1.78	\$2.68	\$2.67	\$4.02	\$3.56	\$5.36	\$4.45	\$6.70
Eldorado Main Lane Gantry (MLP4)	\$1.85	\$2.78	\$3.70	\$5.56	\$5.55	\$8.34	\$7.40	\$11.12	\$9.25	\$13.90
Eldorado Parkway (ELDPY)	\$0.67	\$1.01	\$1.34	\$2.02	\$2.01	\$3.03	\$2.68	\$4.04	\$3.35	\$5.05
President George Bush Turnpike										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
North Garland Avenue (GARRD)	\$0.33	\$0.60	\$0.66	\$1.20	\$0.99	\$1.80	\$1.32	\$2.40	\$1.65	\$3.00
Campbell Road (CAMRD)	\$0.54	\$0.81	\$1.08	\$1.62	\$1.62	\$2.43	\$2.16	\$3.24	\$2.70	\$4.05
East Renner Road (ERERD)	\$0.87	\$1.31	\$1.74	\$2.62	\$2.61	\$3.93	\$3.48	\$5.24	\$4.35	\$6.55
Shiloh Main Lane Gantry (MLP6)	\$1.31	\$1.97	\$2.62	\$3.94	\$3.93	\$5.91	\$5.24	\$7.88	\$6.55	\$9.85
Shiloh Road (SHIRD)	\$0.67	\$1.01	\$1.34	\$2.02	\$2.01	\$3.03	\$2.68	\$4.04	\$3.35	\$5.05
West Renner Road (WRERD)	\$0.44	\$0.71	\$0.88	\$1.42	\$1.32	\$2.13	\$1.76	\$2.84	\$2.20	\$3.55
Independence Parkway (INDPY)	\$0.45	\$0.72	\$0.90	\$1.44	\$1.35	\$2.16	\$1.80	\$2.88	\$2.25	\$3.60
Coit Road (COIRD)	\$0.68	\$1.02	\$1.36	\$2.04	\$2.04	\$3.06	\$2.72	\$4.08	\$3.40	\$5.10
Coit Main Lane Gantry (MLP7)	\$1.41	\$2.12	\$2.82	\$4.24	\$4.23	\$6.36	\$5.64	\$8.48	\$7.05	\$10.60
Preston Road (PRERD)	\$0.38	\$0.65	\$0.76	\$1.30	\$1.14	\$1.95	\$1.52	\$2.60	\$1.90	\$3.25
Midway Road (MIDRD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Marsh Lane (MARLN)	\$0.38	\$0.65	\$0.76	\$1.30	\$1.14	\$1.95	\$1.52	\$2.60	\$1.90	\$3.25
Frankford Main Lane Gantry (MLP8)	\$1.31	\$1.97	\$2.62	\$3.94	\$3.93	\$5.91	\$5.24	\$7.88	\$6.55	\$9.85
Kelly Boulevard (KELBD)	\$0.69	\$1.04	\$1.38	\$2.08	\$2.07	\$3.12	\$2.76	\$4.16	\$3.45	\$5.20
Josey Lane (JOSLN)	\$0.45	\$0.72	\$0.90	\$1.44	\$1.35	\$2.16	\$1.80	\$2.88	\$2.25	\$3.60
Sandy Lake Main Lane Gantry (MLP9)	\$1.04	\$1.56	\$2.08	\$3.12	\$3.12	\$4.68	\$4.16	\$6.24	\$5.20	\$7.80
Belt Line - Luna Road (NBERD)	\$0.62	\$0.93	\$1.24	\$1.86	\$1.86	\$2.79	\$2.48	\$3.72	\$3.10	\$4.65
Royal Lane (ROYLN)	\$0.31	\$0.58	\$0.62	\$1.16	\$0.93	\$1.74	\$1.24	\$2.32	\$1.55	\$2.90
Belt Line Road (SBERD)	\$0.60	\$0.90	\$1.20	\$1.80	\$1.80	\$2.70	\$2.40	\$3.60	\$3.00	\$4.50
Belt Line Main Lane Gantry (MLP10)	\$0.60	\$0.90	\$1.20	\$1.80	\$1.80	\$2.70	\$2.40	\$3.60	\$3.00	\$4.50
Addison Airport Toll Tunnel										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Addison Airport Toll Tunnel (AATT)	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Mountain Creek Lake Bridge										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Mountain Creek Lake Toll Bridge (MCLB)	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Lewisville Lake Toll Bridge										
Toll Gantry	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Lewisville Lake Toll Bridge (LLTB)	\$1.32	\$1.98	\$2.64	\$3.96	\$3.96	\$5.94	\$5.28	\$7.92	\$6.60	\$9.90

* Improvements along DNT between Sam Rayburn Tollway and PGBT assumed to be completed by April 1, 2018

SRT Tolling

Toll Rates

- Toll rates for the SRT shall be as set forth in the following schedules for the period indicated in the schedules.
- Toll rate for two-axle vehicles with TollTags is \$0.145 per mile starting September 1, 2009, and thereafter toll rates shall be determined in accordance with Exhibit R of the SRT Project Agreement, as amended, and shall be the maximum rates ("*Maximum Base*" or "*MBT*") allowed under the SRT Project Agreement, as amended.
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year with toll adjustments made every two years commencing July 1, 2011.
- Tolls for two-axle vehicles at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting on the SRT, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total video toll charged to a five-axle vehicle will be four times the total video toll charged to a two-axle vehicle.
- The SRT Project Agreement permits NTTA to implement congestion pricing if certain capacity improvement triggers are met. However, NTTA anticipates amending the SRT Project Agreement with the approval of TxDOT to remove the congestion pricing provisions. The T&R Report assumes that congestion pricing will not be put in place on the SRT at any time.

SRT TOLL RATES EFFECTIVE JULY 1, 2017 THROUGH JUNE 30, 2019

Toll Gantry	Sam Rayburn Tollway									
	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Denton Tap Main Lane Gantry (MLG1)	\$0.59	\$0.89	\$1.18	\$1.78	\$1.77	\$2.67	\$2.36	\$3.56	\$2.95	\$4.45
MacArthur Boulevard (MACBD)	\$0.27	\$0.52	\$0.54	\$1.04	\$0.81	\$1.56	\$1.08	\$2.08	\$1.35	\$2.60
Carrollton Parkway (CARPY)	\$0.27	\$0.52	\$0.54	\$1.04	\$0.81	\$1.56	\$1.08	\$2.08	\$1.35	\$2.60
Parker Road (PARRD)	\$0.39	\$0.64	\$0.78	\$1.28	\$1.17	\$1.92	\$1.56	\$2.56	\$1.95	\$3.20
Old Denton Road (OLDRD)	\$0.45	\$0.70	\$0.90	\$1.40	\$1.35	\$2.10	\$1.80	\$2.80	\$2.25	\$3.50
Standridge Drive - South (SSTDR)	\$0.67	\$1.01	\$1.34	\$2.02	\$2.01	\$3.03	\$2.68	\$4.04	\$3.35	\$5.05
Josey Lane - South (SJOLN)	\$0.82	\$1.23	\$1.64	\$2.46	\$2.46	\$3.69	\$3.28	\$4.92	\$4.10	\$6.15
Josey Main Lane Gantry (MLG2)	\$1.53	\$2.30	\$3.06	\$4.60	\$4.59	\$6.90	\$6.12	\$9.20	\$7.65	\$11.50
Standridge Drive - North (NSTDR)	\$0.87	\$1.31	\$1.74	\$2.62	\$2.61	\$3.93	\$3.48	\$5.24	\$4.35	\$6.55
Josey Lane - North (NJOLN)	\$0.72	\$1.08	\$1.44	\$2.16	\$2.16	\$3.24	\$2.88	\$4.32	\$3.60	\$5.40
Plano Parkway (PLAPY)	\$0.57	\$0.86	\$1.14	\$1.72	\$1.71	\$2.58	\$2.28	\$3.44	\$2.85	\$4.30
Spring Creek Parkway (SPCPY)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Preston Road (PRERD)	\$0.27	\$0.52	\$0.54	\$1.04	\$0.81	\$1.56	\$1.08	\$2.08	\$1.35	\$2.60
Hillcrest Road (HILRD)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Coit Road (COIRD)	\$0.62	\$0.93	\$1.24	\$1.86	\$1.86	\$2.79	\$2.48	\$3.72	\$3.10	\$4.65
Independence Parkway (INDPY)	\$0.82	\$1.23	\$1.64	\$2.46	\$2.46	\$3.69	\$3.28	\$4.92	\$4.10	\$6.15
Custer Road - South (CUSRD)	\$1.03	\$1.55	\$2.06	\$3.10	\$3.09	\$4.65	\$4.12	\$6.20	\$5.15	\$7.75
Custer Main Lane Gantry (MLG3)	\$2.12	\$3.18	\$4.24	\$6.36	\$6.36	\$9.54	\$8.48	\$12.72	\$10.60	\$15.90
Exchange Parkway (SALDR)	\$1.10	\$1.65	\$2.20	\$3.30	\$3.30	\$4.95	\$4.40	\$6.60	\$5.50	\$8.25
Alma Drive (NALDR)	\$0.81	\$1.22	\$1.62	\$2.44	\$2.43	\$3.66	\$3.24	\$4.88	\$4.05	\$6.10
Stacy Road (STARD)	\$0.63	\$0.95	\$1.26	\$1.90	\$1.89	\$2.85	\$2.52	\$3.80	\$3.15	\$4.75
Lake Forest Drive (LAFDR)	\$0.49	\$0.74	\$0.98	\$1.48	\$1.47	\$2.22	\$1.96	\$2.96	\$2.45	\$3.70
Hardin Boulevard (HARBD)	\$0.31	\$0.56	\$0.62	\$1.12	\$0.93	\$1.68	\$1.24	\$2.24	\$1.55	\$2.80

SRT TOLL RATES EFFECTIVE JULY 1, 2019 THROUGH JUNE 30, 2021

Toll Gantry	Sam Rayburn Tollway									
	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Denton Tap Main Lane Gantry (MLG1)	\$0.63	\$0.95	\$1.26	\$1.90	\$1.89	\$2.85	\$2.52	\$3.80	\$3.15	\$4.75
MacArthur Boulevard (MACBD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Carrollton Parkway (CARPY)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Parker Road (PARRD)	\$0.41	\$0.68	\$0.82	\$1.36	\$1.23	\$2.04	\$1.64	\$2.72	\$2.05	\$3.40
Old Denton Road (OLDRD)	\$0.47	\$0.74	\$0.94	\$1.48	\$1.41	\$2.22	\$1.88	\$2.96	\$2.35	\$3.70
Standridge Drive - South (SSTDR)	\$0.71	\$1.07	\$1.42	\$2.14	\$2.13	\$3.21	\$2.84	\$4.28	\$3.55	\$5.35
Josey Lane - South (SJOLN)	\$0.86	\$1.29	\$1.72	\$2.58	\$2.58	\$3.87	\$3.44	\$5.16	\$4.30	\$6.45
Josey Main Lane Gantry (MLG2)	\$1.62	\$2.43	\$3.24	\$4.86	\$4.86	\$7.29	\$6.48	\$9.72	\$8.10	\$12.15
Standridge Drive - North (NSTDR)	\$0.91	\$1.37	\$1.82	\$2.74	\$2.73	\$4.11	\$3.64	\$5.48	\$4.55	\$6.85
Josey Lane - North (NJOLN)	\$0.76	\$1.14	\$1.52	\$2.28	\$2.28	\$3.42	\$3.04	\$4.56	\$3.80	\$5.70
Plano Parkway (PLAPY)	\$0.60	\$0.90	\$1.20	\$1.80	\$1.80	\$2.70	\$2.40	\$3.60	\$3.00	\$4.50
Spring Creek Parkway (SPCPY)	\$0.30	\$0.57	\$0.60	\$1.14	\$0.90	\$1.71	\$1.20	\$2.28	\$1.50	\$2.85
Preston Road (PRERD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Hillcrest Road (HILRD)	\$0.30	\$0.57	\$0.60	\$1.14	\$0.90	\$1.71	\$1.20	\$2.28	\$1.50	\$2.85
Coit Road (COIRD)	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Independence Parkway (INDPY)	\$0.87	\$1.31	\$1.74	\$2.62	\$2.61	\$3.93	\$3.48	\$5.24	\$4.35	\$6.55
Custer Road - South (CUSRD)	\$1.08	\$1.62	\$2.16	\$3.24	\$3.24	\$4.86	\$4.32	\$6.48	\$5.40	\$8.10
Custer Main Lane Gantry (MLG3)	\$2.24	\$3.36	\$4.48	\$6.72	\$6.72	\$10.08	\$8.96	\$13.44	\$11.20	\$16.80
Exchange Parkway (SALDR)	\$1.16	\$1.74	\$2.32	\$3.48	\$3.48	\$5.22	\$4.64	\$6.96	\$5.80	\$8.70
Alma Drive (NALDR)	\$0.85	\$1.28	\$1.70	\$2.56	\$2.55	\$3.84	\$3.40	\$5.12	\$4.25	\$6.40
Stacy Road (STARD)	\$0.67	\$1.01	\$1.34	\$2.02	\$2.01	\$3.03	\$2.68	\$4.04	\$3.35	\$5.05
Lake Forest Drive (LAFDR)	\$0.52	\$0.79	\$1.04	\$1.58	\$1.56	\$2.37	\$2.08	\$3.16	\$2.60	\$3.95
Hardin Boulevard (HARBD)	\$0.33	\$0.60	\$0.66	\$1.20	\$0.99	\$1.80	\$1.32	\$2.40	\$1.65	\$3.00

PGBT EE Tolling

Toll Rates

- Toll rates for the PGBT EE shall be as set forth in the following schedules for the period indicated in the schedules.
- The PGBT EE Project Agreement, as amended, provides for a supplemental toll on the PGBT EE (the "*Regional Toll*") to be collected by NTTA and held in trust for TxDOT for the benefit of the North Central Texas region. **The Regional Toll and the toll charged by NTTA (the "*NTTA Toll*") together constitute the publicly announced toll (the "*Unified Toll*"), but the Regional Toll does not constitute and is not considered as the property or revenues of NTTA or the NTTA System.**
- The Unified Toll rate for two-axle vehicles with TollTags is \$0.145 per mile as of July 1, 2009. The NTTA Toll is 80% of the Unified Toll. The Unified Toll rate for two-axle vehicles with TollTags is increased 2.75% per year thereafter, with toll adjustments made July 1, 2011 and every two years thereafter. Unified Tolls for two-axle vehicles with TollTags at any tolling location are rounded to the next highest penny. The ratio between the NTTA Toll and the Unified Toll remains constant at 80%. The ratio between the Regional Toll and the Unified Toll remains constant at 20%.
- Toll rates shall be subject to the assumptions, qualifications and agreements set forth in Section 21 of the EE Project Agreement.
- The video toll for two-axle vehicles is equal to the sum of (i) the Unified Toll for two-axle vehicles with TollTags and (ii) the greater of (a) 50% of such Unified Toll or (b) 20 cents per transaction on July 1, 2009, increased 2.75% per year, with toll adjustments made every two years commencing July 1, 2011. The video toll for two-axle vehicles at any tolling location is rounded to the next highest penny. The portion of the video toll described in clause (ii) above is not part of the Unified Toll and constitutes the property and revenues of NTTA only, and not of TxDOT.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting on the PGBT EE, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total video toll charged to a five-axle vehicle will be four times the total video toll charged to a two-axle vehicle.

TOLL RATES EFFECTIVE JULY 1, 2017 THROUGH JUNE 30, 2019 (PGBT EE)

Toll Gantry	PGBT EE (Unified Toll)									
	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Miller Road (MLRRD)	\$0.45	\$0.70	\$0.90	\$1.40	\$1.35	\$2.10	\$1.80	\$2.80	\$2.25	\$3.50
Lakeview Parkway (LAKPY)	\$0.59	\$0.89	\$1.18	\$1.78	\$1.77	\$2.67	\$2.36	\$3.56	\$2.95	\$4.45
Merritt Road (MERLG)	\$0.95	\$1.43	\$1.90	\$2.86	\$2.85	\$4.29	\$3.80	\$5.72	\$4.75	\$7.15
Merritt Main Lane Gantry (MLG5)	\$1.79	\$2.69	\$3.58	\$5.38	\$5.37	\$8.07	\$7.16	\$10.76	\$8.95	\$13.45
Miles Road (MLSRD)	\$0.38	\$0.63	\$0.76	\$1.26	\$1.14	\$1.89	\$1.52	\$2.52	\$1.90	\$3.15
Firewheel Parkway (FIRPY)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65
Crist Road (CRIRD)	\$0.28	\$0.53	\$0.56	\$1.06	\$0.84	\$1.59	\$1.12	\$2.12	\$1.40	\$2.65

TOLL RATES EFFECTIVE JULY 1, 2019 THROUGH JUNE 30, 2021 (PGBT EE)

Toll Gantry	PGBT EE (Unified Toll)									
	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Miller Road (MLRRD)	\$0.47	\$0.74	\$0.94	\$1.48	\$1.41	\$2.22	\$1.88	\$2.96	\$2.35	\$3.70
Lakeview Parkway (LAKPY)	\$0.63	\$0.95	\$1.26	\$1.90	\$1.89	\$2.85	\$2.52	\$3.80	\$3.15	\$4.75
Merritt Road (MERLG)	\$1.00	\$1.50	\$2.00	\$3.00	\$3.00	\$4.50	\$4.00	\$6.00	\$5.00	\$7.50
Merritt Main Lane Gantry (MLG5)	\$1.89	\$2.84	\$3.78	\$5.68	\$5.67	\$8.52	\$7.56	\$11.36	\$9.45	\$14.20
Miles Road (MLSRD)	\$0.40	\$0.67	\$0.80	\$1.34	\$1.20	\$2.01	\$1.60	\$2.68	\$2.00	\$3.35
Firewheel Parkway (FIRPY)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Crist Road (CRIRD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80

President George Bush Turnpike Western Extension

Toll Rates

- Toll rates for the PGBT WE shall be as set forth in the following schedules for the periods indicated in the schedules.
- Toll rate for two-axle vehicles with TollTags is \$0.145 per mile starting July 1, 2009, and thereafter toll rates shall be determined in accordance with Exhibit J of the PGBT WE Project Agreement, as amended, and shall be the maximum rates allowed under the PGBT WE Project Agreement.
- ZipCash toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50 percent of TollTag toll or (b) 20 cents per transaction on July 1, 2009, increased 2.75 percent per year adjusted on July 1 of every odd year thereafter.
- Tolls charged to users at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting on the PGBT WE, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total ZipCash toll charged to a five-axle vehicle will be four times the total ZipCash toll charged to a two-axle vehicle.

PGBT WE TOLL RATES EFFECTIVE JULY 1, 2017 THROUGH JUNE 30, 2019

Toll Gantry	President George Bush Turnpike - Western Extension									
	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Conflans Road (CONRD)	\$0.27	\$0.52	\$0.54	\$1.04	\$0.81	\$1.56	\$1.08	\$2.08	\$1.35	\$2.60
Shady Grove Road (SHGRD)	\$0.47	\$0.72	\$0.94	\$1.44	\$1.41	\$2.16	\$1.88	\$2.88	\$2.35	\$3.60
Lower Tarrant - North (NLTRD)	\$0.48	\$0.73	\$0.96	\$1.46	\$1.44	\$2.19	\$1.92	\$2.92	\$2.40	\$3.65
Lower Tarrant Mainlane Gantry (MLG11)	\$1.04	\$1.56	\$2.08	\$3.12	\$3.12	\$4.68	\$4.16	\$6.24	\$5.20	\$7.80
Lower Tarrant - South (SLTRD)	\$0.27	\$0.52	\$0.54	\$1.04	\$0.81	\$1.56	\$1.08	\$2.08	\$1.35	\$2.60
Dalworth Street (DALST)	\$0.27	\$0.52	\$0.54	\$1.04	\$0.81	\$1.56	\$1.08	\$2.08	\$1.35	\$2.60
Marshall Drive (MARDR)	\$0.52	\$0.78	\$1.04	\$1.56	\$1.56	\$2.34	\$2.08	\$3.12	\$2.60	\$3.90
Pioneer Parkway (PIOPY)	\$0.66	\$0.99	\$1.32	\$1.98	\$1.98	\$2.97	\$2.64	\$3.96	\$3.30	\$4.95
Arkansas Mainlane Gantry (MLG12)	\$1.10	\$1.65	\$2.20	\$3.30	\$3.30	\$4.95	\$4.40	\$6.60	\$5.50	\$8.25
Arkansas Lane (ARKLN)	\$0.38	\$0.63	\$0.76	\$1.26	\$1.14	\$1.89	\$1.52	\$2.52	\$1.90	\$3.15
Mayfield Road (MAYRD)	\$0.27	\$0.52	\$0.54	\$1.04	\$0.81	\$1.56	\$1.08	\$2.08	\$1.35	\$2.60

PGBT WE TOLL RATES EFFECTIVE JULY 1, 2019 THROUGH JUNE 30, 2021

Toll Gantry	President George Bush Turnpike - Western Extension									
	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Conflans Road (CONRD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Shady Grove Road (SHGRD)	\$0.49	\$0.76	\$0.98	\$1.52	\$1.47	\$2.28	\$1.96	\$3.04	\$2.45	\$3.80
Lower Tarrant - North (NLTRD)	\$0.51	\$0.78	\$1.02	\$1.56	\$1.53	\$2.34	\$2.04	\$3.12	\$2.55	\$3.90
Lower Tarrant Mainlane Gantry (MLG11)	\$1.10	\$1.65	\$2.20	\$3.30	\$3.30	\$4.95	\$4.40	\$6.60	\$5.50	\$8.25
Lower Tarrant - South (SLTRD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Dalworth Street (DALST)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80
Marshall Drive (MARDR)	\$0.55	\$0.83	\$1.10	\$1.66	\$1.65	\$2.49	\$2.20	\$3.32	\$2.75	\$4.15
Pioneer Parkway (PIOPY)	\$0.70	\$1.05	\$1.40	\$2.10	\$2.10	\$3.15	\$2.80	\$4.20	\$3.50	\$5.25
Arkansas Mainlane Gantry (MLG12)	\$1.16	\$1.74	\$2.32	\$3.48	\$3.48	\$5.22	\$4.64	\$6.96	\$5.80	\$8.70
Arkansas Lane (ARKLN)	\$0.41	\$0.68	\$0.82	\$1.36	\$1.23	\$2.04	\$1.64	\$2.72	\$2.05	\$3.40
Mayfield Road (MAYRD)	\$0.29	\$0.56	\$0.58	\$1.12	\$0.87	\$1.68	\$1.16	\$2.24	\$1.45	\$2.80

Chisholm Trail Parkway

Toll Rates

- Toll rates for the CTP shall be as set forth in the following schedule for the period indicated in the schedule.
- Toll rate for two-axle vehicles with TollTags is \$0.185 per mile for the section from IH 30 to Altamesa Boulevard and \$0.145 per mile for the section from Altamesa Boulevard to US 67 starting July 1, 2009, and thereafter toll rates shall be determined in accordance with Exhibit L of the Project Agreement, as amended, and shall be the maximum rates allowed under the CTP Project Agreement.
- ZipCash toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50 percent of TollTag toll or (b) 20 cents per transaction on July 1, 2009, increased 2.75 percent per year adjusted on July 1 of every odd year thereafter.
- Tolls charged to users at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting on the CTP, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total ZipCash toll charged to a five-axle vehicle will be four times the total ZipCash toll charged to a two-axle vehicle.

CTP TOLL RATES EFFECTIVE JULY 1, 2017 THROUGH JUNE 30, 2019

Toll Gantry	Chisholm Trail Parkway									
	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Gantry 1 (Montgomery) (MLG1)	\$1.43	\$2.15	\$2.86	\$4.30	\$4.29	\$6.45	\$5.72	\$8.60	\$7.15	\$10.75
Edwards Ranch Rd (EDWRD)	\$0.60	\$0.90	\$1.20	\$1.80	\$1.80	\$2.70	\$2.40	\$3.60	\$3.00	\$4.50
Arborlawn Drive (ARBDR)	\$0.35	\$0.60	\$0.70	\$1.20	\$1.05	\$1.80	\$1.40	\$2.40	\$1.75	\$3.00
Oakmont Blvd (OAKBD)	\$0.51	\$0.77	\$1.02	\$1.54	\$1.53	\$2.31	\$2.04	\$3.08	\$2.55	\$3.85
Altamesa Blvd (ALTBDD)	\$0.79	\$1.19	\$1.58	\$2.38	\$2.37	\$3.57	\$3.16	\$4.76	\$3.95	\$5.95
Sycamore School Rd (SYCRD)	\$0.82	\$1.23	\$1.64	\$2.46	\$2.46	\$3.69	\$3.28	\$4.92	\$4.10	\$6.15
McPherson Blvd (MCPBD)	\$1.11	\$1.67	\$2.22	\$3.34	\$3.33	\$5.01	\$4.44	\$6.68	\$5.55	\$8.35
Gantry 2 (Stewart Feltz) (MLG2)	\$2.32	\$3.48	\$4.64	\$6.96	\$6.96	\$10.44	\$9.28	\$13.92	\$11.60	\$17.40
Farm Market 1187 (F1187)	\$0.64	\$0.96	\$1.28	\$1.92	\$1.92	\$2.88	\$2.56	\$3.84	\$3.20	\$4.80
County Rd 920 (CR920)	\$0.38	\$0.63	\$0.76	\$1.26	\$1.14	\$1.89	\$1.52	\$2.52	\$1.90	\$3.15
County Rd 913 (CR913)	\$0.38	\$0.63	\$0.76	\$1.26	\$1.14	\$1.89	\$1.52	\$2.52	\$1.90	\$3.15
Farm Market 917 (FM917)	\$0.70	\$1.05	\$1.40	\$2.10	\$2.10	\$3.15	\$2.80	\$4.20	\$3.50	\$5.25
County Rd 904 (CR904)	\$1.05	\$1.58	\$2.10	\$3.16	\$3.15	\$4.74	\$4.20	\$6.32	\$5.25	\$7.90
Gantry 3 (CR 904-Sparks Rd) (MLG3)	\$1.73	\$2.60	\$3.46	\$5.20	\$5.19	\$7.80	\$6.92	\$10.40	\$8.65	\$13.00
Sparks Rd (SPARD)	\$0.31	\$0.56	\$0.62	\$1.12	\$0.93	\$1.68	\$1.24	\$2.24	\$1.55	\$2.80

CTP TOLL RATES EFFECTIVE JULY 1, 2019 THROUGH JUNE 30, 2021

Toll Gantry	Chisholm Trail Parkway									
	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Gantry 1 (Montgomery) (MLG1)	\$1.51	\$2.27	\$3.02	\$4.54	\$4.53	\$6.81	\$6.04	\$9.08	\$7.55	\$11.35
Edwards Ranch Rd (EDWRD)	\$0.64	\$0.96	\$1.28	\$1.92	\$1.92	\$2.88	\$2.56	\$3.84	\$3.20	\$4.80
Arborlawn Drive (ARBDR)	\$0.37	\$0.64	\$0.74	\$1.28	\$1.11	\$1.92	\$1.48	\$2.56	\$1.85	\$3.20
Oakmont Blvd (OAKBD)	\$0.53	\$0.80	\$1.06	\$1.60	\$1.59	\$2.40	\$2.12	\$3.20	\$2.65	\$4.00
Altamesa Blvd (ALTBDD)	\$0.83	\$1.25	\$1.66	\$2.50	\$2.49	\$3.75	\$3.32	\$5.00	\$4.15	\$6.25
Sycamore School Rd (SYCRD)	\$0.87	\$1.31	\$1.74	\$2.62	\$2.61	\$3.93	\$3.48	\$5.24	\$4.35	\$6.55
McPherson Blvd (MCPBD)	\$1.17	\$1.76	\$2.34	\$3.52	\$3.51	\$5.28	\$4.68	\$7.04	\$5.85	\$8.80
Gantry 2 (Stewart Feltz) (MLG2)	\$2.45	\$3.68	\$4.90	\$7.36	\$7.35	\$11.04	\$9.80	\$14.72	\$12.25	\$18.40
Farm Market 1187 (F1187)	\$0.67	\$1.01	\$1.34	\$2.02	\$2.01	\$3.03	\$2.68	\$4.04	\$3.35	\$5.05
County Rd 920 (CR920)	\$0.40	\$0.67	\$0.80	\$1.34	\$1.20	\$2.01	\$1.60	\$2.68	\$2.00	\$3.35
County Rd 913 (CR913)	\$0.41	\$0.68	\$0.82	\$1.36	\$1.23	\$2.04	\$1.64	\$2.72	\$2.05	\$3.40
Farm Market 917 (FM917)	\$0.74	\$1.11	\$1.48	\$2.22	\$2.22	\$3.33	\$2.96	\$4.44	\$3.70	\$5.55
County Rd 904 (CR904)	\$1.11	\$1.67	\$2.22	\$3.34	\$3.33	\$5.01	\$4.44	\$6.68	\$5.55	\$8.35
Gantry 3 (CR 904-Sparks Rd) (MLG3)	\$1.83	\$2.75	\$3.66	\$5.50	\$5.49	\$8.25	\$7.32	\$11.00	\$9.15	\$13.75
Sparks Rd (SPARD)	\$0.32	\$0.59	\$0.64	\$1.18	\$0.96	\$1.77	\$1.28	\$2.36	\$1.60	\$2.95

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APPENDIX D

**SUMMARY OF CERTAIN PROVISIONS
OF THE RESOLUTION AND THE TRUST AGREEMENT, INCLUDING PROPOSED AMENDMENTS
TO TRUST AGREEMENT**

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**SUMMARY OF CERTAIN PROVISIONS OF THE
RESOLUTION AND THE TRUST AGREEMENT, INCLUDING PROPOSED AMENDMENTS TO
TRUST AGREEMENT**

The following constitutes a summary of certain provisions of the Resolution and the Amended and Restated Trust Agreement as amended and supplemented to date (the "*Trust Agreement*"). This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Resolution and the Trust Agreement. Copies of the Resolution and the Trust Agreement are available for examination at the offices of NTTA.

Definitions

"Account Receivable" – any right to receive tolls, fees, charges or other amounts for or relating to the use or operation of the Tollway, as well as fines, penalties, interest thereon or other additional charges as a result of a failure to pay any such tolls, fees, charges or other amounts or otherwise related thereto, whether in the form of an account receivable, general intangible, contract right or other right. *

"Additional Bond Security" – any credit enhancement for specified bonds and any funds received or obligations payable to NTTA, other than Net Revenues, which NTTA chooses to include as security for specified First Tier Bonds, Second Tier Bonds and/or Third Tier Bonds pursuant to a Supplemental Agreement;

"Additional Bonds" – Additional First Tier Bonds, Additional Second Tier Bonds and Additional Third Tier Bonds;

"Additional First Tier Bonds" – those obligations, including bonds and First Tier Credit Agreements, which NTTA reserves the right to issue, enter into or incur under the Trust Agreement, which are on a parity with the First Tier Bonds insofar as the lien on Net Revenues is concerned;

"Additional Second Tier Bonds" – those obligations, including bonds and Second Tier Credit Agreements, which NTTA reserves the right to issue, enter into or incur under the Trust Agreement, which are on a parity with the Second Tier Bonds insofar as the lien on Net Revenues is concerned;

"Additional Third Tier Bonds" – those obligations, including bonds and Third Tier Credit Agreements, which NTTA reserves the right to issue, enter into or incur under the Trust Agreement, which are on a parity with the Third Tier Bonds insofar as the lien on Net Revenues is concerned;

"Annual Budget" – the budget adopted or in effect for each Fiscal Year as provided in the Trust Agreement;

"Assumed Variable Rate" – in the case of:

- (a) bonds bearing interest at a Variable Rate, the greater of:
 - (1) the average interest rate on such bonds for the most recently completed sixty (60) month period or the period such bonds have been Outstanding if it is less than sixty (60) months, or
 - (2) the rate to be determined pursuant to *clause (b)* below assuming the Outstanding bonds bearing interest at a Variable Rate were being issued on the date of calculation; and
- (b) proposed Additional Bonds to be issued at a Variable Rate:
 - (1) on the basis that, in the opinion of Bond Counsel to be delivered at the time of the issuance thereof, interest on such Additional Bonds would be excluded from gross income for federal income tax purposes, the greater of (i) the average of the Security Industry and Financial Markets Association Municipal Swap Index ("*SIFMA Index*") for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of the SIFMA Index for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and
 - (2) on a basis other than as described in *clause (1)*, the greater of (i) the average of the London Interbank Offered Rate ("*LIBOR*") for the time period most closely resembling the reset period for the Additional Bonds for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of LIBOR for the time period most

* The italicized definition will only be effective upon obtaining the approval of a majority in principal amount of the outstanding First Tier Bonds and Second Tier Bonds.

closely resembling the reset period for the Additional Bonds for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and provided that if the SIFMA Index or LIBOR ceases to be published, the index to be used in its place will be the index which NTTA, in consultation with the Financial Consultant, determines most closely replicates such index, as set forth in a certificate of the Chief Financial Officer filed with the Trustee. Notwithstanding the foregoing, in no event may the Assumed Variable Rate be in excess of the maximum interest rate allowed by law on obligations of NTTA;

"*Authorized Investments*" – (a) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including Treasury Receipts evidencing ownership of future interest and principal payments due on direct obligations of the United States of America;

(b) bonds, participation certificates, or other obligations of any agency or instrumentality of the United States of America, including obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Federal Farm Credit System, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Farmers Home Administration and Federal Housing Administration;

(c) new housing authority bonds issued by public agencies of a state or of municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America;

(d) direct and general obligations of any state of the United States of America, any municipality or school district of the State of Texas, or any other political subdivision or agency of the State of Texas to the payment of the principal of and interest on which the full faith and credit of such entity, as the case may be, is pledged, provided that such obligations are rated, at the time of purchase, in either of the two highest rating categories, without regard to rating sub-categories, by a nationally recognized municipal or corporate rating agency;

(e) certificates of deposit, whether negotiable or non-negotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, provided that such certificates of deposit are purchased directly from such bank, trust company, or national banking association and are either (1) continuously and fully insured by the Federal Deposit Insurance Corporation or (2) continuously and fully secured by such securities as are described above in **clauses (a) through (d)**, inclusive, which have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and are lodged with or as directed by the Board, or the bank, trust company, or national banking association issuing such certificates of deposit;

(f) uncollateralized certificates of deposit of financial institutions which certificates of deposit are rated, at the time of purchase, in one of the two highest rating categories, without regard to rating sub-categories, by any nationally recognized municipal or corporate rating agency;

(g) repurchase agreements collateralized by obligations described above in **clauses (a) or (b)** with any registered broker/dealer subject to the Securities Investor Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P, or any commercial bank with the above ratings, provided:

(1) a master repurchase agreement or specific written repurchase agreement governs the transaction,

(2) the securities are held free and clear of any lien by the bond trustee or an independent third party acting solely as agent for the bond trustee, and such third party is (1) a Federal Reserve Bank, (2) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than \$25 million or (3) a bank approved in writing for such purpose by each Bond Insurer, and the Trustee has received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee,

(3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq., in such securities is created for the benefit of the Trustee,

(4) the repurchase agreement has a term of six months or less, or NTTA will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if

any deficiency in the required collateral percentage is not restored within two Business Days of such valuation,

(5) the repurchase agreement matures on or before a debt service payment date (or other appropriate liquidation period), and

(6) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to at least 100%;

(h) banker's acceptances, Eurodollar deposits and certificates of deposit (in addition to the certificates of deposit provided for by **clauses (e) and (f)** above) of the domestic branches of foreign banks having a capital and surplus of \$1,000,000 or more, or any bank or trust company organized under the laws of the United States of America or Canada, or any state or province thereof, having capital and surplus, if located in the State of Texas, in the amount of \$200,000,000, and, if located outside of the State of Texas, in the amount of \$1,000,000,000; provided that the aggregate maturity value of all such banker's acceptances and certificates of deposit held at any time as investments of funds under the Trust Agreement with respect to any particular bank, trust company, or national association located in the State of Texas may not exceed 10% of the amount of its capital and surplus and with respect to any particular bank, trust company, or national association located outside of the State of Texas may not exceed 5% of its capital and surplus; and provided further that any such bank, trust company or national association is required to be rated in one of the two highest rating categories, without regard to rating sub-categories, by any nationally recognized municipal or corporate rating agency;

(i) municipal or corporate commercial paper rated, at the time of purchase, either "A-1" or "P-1" or higher, or municipal or corporate bonds or notes rated, at the time of purchase, in one of the two highest rating categories, without regard to rating sub-categories, by any nationally recognized municipal or corporate rating agency;

(j) other unsubordinated securities or obligations issued or guaranteed (including a guarantee in the form of a bank standby letter of credit) by any domestic corporation (including a bank, national banking association, or trust company) which has outstanding, at the time of investment, debt securities rated in one of the two highest rating categories, without regard to rating sub-categories, by any nationally recognized municipal or corporate rating agency;

(k) investments of any type described and permitted by any law of the State of Texas applicable to NTTA; and

(l) money market funds which invest solely in any of the above listed obligations;

"Balloon Indebtedness" – a series of bonds of which 25% or more of the original principal matures in the same annual period and is not required by the documents pursuant to which such bonds were issued to be amortized by payment or redemption prior to that annual period (excluding any contingent mandatory redemptions), provided that such bonds will not constitute Balloon Indebtedness and will be assumed to amortize in accordance with its stated terms if the Trustee is provided a certificate of the Chief Financial Officer certifying that such bonds are not to be treated as Balloon Indebtedness;

"bank" – any bank, trust company or national banking association organized or operating under the laws of any state of the United States of America or of the United States of America;

"Board" – the Board of Directors of NTTA;

"Board Representative" – the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Treasurer and the Director of Finance or such other individuals so designated by NTTA to perform the duties of the Board Representative for the specific purpose under the Trust Agreement;

"Board Representative's Certificate" – the certificate of the Board Representative to be executed and delivered in connection with the initial issuance of each series of bonds and each certificate of the Board Representative to be executed and delivered in connection with the exercise of the right of NTTA to effect a conversion;

"bond," "bonds" or "Turnpike Revenue Bond" – unless otherwise specifically stated, all currently Outstanding First Tier Bonds, Second Tier Bonds and Third Tier Bonds, and the Additional Bonds;

"Bondholder," "holder," or "owner," or "registered owner" – the registered owner of any bond as shown on the Trustee's Bond Registration records and books;

"Bond Insurance Policy" – an insurance policy issued by a Bond Insurer insuring or guaranteeing the payment of principal of and interest on any bonds;

"Bond Insurer" – an entity that insures or guarantees the payment of principal of and/or interest on any of the bonds;

"*Business Day*" – any day other than a Saturday or a Sunday or a day on which banking institutions are required or authorized by law or executive order to remain closed in the State or the City of New York or in the city in which the designated office of the Trustee or the Securities Depository is located.

"*Chief Financial Officer*" – the Chief Financial Officer, the Treasurer or such other individuals designated by the Board to perform the duties of the Chief Financial Officer under the Trust Agreement;

"*Consulting Engineers*" – the consulting civil engineer or engineering firm or corporation employed by NTTA pursuant to the Trust Agreement to carry out the duties imposed thereby;

"*Cost*" – all obligations and expenses and all items of cost authorized to be incurred or paid under the Turnpike Act and when used with respect to any facility will mean and include all costs related to such facility, and, without intending thereby to limit or restrict any such definition, including the following:

(a) obligations incurred for labor and to contractors, builders and materialmen in connection with the construction of a facility or any part thereof, and obligations incurred for machinery and equipment;

(b) payments to owners and others, for real property, or interests therein, or for options or other property or contractual rights;

(c) all expenses of every kind or character incurred in the acquisition of real property, including all costs and expenses of whatever kind in connection with the exercise of the power of condemnation, and including the cost of title searches and reports, abstracts of title, title certificates and opinions, title guarantees, title insurance policies, appraisals, negotiations and surveys;

(d) the amount of any damages or claimed damages incident to or consequent upon the construction of a facility; also the cost of any litigation and amounts paid by court order or upon settlement of any litigation or of any claim (although not litigated) of any kind during construction or of any claim arising during or out of or related to construction of a facility;

(e) as to toll collection equipment, it is recognized that some manufacturers of such equipment will not sell such equipment outright, and that some manufacturers will sell it; but that it will not be known, until bids are received by NTTA for the acquisition of such equipment, which manufacturer will offer the most advantageous terms to NTTA. The acquisition of toll collection equipment has been determined and declared to be a capital expenditure, and a proper "cost". It is specially provided, however, that if, in the discretion of NTTA, it will be to the advantage of NTTA to do so, and upon the written recommendation of the Consulting Engineers, NTTA may enter into lease-purchase or lease-rental agreements for the acquisition of such equipment with a term not to exceed three years from the date of acceptance of such equipment by NTTA. In such event NTTA is required to so advise the Trustee, and the Trustee is required to set aside and retain the amounts required for the payments under such agreements in the Construction Fund, and is required to make such payments as so required, upon requisitions from the Construction Fund. Any such payments will constitute proper items of "cost" for all purposes;

(f) the cost of any necessary indemnity and surety bonds, the cost of all fidelity bonds, the fees and expenses of the Trustee and the Paying Agent and premiums on all insurance deemed necessary and advisable by NTTA, until one year after the completion of construction thereof;

(g) the cost of borings and other preliminary investigations to determine foundation or other conditions, all fees, costs, and expenses necessary or incident to determining the feasibility and practicability of constructing a facility, and all fees, costs and expenses of engineers and others for making traffic studies, surveys, and estimates, and all fees, costs, and expenses of engineering services, plans, specifications, surveys, and estimates of cost and revenues, and all costs of supervising construction, as well as for the performance of all other duties of engineers in relation to the construction of a facility or the issuance of bonds therefor;

(h) the cost of preparing and issuing bonds, including refunding bonds, and all legal, accounting and other professional expenses and fees and financing charges in connection with any bonds and/or any facility, and expenses of administration properly chargeable to the construction of a facility, including salaries and all payments and deductions as provided by law pertaining to the State Retirement System;

(i) the cost of restoring, repairing and placing in its original condition, as nearly as practicable, all public or private property damaged or destroyed in the construction of a facility, or the amount paid by NTTA as compensation for such damage or destruction, and all costs lawfully incurred or damages lawfully payable, with respect to the restoration, relocation, removal, reconstruction or duplication of property or facilities in connection with or made necessary or caused by the construction of a facility, and the cost of building facilities to connect land severed by a facility or severance damages paid in lieu of such facilities;

(j) any obligation or expense heretofore or hereafter incurred by NTTA in connection with any of the foregoing items of cost, and the reimbursement of any obligations or expenses incurred in connection with any of the foregoing items of cost;

(k) utility relocations, buildings and other structures, fencing, landscaping, illumination, communication systems and safety devices; and

(l) all other items of cost and expense not elsewhere in this definition specified, incident to the construction and equipment of a facility, the financing thereof and the costs of placing a facility in operation, including all costs as defined under the term "*Cost*" in the Turnpike Act;

"*Credit Agreement*" – a First Tier Credit Agreement, a Second Tier Credit Agreement or a Third Tier Credit Agreement, as applicable;

"*Credit Provider*" – any bank, financial institution, insurance company, surety bond provider or other entity which provides, executes, issues or otherwise is a party to or provider of a Credit Agreement;

"*Current Expenses*" – NTTA's reasonable and necessary accrued current expenses of maintaining, repairing and operating the Tollway including, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance and repair, insurance, bridge painting, all operating, policing, administrative and engineering expenses, *all fees and expenses of third parties for the provision of tolling services or other management services (to the extent not netted from payments received from such third parties)*,* all payments and deductions as provided in the laws pertaining to the State Retirement System, fees and expenses of the Trustee, legal and accounting expenses and any other expenses or obligations required to be paid by NTTA under the Trust Agreement or by law, excluding any deposits or transfers to the credit of the Sinking Funds, Reserve Maintenance Fund and Capital Improvement Fund;

"*Debt Service Requirements*" – for any annual period (any Fiscal Year, or any other consecutive twelve calendar month period), the aggregate amount of interest on and principal of Outstanding bonds specified for the purposes for which Debt Service Requirements is to be calculated, other than any Credit Agreement, and, with respect to any Credit Agreement, the Payment Obligations relating thereto due in such period, as limited and calculated in the following manner:

(a) Except as modified below, (i) for any Fiscal Year while the NTTA System's Fiscal Year is the same as the calendar year, the aggregate amount of interest on and principal of the bonds, including Payment Obligations, which was paid or redeemed or is scheduled to accrue and be paid or redeemed after January 1 of such Fiscal Year and on the next following January 1; it being understood and intended that for the NTTA System's currently established Fiscal Year each such January 1 will be in the next following Fiscal Year; and (ii) for any consecutive twelve calendar month period other than the calendar year, whether or not such period constitutes any future NTTA System Fiscal Year, the aggregate amount of interest on and principal of the bonds, including Payment Obligations, which was paid or redeemed or is scheduled to accrue and be paid or redeemed during such consecutive twelve month period;

(b) As to any annual period prior to the date of any calculation, such requirements are required to be calculated solely on the basis of bonds which were Outstanding as of the first day of such period; and as to any future year such requirements are required to be calculated solely on the basis of bonds Outstanding as of the date of calculation plus any bonds then proposed to be issued as Additional Bonds;

(c) Notwithstanding the foregoing, all amounts which are deposited to the credit of the Bond Interest Accounts from original proceeds from the sale of any First Tier Bonds, Second Tier Bonds or Third Tier Bonds, as applicable, or from any other lawfully available source (other than the Revenue Fund and the investment income from the Operation and Maintenance Fund, the Sinking Funds, and the Reserve Maintenance Fund), and which are used or scheduled to be used to pay interest on such bonds during any annual period, are required to be deemed to reduce the Debt Service Requirements for any such annual period to the extent of such deposits; and the amount of such deposits are required to be excluded from and will not constitute Debt Service Requirements for any such annual period;

(d) If any of the bonds or proposed Additional Bonds bear interest at a Variable Rate the interest rate on such bonds or Additional Bonds for all periods for which the interest rate is not known, is required to be assumed and deemed to be the Assumed Variable Rate;

(e) If any of the bonds or proposed Additional Bonds constitute Balloon Indebtedness or Short-Term Indebtedness, then such amounts thereof as constitute Balloon Indebtedness or Short-Term Indebtedness are required to be treated as if such bonds are to be amortized in substantially equal annual installments of principal and interest

* The italicized provision will only be effective upon obtaining the approval of a majority in principal amount of the outstanding First Tier Bonds and Second Tier Bonds.

over the useful life of the improvements financed with the proceeds of such Balloon Indebtedness or Short-Term Indebtedness as calculated by, and set forth in, a certificate of the Chief Financial Officer. Anything to the contrary notwithstanding, during the annual period preceding the final maturity date of such Balloon Indebtedness or, in the case of Short-Term Indebtedness, in each annual period, all of the principal thereof is required to be considered to be due on the Stated Maturity or due date of such Balloon Indebtedness or Short-Term Indebtedness unless NTTA provides to the Trustee, prior to the beginning of such annual period, a certificate of a Financial Consultant certifying that, in its judgment, NTTA will be able to refund such Balloon Indebtedness or Short-Term Indebtedness through the issuance of Additional Bonds, in which event the Balloon Indebtedness or Short-Term Indebtedness is required to be amortized over the term of such proposed refunding Additional Bonds and is required to be deemed to bear the interest rate specified in the certificate of the Financial Consultant;

(f) Notwithstanding anything to the contrary in *clause (e)* above, with respect to Short-Term Indebtedness that is part of a commercial paper or similar program of NTTA, the amount of debt service of such Short-Term Indebtedness taken into account during any annual period is required to be equal to the principal component of debt service calculated using the outstanding principal amount of such Short-Term Indebtedness on the date of calculation amortized over the period ending on the date of the maximum maturity date under such program on a level debt service basis at an interest rate deemed to be the Assumed Variable Rate determined as if such Short-Term Indebtedness were Variable Rate Indebtedness; and

(g) Notwithstanding anything to the contrary contained in (a) through (e) above, the Debt Service Requirements for each annual period for a series of Additional Bonds issued (i) in conjunction with one or more Qualified Credit Agreements will be deemed to be the total net payments which the Board Representative certifies NTTA expects to pay in such annual period with respect to such series of Additional Bonds after taking into account the principal and interest payments and the Payment Obligations under such Qualified Credit Agreements made or to be made in such annual period and the amounts received or to be received from the Qualified Credit Provider under such Qualified Credit Agreement in such annual period or (ii) as a series of Variable Rate bonds, or one or more maturities within a series, of equal par amounts, issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such bonds taken as a whole, such composite fixed rate is required to be used in determining the Debt Service Requirement with respect to such bonds;

"*Event of Default*" – as defined under the caption "Events of Default and Remedies";

"*Financial Consultant*" – a nationally recognized firm of independent professional financial consultants knowledgeable in the financial operation of toll roads and having a favorable reputation for skill and experience in the field of financial consultation relating to toll roads;

"*First Tier Bonds*" – unless otherwise specifically stated, all Outstanding bonds issued under the Trust Agreement designated as First Tier Bonds, including the related Credit Agreements, and any bond, bonds, note, notes, other obligation or obligations, including any First Tier Credit Agreement, issued, incurred or entered into pursuant to the Trust Agreement as Additional First Tier Bonds, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the Trust Agreement and any supplement thereto;

"*First Tier Credit Agreement*" – collectively, an obligation entered into on a parity with the Outstanding First Tier Bonds in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase bonds, purchase or sale agreement, interest rate swap, cap and floor agreement or commitment or other contract or agreement authorized, recognized and approved by NTTA as a First Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the First Tier Bonds in connection with which it is executed;

"*First Tier Payment Obligations*" – unless otherwise specifically stated, all amounts payable by NTTA under a First Tier Credit Agreement less any amounts of principal or interest payable with respect to any Additional First Tier Bonds pledged under a First Tier Credit Agreement as collateral for the amounts due thereunder; and all such First Tier Payment Obligation payments are required to be deemed to constitute principal payments of First Tier Bonds, and are required to be paid from the First Tier Redemption Account as provided in the Trust Agreement; provided, however, that, if provided in a First Tier Credit Agreement or in the proceedings approved by NTTA in connection therewith, some or all of the amounts payable under a First Tier Credit Agreement may be designated as Second Tier Payment Obligations or Third Tier Payment Obligations;

"*First Tier Required Reserve*" – as of any date an amount equal to the average annual Debt Service Requirements of all First Tier Bonds Outstanding or to be Outstanding as of such date;

"*First Tier Reserve Surety Agreement*" – any substitute for cash and Authorized Investments in the First Tier Reserve Account as provided for in the Trust Agreement;

"*Fiscal Year*" – presently, the same as the calendar year; or any other period hereafter designated by NTTA as the Fiscal Year for the NTTA System in accordance with law;

"*Net Revenues*" – with respect to any consecutive 12-month period or Fiscal Year, the aggregate revenues or estimated aggregate revenues derived or estimated to be derived from the ownership and operation of the Tollway in any such period or year, including (i) all investment income from the Revenue Fund, the Operation and Maintenance Fund, the Bond Interest Accounts, the Redemption Accounts, the Reserve Accounts, the Reserve Maintenance Fund and the Capital Improvement Fund, and the investment income from the Construction Fund which is deposited or estimated to be deposited to the credit of the Bond Interest Accounts, and (ii) all proceeds from the sale, conveyance, pledge or other disposition of Accounts Receivable,* less the Current Expenses for any such period or year; provided, however, any toll revenues collected by NTTA that must be paid to TxDOT as revenue sharing payments pursuant to a project agreement between NTTA and TxDOT will not constitute revenues of the Tollway for purposes of the Trust Agreement;

"*Outstanding*" – with respect to the bonds, at any date of which the amount of the Outstanding bonds is to be determined, the aggregate of all bonds secured by the Trust Agreement, except:

- (a) bonds cancelled or delivered to the Paying Agent for cancellation at or prior to such date;
- (b) bonds for the full payment of the principal of, premium, if any, and interest on which cash has been theretofore deposited with the Paying Agent and which (i) have matured by their terms, or otherwise have become payable, but have not been surrendered for payment or (ii) have been purchased by the Trustee but have not been presented for payment;
- (c) bonds deemed paid as described in *clause (b)* under the caption "*Defeasance*"; and
- (d) bonds in exchange or in lieu of which other bonds have been delivered under the Trust Agreement;

"*Paying Agent*" – the Trustee;

"*Payment Obligations*" – First Tier Payment Obligations, Second Tier Payment Obligations and Third Tier Payment Obligations;

"*Qualified Credit Agreement*" – a First Tier Credit Agreement, a Second Tier Credit Agreement or a Third Tier Credit Agreement, as applicable, entered into with a Qualified Credit Provider;

"*Qualified Credit Provider*" – a Credit Provider (or its corporate parent as guarantor of its obligations under a Credit Agreement) whose long term debt is rated or whose credit rating is, at the time the Qualified Credit Agreement is entered into, in one of the three highest rating categories by Moody's, S&P or Fitch, without regard to rating sub-categories;

"*Registered Bonds*" – bonds registered in the name of the owner;

"*Registrar*" – the Trustee;

"*Required Reserve*" – the First Tier Required Reserve, the Second Tier Required Reserve or the Third Tier Required Reserve, as applicable;

"*Reserve Surety Agreement*" – a First Tier Reserve Surety Agreement, a Second Tier Reserve Surety Agreement or a Third Tier Reserve Surety Agreement, as applicable;

"*Second Tier Bonds*" – unless otherwise specifically stated, all Outstanding bonds issued under the Trust Agreement designated as Second Tier Bonds, including the related Credit Agreements, and any bond, bonds, note, notes, other obligation or obligations, including any Second Tier Credit Agreement, issued, incurred or entered into pursuant to the Trust Agreement as Additional Second Tier Bonds, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the Trust Agreement and any supplement thereto;

"*Second Tier Credit Agreement*" – collectively, an obligation entered into on a parity with the Outstanding Second Tier Bonds in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase bonds, purchase or sale agreement, interest rate swap, cap and floor agreement or commitment or other contract or agreement authorized, recognized and approved by NTTA as a Second Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the bonds in connection with which it is executed;

*The italicized provision will only be effective upon obtaining the approval of a majority in principal amount of the outstanding First Tier Bonds and Second Tier Bonds.

"*Second Tier Payment Obligations*" – unless otherwise specifically stated, all amounts payable by NTTA under a Second Tier Credit Agreement less any amounts of principal or interest payable with respect to any Additional Second Tier Bonds pledged under a Second Tier Credit Agreement as collateral for the amounts due thereunder; and all such Second Tier Payment Obligation payments will be deemed to constitute principal payments of Second Tier Bonds, and will be paid from the Second Tier Redemption Account as provided in the Trust Agreement; *provided, however*, that, if so provided in a Second Tier Credit Agreement or in the proceedings approved by NTTA in connection therewith, some or all of the amounts payable under a Second Tier Credit Agreement may be designated to be Third Tier Payment Obligations; and provided further, that, all payment obligations under a First Tier Credit Agreement which are designated to be Second Tier Payment Obligations will be treated as and constitute Second Tier Payment Obligations for all purposes under the Trust Agreement;

"*Second Tier Required Reserve*" – as of any date the amount set forth in a Supplemental Agreement authorizing Second Tier Bonds Outstanding or to be Outstanding as of such date;

"*Second Tier Reserve Surety Agreement*" – any substitute for cash and Authorized Investments in the Second Tier Reserve Account as provided for in a Supplemental Agreement;

"*Short-Term Indebtedness*" – all bonds that mature in less than 365 days and are issued as Short-Term Indebtedness pursuant to the Trust Agreement. In the event a Credit Provider has extended a line of credit or NTTA has undertaken a commercial paper or similar program, only amounts actually borrowed under such line of credit or program and repayable in less than 365 days will be considered Short-Term Indebtedness and the full amount of such commitment or program will not be treated as Short-Term Indebtedness to the extent that such facility remains available but undrawn;

"*SIFMA*" – the Securities Industry and Financial Markets Association, or any successor thereto;

"*SIFMA Municipal Swap Index*" – the "Securities Industry and Financial Markets Association Municipal Swap Index" announced weekly by Municipal Market Data and based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specified criteria established by SIFMA. The SIFMA Municipal Swap Index is required to be based upon current yields of high-quality, weekly adjustable variable rate demand bonds which are subject to tender upon seven days' notice, the interest on which is tax-exempt and not subject to any personal "alternative minimum tax" or similar tax under the Internal Revenue Code of 1986, as amended, unless all tax-exempt securities are subject to such tax;

"*Stated Maturity*" – for any bond, the scheduled maturity date or final mandatory sinking fund redemption date of such bond;

"*Supplemental Agreement*" – any supplement to the Trust Agreement, now or hereafter duly authorized and entered into in accordance with the Trust Agreement;

"*Third Tier Bonds*" – unless otherwise specifically stated, any bond, bonds, note, notes, other obligation or obligations, including any Third Tier Credit Agreement, issued, incurred or entered into pursuant to the Trust Agreement as Third Tier Bonds, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the Trust Agreement and any supplement thereto;

"*Third Tier Credit Agreement*" – collectively, an obligation entered into on a parity with the Outstanding Third Tier Bonds in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase bonds, purchase or sale agreement, interest rate swap, cap and floor agreement or commitment or other contract or agreement authorized, recognized and approved by NTTA as a Third Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the bonds in connection with which it is executed;

"*Third Tier Payment Obligations*" – unless otherwise specifically stated, all amounts payable by NTTA under a Third Tier Credit Agreement less any amounts of principal or interest payable with respect to any Additional Third Tier Bonds pledged under a Third Tier Credit Agreement as collateral for the amounts due thereunder; and all such Third Tier Payment Obligation payments will be deemed to constitute principal payments of Third Tier Bonds, and will be paid from the Third Tier Redemption Account or sub-account therein as provided in the Trust Agreement and specified in a Supplemental Agreement; and all payment obligations under a First Tier Credit Agreement or a Second Tier Credit Agreement which are designated to be Third Tier Payment Obligations will be treated as and constitute Third Tier Payment Obligations for all purposes under the Trust Agreement;

"*Third Tier Required Reserve*" – as of any date the amount set forth in the Supplemental Agreements authorizing Third Tier Bonds Outstanding or to be Outstanding as of such date;

"*Third Tier Reserve Surety Agreement*" – any substitute for cash and Authorized Investments in the Third Tier Reserve Account as provided for in a Supplemental Agreement;

"*Toll Rate Schedule*" – the schedule of tolls to be collected by NTTA established by the Board under the Trust Agreement, including future increases or decreases approved by the Board;

"*Tollway*" or "*NTTA System*" – the presently existing turnpike system, as defined in the Trust Agreement (including all bridges, tunnels, overpasses, underpasses, interchanges, toll plazas, and administration, storage, and other buildings, facilities and improvements which NTTA has deemed necessary for the operation of the presently existing Tollway), together with all property rights, easements and interests acquired by NTTA for the construction or the operation of the presently existing Tollway, and together with all future improvements, extensions, and enlargements or additions of the presently existing Tollway, and together with any other turnpike project or facilities added to, grouped with, or otherwise constituted and declared to be a part of the Tollway by NTTA in accordance with law and pursuant to resolutions adopted by the Board;

"*Traffic Engineers*" – the traffic engineer or engineering firm or corporation employed by NTTA pursuant to the Trust Agreement to carry out the duties imposed thereby;

"*Turnpike Act*" – Chapter 366 of the Texas Transportation Code, as amended;

"*Value of Authorized Investments*" – the amortized value of any Authorized Investments, *provided, however*, that all United States of America, United States Treasury Obligations – State and Local Government Series will be valued at par and those obligations which are redeemable at the option of the holder will be valued at the price at which such obligations are then redeemable. Computations of such definition include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. "Amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (a) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (b) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price;

"*Variable Rate*" – interest on a bond which does not have a predetermined fixed rate or rates to maturity.

Certain Covenants of NTTA

Payment of Principal, Interest, and Premium. NTTA has covenanted that it will promptly pay the principal of and the interest on every bond, including Payment Obligations, at the places, on the dates and in the manner provided in the Trust Agreement and in said bonds, and any premium required for the retirement of said bonds by redemption, according to the true intent and meaning thereof. The principal, interest (except interest paid from proceeds of the bonds) and premiums are payable solely in the priorities and from the sources described in the Trust Agreement, including the tolls and other revenues derived from the ownership and operation of the Tollway.

Progress Reports; Audits during Construction; Certificate as to Date of Opening for Traffic. NTTA has covenanted that, at least once in every six-month period during the construction of any portion of the Tollway which it finances in whole or in part with bonds, it will cause the Consulting Engineers to prepare a progress report in connection with the acquisition of real property for any project, and a progress report in connection with such construction, including their then current estimates of the:

- (a) date on which such project will be opened for traffic, unless such project has been opened for traffic prior to the date of such report,
- (b) date on which the construction of such project will be completed,
- (c) cost of the project but excluding any bond discount and the interest during construction and for one year after completion of construction, and
- (d) amount of funds required each six (6) months during the remaining estimated period of construction to meet the aforesaid cost of such project exclusive of funds provided for construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between the actual times elapsed and the actual costs, and the original estimates of such times and costs. Copies of such progress reports are required to be filed with the Trustee and NTTA and mailed by NTTA to each bondholder who has filed his name with the Board Representative.

At least once in every twelve-month period during the construction of such project NTTA is required to cause an audit to be made by an independent certified public accountant of recognized ability and standing covering all receipts and money of NTTA then on deposit with or in the name of the Trustee, all Depositories, and NTTA, and any security specifically pledged therefor, any investments thereof, and all disbursements made from the Construction Fund. Reports of each such audit are

required to be filed with the Trustee and NTTA and mailed by NTTA to the Consulting Engineers and each bondholder who has filed his name with the Board Representative.

Consulting Engineers. NTTA covenants that it will cause the Consulting Engineers employed by it to make an inspection of the Tollway on or before the 90th day prior to the end of each Fiscal Year and to submit to NTTA a report setting forth (a) their findings whether the Tollway has been maintained in good repair, working order and condition, (b) their advice and recommendations as to the proper maintenance, repair, and operation of the Tollway during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes, including their recommendations as to the total amounts and classifications of items and amounts that should be provided for Current Expenses and the Reserve Maintenance Fund in the Annual Budget for the next ensuing Fiscal Year, and (c) their advice and recommendations as to the amounts and types of insurance which should be carried during the ensuing Fiscal Year with respect to the Tollway described below under the caption "Insurance." Copies of such reports are required to be filed with the Trustee and NTTA and mailed by NTTA to each bondholder who has filed his name and address with the Board Representative.

Budgets, Hearings Thereon, Payments into Reserve Maintenance Fund, and Payments for Maintenance, Repair, and Operation. NTTA has covenanted that on or before the 60th day prior to the end of each Fiscal Year it will adopt a preliminary budget of Current Expenses and payments into the Reserve Maintenance Fund for the ensuing Fiscal Year. Copies are required to be filed with the Trustee and NTTA and mailed by NTTA to the Consulting Engineers and each bondholder who has filed his name and address with the Board Representative.

If the holders of at least five percent (5%) in aggregate principal amount of the bonds then Outstanding request in writing on or before the 60th day prior to the end of any Fiscal Year, NTTA is required to hold a public hearing on or before the 30th day prior to the end of such Fiscal Year at which any bondholder may appear in person or by agent or attorney and present any objections he may have to the final adoption of such budget. Notice of the time and place of such hearing is required to be mailed, at least ten (10) days before the date fixed by NTTA for the hearing by NTTA, to the Trustee, the Consulting Engineers, and each bondholder who has filed his name and address with the Board Representative. NTTA has further covenanted that on or before the first day of each Fiscal Year it will finally adopt the budget of Current Expenses and payments into the Reserve Maintenance Fund for such Fiscal Year (hereinafter sometimes called the "Annual Budget"). Copies of the Annual Budget are required to be filed with the Trustee and mailed by NTTA to the Consulting Engineers and each bondholder who has filed his name and address with the Board Representative.

If for any reason NTTA has not adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year or, if there is none prepared, the budget for the preceding Fiscal Year, will, until the adoption of the Annual Budget, be deemed to be in force and will be treated as the Annual Budget as herein described.

NTTA may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, and when so adopted the Annual Budget as so amended or supplemented will be treated as the Annual Budget under the Trust Agreement; *provided, however*, that before the adoption of any such amended or supplemental Annual Budget, NTTA is required to have obtained and filed with the Trustee the recommendations of the Consulting Engineers in connection therewith. Copies of any such amended or supplemental Annual Budget are required to be filed with the Trustee and mailed by NTTA to the Consulting Engineers and each bondholder who has filed his name and address with the Board Representative.

NTTA has covenanted that all payments for maintenance, repair and operation in any Fiscal Year will not exceed the reasonable and necessary amount required therefor, and that it will not expend any amount or incur any obligations for maintenance, repair, and operation in excess of the amounts provided for Current Expenses in the Annual Budget, or amended or supplemental Annual Budget, except as provided in the Trust Agreement and except amounts payable from the Reserve Maintenance Fund and Capital Improvement Fund. Nothing described herein limits the amount which NTTA may expend for Current Expenses in any Fiscal Year provided any amounts expended therefor in excess of the Annual Budget are received by NTTA from some source other than the Net Revenues of the Tollway for such Fiscal Year.

Compliance with Requirements; No Liens or Charges upon Tollway, Tolls or Other Revenues; Payment of Charges. NTTA has covenanted that it will duly observe and comply with all valid requirements of any governmental authority relative to the Tollway or any part thereof, that it will not create or suffer to be created any lien or charge upon the Tollway or any part thereof or upon the tolls or other revenue therefrom except the lien and charge of the bonds secured by the Trust Agreement upon such tolls and revenue, unless any such lien or charge is junior and subordinate in all respects to the lien and charge of the bonds secured by the Trust Agreement, it being understood that NTTA may issue bonds, notes or other obligations payable from, or secured by, money in the Capital Improvement Fund to the extent now or hereafter permitted by law without violating the foregoing covenant. NTTA has further covenanted that, from such revenues or other available funds, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Tollway or any part thereof or the tolls or other revenue therefrom; *provided, however*, that nothing will require NTTA to

pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Accurate Records; Monthly Reports; Annual Audits; Additional Reports or Audits, Annual Report. NTTA has covenanted that it will keep an accurate record of the daily tolls and other revenues collected, of the number and class of vehicles using the Tollway and of the application of such tolls. Such record will be open to the inspection of the bondholders and their agents and representatives.

NTTA has further covenanted that once each month it will cause to be filed with the Trustee and mailed to the Consulting Engineers, the Traffic Engineers and each bondholder who has filed his name with the Board Representative, copies of any revision of the Toll Rate Schedule during the preceding calendar month and a report setting forth in respect of the preceding calendar month:

- (a) the income and expense accounts of the Tollway,
- (b) the number of vehicles in each class using the Tollway,
- (c) all payments, deposits and credits to and any payments, transfers and withdrawals from each Fund and Account created under the Trust Agreement,
- (d) all bonds issued, paid, purchased or redeemed,
- (e) the amounts at the end of such month to the credit of each Fund and Account, showing the respective amounts to the credit of each such Fund and Account, and any security held therefor, and showing the details of any investments thereof, and
- (f) the amounts of the proceeds received from any sales of property described herein under the caption "*Covenant Against Sale or Encumbrance; Exception.*"

NTTA has further covenanted that during the month following the end of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the Tollway for the previous Fiscal Year by an independent certified public accountant of recognized ability and standing. Promptly thereafter reports of each audit are required to be filed with NTTA and the Trustee, and copies of such report are required to be mailed by NTTA to the Consulting Engineers, the Traffic Engineers, and each bondholder who has filed his name with the Board Representative. Each such audit is required to set forth in respect to the preceding Fiscal Year the same matters as are hereinabove required for the monthly reports, and also the findings of such certified public accountants whether the money received by NTTA under the Trust Agreement have been applied in accordance therewith. Such monthly reports and annual audit reports are required to be open to the inspection of the bondholders and their agents and representatives.

NTTA has further covenanted to furnish to the Trustee such other information concerning the Tollway or the operation thereof as the Trustee may reasonably request.

Covenant Against Sale or Encumbrance; Exception. (a) NTTA has covenanted that, until the bonds and interest thereon have been paid or provision for such payment has been made, and except as otherwise permitted in the Trust Agreement, it will not sell, lease or otherwise dispose of or encumber the Tollway or any part thereof and will not create or permit to be created any charge or lien on the revenues derived therefrom unless such charge or lien is made junior and subordinate in all respects to the charge and lien of the Trust Agreement made for the benefit of the bonds; provided that NTTA may lease or contract with respect to the operation of service stations or other facilities referred to in section 12 of the Turnpike Act. NTTA may, however, from time to time, sell, exchange or otherwise dispose of any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of bonds issued on account of the Tollway or from the revenues thereof or otherwise, if NTTA determines that such articles are no longer needed or are no longer useful in connection with the construction or operation and maintenance of the Tollway, and the proceeds thereof are applied to the replacement of the properties so sold or disposed of or are paid to the Trustee to be held for the credit of the Construction Fund, the Reserve Maintenance Fund, the Capital Improvement Fund or the Sinking Funds, as NTTA directs. NTTA may from time to time sell, exchange or otherwise dispose of any real property or release, relinquish or extinguish any interest therein as NTTA by resolution declares is not needed or serves no useful purpose in connection with the maintenance and operation of the Tollway, and the proceeds thereof, if any, are required to be applied as provided above for the proceeds of the sale or disposal of movable property. Notwithstanding the foregoing, it is acknowledged and agreed that nothing in the Trust Agreement will prevent NTTA from re-conveying or allowing the reversion of property leased or otherwise acquired upon the termination of the lease or agreement pursuant to which such property was originally acquired.

(b) *Notwithstanding anything to the contrary in the Trust Agreement, NTTA may sell, convey, pledge or otherwise dispose of Accounts Receivable if:*

(1) *Such sale, conveyance, pledge or disposition is, in the judgment of NTTA, on commercially reasonable terms; or*

(2) *After giving effect to such sale, conveyance, pledge or disposition either (i) NTTA would be permitted to issue at least \$1.00 of Additional First Tier Bonds pursuant to Section 208 of this Agreement, or (ii) NTTA will, in the judgment of NTTA, be able to comply with its covenants in Section 501(d) of the Trust Agreement.*

*Any amounts received by NTTA in connection with the sale, conveyance, pledge or disposition of Accounts Receivable shall constitute tolls or other revenue derived from the ownership and operation of the Tollway for purposes of the Trust Agreement. Upon the written request of a Board Representative delivered to the Trustee, the rights, title, liens, security interests, pledge and assignments herein granted in or on Accounts Receivable sold, conveyed, pledged or otherwise disposed of in accordance with this subsection (b) shall cease, determine and be void as to such Accounts Receivable and the lien of the Trust Agreement shall be released by the Trustee as to such Accounts Receivable in due form. In the written request to the Trustee, the Board Representative shall confirm that such Accounts Receivable have been sold, conveyed, pledged or otherwise disposed of in accordance with this subsection (b). Proceeds of or receipts with respect to Accounts Receivable sold, conveyed, pledged or otherwise disposed of in accordance with this subsection (b) shall not, after the date of such sale, conveyance, pledge or other disposition, constitute tolls or other revenue of or derived from the ownership and operation of the Tollway for purposes of the Trust Agreement.**

(c) Upon any disposition of property as described herein, NTTA is required to notify the Trustee thereof and the amount and disposition of the proceeds thereof.

Insurance

Recommendations. NTTA has covenanted that, during each Fiscal Year while any bonds are Outstanding, it will obtain from the Consulting Engineers, on or before the 90th day prior to the end of each Fiscal Year, the report of the Consulting Engineers containing their advice and recommendations concerning the amounts and types of insurance which should be carried with respect to the Tollway during the ensuing Fiscal Year or years. NTTA covenants that it will follow the recommendations of the Consulting Engineers with respect to insurance, and will carry with a qualified and responsible insurance company or companies such insurance with respect to the Tollway as is then required by law and otherwise as is recommended by the Consulting Engineers in accordance with the Trust Agreement.

Self Insurance. NTTA may, upon the recommendation of the Consulting Engineers, establish programs for self insurance against various risks and losses, to the extent and in the manner as may be deemed advisable.

Schedule of Insurance Policies; Settlement of Insurance Claims. Within the first three (3) months of each Fiscal Year NTTA is required to mail to the Consulting Engineers and the Trustee a schedule of all insurance policies or self insurance plans which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and risks covered thereby, and also stating the details of each self insurance program established by NTTA. All such insurance policies are required to be open to the inspection of the bondholders and their representatives at all reasonable times. The Trustee is authorized, but is not obligated, in its own name to demand, collect, sue and receipt for any insurance money which may become due and payable under any policies payable to it. Any appraisal or adjustment of any loss or damage under any policy payable to the Trustee and any settlement or payment of indemnity under such policy which may be agreed upon between NTTA and any insurer is required to be evidenced to the Trustee by a certificate, signed by the Chairman or Vice Chairman and a Board Representative, which certificate may be relied upon by the Trustee as conclusive. The Trustee will in no way be liable or responsible for the collection of insurance money in case of any loss or damage.

All insurance policies will be for the benefit of the Trustee and NTTA, and the insurance policies will be made payable to the Trustee, and will be held by the Trustee. The Trustee will have the sole right to receive the proceeds of such insurance. The proceeds of any insurance will be held by the Trustee as security for the bonds until the bonds are paid out in accordance with the Resolution.

NTTA agrees that, immediately after any damage to or destruction of the NTTA System or any part thereof, competent engineers will prepare plans and specifications for repairing, replacing or reconstructing the damaged or destroyed property (either in accordance with the original or a different design) and an estimate of the cost thereof. Copies of such estimate will be mailed by NTTA to the Trustee and to the Consulting Engineers unless such engineers are the Consulting Engineers.

The proceeds of all insurance will be available for, and to the extent necessary be applied to, the repair, replacement, or reconstruction of the damaged or destroyed property, and will be disbursed by the Trustee. If the proceeds are more than sufficient for such purpose, the balance remaining will be placed in the Revenue Fund. If the insurance proceeds are insufficient

* The italicized provision will only be effective upon obtaining the approval of a majority in principal amount of the outstanding First Tier Bonds and Second Tier Bonds.

for such purpose, the deficiency will be supplied by NTTA from any surplus unpledged, uncommitted, and available moneys in the Capital Improvement Fund and the Reserve Maintenance Fund, in that order, to the extent required or available.

NTTA agrees that, if the cost of repairing, replacing or reconstructing the damaged or destroyed property as estimated does not exceed the proceeds of insurance and other moneys available for such purpose, it will commence with the repair, replacement, or reconstruction of the damaged or destroyed property according to plans and specifications prepared or approved by the Consulting Engineers.

The proceeds of any insurance not applied within 18 months after their receipt to repairing, replacing or reconstructing the damaged or destroyed property must be deposited to the credit of the Reserve Maintenance Fund, unless NTTA advises the Trustee that it has been prevented from so repairing, replacing, or reconstructing because of conditions beyond its control, or unless NTTA, with the consent of the holders of a majority in principal amount of all the bonds then outstanding, shall otherwise direct.

Covenants Regarding Tax Exemption

Except with respect to Bonds issued as "taxable bonds," NTTA agrees to refrain from taking any action which would adversely affect, and to take any action required to ensure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation (other than with respect to the taxable Bonds).

Investments

Investment of Money in Funds and Accounts. All money held for the credit of the Construction Fund will, as nearly as may be practicable, be invested and reinvested by the Trustee, as directed by NTTA, in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, in such amounts and at such times as will be required to provide money when needed to pay the Costs payable from the Construction Fund. Money held for the credit of the Reserve Accounts will, as nearly as may be practicable, be invested and reinvested by the Trustee, as directed by NTTA, in Authorized Investments which will mature, or will be subject to redemption by the holder thereof at the option of such holder, not later than five years after the date of such investment. Money held for the credit of the Reserve Maintenance Fund may be invested and reinvested by NTTA in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, not later than five years after the date of such investment. Money held for the credit of the Capital Improvement Fund may be invested in any of the Authorized Investments or in any other manner authorized by the Board. Money held for the credit of the Operation and Maintenance Fund will be invested and reinvested by NTTA, and the Revenue Fund, the Bond Interest Accounts, and the Redemption Accounts will be invested and reinvested by the Trustee, as directed by NTTA, in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates which will allow money to be available in each of said Funds and Accounts for use at the appropriate times and for the purposes for which they were created.

In lieu of the investments as provided above, and at the option of NTTA, and in any other case where NTTA deems it advisable, NTTA may make interest bearing time deposits, invest in certificates of deposit, or make other similar arrangements with the Trustee or any other depository in connection with money in any Fund or Account created by the Trust Agreement, as may be permitted by law, and which will allow money to be available in each of the Funds and Accounts created by the Trust Agreement for use at the appropriate times and for the purposes for which they were created, provided that all such time deposits, certificates of deposit, and other similar agreements will be secured in the manner provided in the Trust Agreement.

Other Investment Matters. Obligations purchased as an investment of money in any Fund or Account created under the Trust Agreement and all time deposits or similar arrangements made in connection therewith, will be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and any profit realized from any investment will be credited to such Fund or Account, and any loss resulting from any investment will be charged to such Fund or Account; *provided, however,* that the provisions described under the caption "*Sinking Funds; Bond Interest Accounts, Reserve Accounts, and Redemption Accounts*" will be applicable at all times to the Reserve Accounts and the excess investment earnings from the Reserve Accounts.

At the option of NTTA, during the period of construction or completion of construction of any project, NTTA may direct the Trustee to transfer from the Construction Fund and deposit to the credit of the applicable Bond Interest Account, from the investment earnings deposited in the Construction Fund and/or the Reserve Maintenance Fund all or any part of an amount, which, together with the amount then available in the applicable Bond Interest Account, will be sufficient to pay the interest coming due on the bonds on each interest payment date, respectively. The Trustee is required to account for all amounts at any time on hand in the Construction Fund attributable to all investment earnings, regardless of their source, and to make the deposits required above to the extent of such investment earnings on hand at the time each such deposit is required to be made. In the event that such investment earnings are not sufficient to supplement the applicable Bond Interest Account in an amount

required to enable the Trustee to pay from the applicable Bond Interest Account the interest coming due on the bonds on any interest payment date, then the Trustee, without further authorization or requisition, is required to use the corpus of the Construction Fund (original bond proceeds) to the extent necessary to provide the required supplement to the applicable Bond Interest Account.

The Trustee, any other depositories, and NTTA, as the case may be, are required to sell at the best price obtainable in the exercise of reasonable diligence, or present for payment or redemption, any obligations so purchased, whenever and to the extent it is necessary so to do, in order to provide money required to meet any payment or transfer from any Fund or Account. The Trustee, any other depositories, and NTTA, as the case may be, are required to present for payment all such obligations when they mature or when they are called for redemption and the proceeds thereof are required to be reinvested promptly, unless needed to meet any such payment or transfer. Neither the Trustee, any other depositories, nor NTTA will be liable or responsible for making any such investment or for any loss resulting from any such investment, but any resulting deficiency in any Fund or Account is required to be restored from the first money available therefor in accordance with the Trust Agreement. The Trustee and any other depositories are required to advise NTTA in writing, on or before the fifth day of each month, of the details of all money and investments held by them for the credit of any such Fund or Account.

The provisions of the Trust Agreement which relate to the deposit and to the investment of money are subject to any applicable laws of the State of Texas.

All Authorized Investments purchased as an investment of any Fund or Account are required to be valued at the Value of Authorized Investments. Reserve Accounts are required to be valued by NTTA as of the last Business Day of the current Fiscal Year, and semiannually thereafter as of the last Business Day of the sixth and twelfth months, respectively, of each Fiscal Year.

Notwithstanding any other provisions of the Trust Agreement, if investment income derived from any Fund or Account maintained pursuant hereto is required to be rebated to the United States of America, as required by the tax covenants of NTTA in order to prevent any bonds from being "arbitrage bonds," such investment income will be so rebated from the appropriate Fund or Account, and the amount of such rebate will not be considered to be revenues of the Tollway. The Trustee is required, upon the request and direction of NTTA, to transmit any such rebate amounts held by it to the United States of America.

Events of Default and Remedies

Events of Default. Each of the following events is hereby declared an "*Event of Default*," that is to say: if

(a) NTTA defaults in the payment of the principal of or premium, if any, on any of the bonds when the same become due and payable, either at maturity or by proceedings for redemption; or

(b) NTTA defaults in the payment of any installment of interest on any bond when the same becomes due and payable; or

(c) any part of the Tollway is destroyed (or damaged to the extent of impairing its efficient operation and adversely affecting its gross or net revenues and is not promptly repaired, replaced or reconstructed (whether such failure to repair, replace or reconstruct the same be due to the impracticability of such repair, replacement or reconstruction or to lack of funds therefor or for any other reason); or

(d) judgment for the payment of money is rendered against NTTA if such judgment is under any circumstances payable from the revenues of the Tollway and any such judgment is not discharged within ninety (90) days from the entry thereof or an appeal is not taken therefrom or from the order, decree or process upon which or pursuant to which such judgment has been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, decree or process or the enforcement thereof; or

(e) an order or decree is entered, with the consent or acquiescence of NTTA, appointing a receiver or receivers of the Tollway or any part thereof or of the tolls or other revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of NTTA, is not vacated or discharged or stayed within ninety (90) days after the entry thereof; or

(f) any proceeding is instituted, with the consent or acquiescence of NTTA, for the purpose of effecting a composition between NTTA and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the revenues of the Tollway; or

(g) NTTA defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the bonds or in the Trust Agreement on the part of NTTA to be performed, and such default continues for sixty (60) days after written notice specifying such default and requiring it to be remedied has been given to NTTA by the Trustee, which may give such notice in its discretion and is required to give

such notice at the written request of the holders of not less than ten percent (10%) in principal amount of the bonds then Outstanding; and the Trustee is required to investigate and consider any allegation of such default or Event of Default of which any Bond Insurer of record notifies the Trustee in writing; or

(h) the occurrence and continuance of an event of default by NTTA under a Credit Agreement or Reserve Surety Agreement.

A payment default under paragraphs (a) or (b) above with respect to a Second Tier Bond or Third Tier Bond will not constitute an Event of Default with respect to First Tier Bonds. A payment default under paragraphs (a) or (b) above with respect to a Third Tier Bond will not constitute an Event of Default with respect to Second Tier Bonds.

Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified under the caption "*Events of Default*," then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding is required to proceed (subject to receiving adequate indemnity), to protect and enforce its rights and the rights of the bondholders under the Turnpike Act and under the Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained in the Trust Agreement or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights. Acceleration of the principal of or interest on the bonds upon the occurrence of an Event of Default is not a remedy available under the Trust Agreement and in no event may the Trustee, the owners or other parties have the ability, upon the occurrence of an Event of Default, to declare the principal of or interest on the bonds immediately due and payable.

In enforcing any remedy under the Trust Agreement the Trustee is entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from NTTA for principal, interest or otherwise under the Trust Agreement or of the bonds and unpaid, with interest on overdue payments at the rate or rates of interest borne by such bonds, together with any and all costs and expenses of collection and of all proceedings under the Trust Agreement and under such bonds, without prejudice, to any other right or remedy of the Trustee or of the bondholders, and to recover and enforce judgment or decree against NTTA, but solely as provided in the Trust Agreement and in such bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from money in the applicable Sinking Fund and any other money available for such purposes) in any manner provided by law, the money adjudged or decreed to be payable.

Pro Rata Application of Funds. If at any time the money in the First Tier Sinking Fund, the Second Tier Sinking Fund, the Third Tier Sinking Fund, the Reserve Maintenance Fund or any other sinking funds established under the Trust Agreement is not sufficient to pay the principal of or the interest on the bonds as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of the remedies set forth in the Trust Agreement or otherwise, are required to be applied (subject to the right of the Trustee to compensation and indemnification) as follows (*provided, however*, amounts on deposit in a fund or account (i) dedicated to the payment or security of the First Tier Bonds, the Second Tier Bonds or Third Tier Bonds or (ii) constituting Additional Bond Security for the benefit of one or more specific series of bonds will not be applied as provided below but will be used only for the purpose for which such deposits were made):

(a) Unless the principal of all the First Tier Bonds is then due and payable, all such money is required to be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the First Tier Bonds, in the order of the maturity of the installments of such interest, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the First Tier Bonds; and second: to the payment of the principal of any First Tier Bonds which have matured, and, if the amount available is not sufficient to pay all of such matured First Tier Bonds, then to the payment thereof ratably, according to the amount due; or if no First Tier Bonds have matured, to the retirement of First Tier Bonds in accordance with the Trust Agreement.

(b) If the principal of all the First Tier Bonds is then due and payable, all such money is required to be applied to the payment of the principal and interest then due and unpaid upon the First Tier Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any First Tier Bond over any other First Tier Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the First Tier Bonds.

(c) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Bonds but the principal of, premium, if any, or interest on Second Tier Bonds has not been paid when due, unless the principal of all the Second Tier Bonds is then due and payable, all such money is required to be applied

first: to the payment to the persons entitled thereto of all installments of interest then due on the Second Tier Bonds, in the order of the maturity of the installments of such interest, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Second Tier Bonds; and second: to the payment of the principal of any Second Tier Bonds which have matured, and, if the amount available is not sufficient to pay all of such matured Second Tier Bonds, then to the payment thereof ratably, according to the amount due; or if no Second Tier Bonds have matured, to the retirement of Second Tier Bonds in accordance with the Trust Agreement.

(d) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Bonds, but the principal of all the Second Tier Bonds is then due and payable, all such money is required to be applied to the payment of the principal and interest then due and unpaid upon the Second Tier Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Second Tier Bond over any other Second Tier Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Second Tier Bonds.

(e) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Bonds and Second Tier Bonds but the principal of, premium, if any, or interest on Third Tier Bonds has not been paid when due, unless the principal of all the Third Tier Bonds is then due and payable, all such money is required to be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Third Tier Bonds, in the order of priority established in the Supplemental Agreement entered into in conjunction with the issuance of such Third Tier Bonds, and within a class of Third Tier Bonds, in the order of the maturity of the installments of such interest, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference within a class of Third Tier Bonds except as to any difference in the respective rates of interest specified in the Third Tier Bonds; and second: to the payment of the principal of any Third Tier Bonds, in the order of priority established in the Supplemental Agreement entered into in conjunction with the issuance of such Third Tier Bonds, which have matured, and, if the amount available is not sufficient to pay all of such matured Third Tier Bonds within such class, then to the payment thereof ratably, according to the amount due; or if no Third Tier Bonds have matured, to the retirement of Third Tier Bonds in accordance with the Supplemental Agreement executed and delivered in conjunction with the issuance of such Third Tier Bonds.

(f) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Bonds and Second Tier Bonds, but the principal of all the Third Tier Bonds is then due and payable, all such money is required to be applied to the payment of the principal and interest then due and unpaid upon the Third Tier Bonds of each class, in the order of priority established in the Supplemental Agreement entered into in conjunction with the issuance of such Third Tier Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Third Tier Bond over any other Third Tier Bond within the same class, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Third Tier Bonds.

Whenever money is to be applied by the Trustee as described herein, such money is required to be applied by the Trustee at such times as the Trustee in its sole discretion determines, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such money with the Paying Agent, or otherwise setting aside such money, in trust for the proper purpose will constitute proper application by the Trustee; and the Trustee will incur no liability whatsoever to NTTA, to any bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with the Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it is required to fix the date (which will be an interest payment date unless the Trustee deems another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date will cease to accrue. The Trustee is required to give such notice as it deems appropriate of the fixing of any such date, and is not required to make payment to the holder of any unpaid bond or the interest thereon unless such bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Effect of Discontinuance of Proceedings. In case any action taken by the Trustee on account of any default is discontinued or abandoned for any reason, then NTTA, the Trustee, any Bond Insurer of record, and the bondholders will be restored to their former positions and rights under the Trust Agreement, and all rights, remedies, powers and duties of the Trustee will continue as if no action had been taken.

Majority of Bondholders May Control Proceedings. Anything in the Trust Agreement to the contrary notwithstanding, the holders of not less than a majority in principal amount of the First Tier Bonds then Outstanding hereunder (or, if no First Tier Bonds are then Outstanding, then the holders of not less than a majority in principal amount of the Second Tier Bonds then Outstanding, or, if no First Tier Bonds or Second Tier Bonds are then Outstanding, then the holders of not less than a majority in principal amount of the Third Tier Bonds then Outstanding) have the right (subject to the Trustee's right to indemnity), by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial actions to be taken by the Trustee, provided that such direction is not in contradiction of law or the Trust Agreement. The Trustee has the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to bondholders not parties to such direction.

Restrictions upon Action by Individual Bondholder. No holder of any of the Outstanding bonds has any right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust under the Trust Agreement or the protection or enforcement of any right under the Trust Agreement or any resolution of NTTA authorizing the issuance of bonds, or any right under the Turnpike Act or the laws of Texas, excepting only an action for the recovery of overdue and unpaid principal, interest or redemption premium, unless such holder has previously given to the Trustee written notice of the Event of Default or breach of trust or duty on account of which such suit or action is to be taken, and unless the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, have accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted under the Trust Agreement, granted by the Turnpike Act or by the laws of Texas, or to institute such action, suit or proceeding in its or their name, and unless, also, there has been offered to the Trustee reasonable security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Trust Agreement or for any other remedy thereunder or under the Turnpike Act or the laws of Texas. It is understood and intended that no one or more holders of the bonds secured by the Trust Agreement will have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of the Trust Agreement, or to enforce any right thereunder or under the Turnpike Act or the laws of Texas with respect to the bonds or the Trust Agreement, except in the manner therein provided, and that all proceedings at law or in equity will be instituted, had and maintained in the manner therein provided and for the benefit of all holders of the Outstanding bonds, except as otherwise permitted therein with reference to over-due and unpaid principal, interest or redemption premium.

Actions by Trustee. All rights of action under the Trust Agreement or under any of the bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee is required to be brought in its name for the benefit of all the holders of such bonds, subject to the Trust Agreement.

No Remedy Exclusive. No remedy under the Trust Agreement conferred upon or reserved to the Trustee, any Bond Insurer, or to the holders of the bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy will be cumulative and will be in addition to every other remedy given thereunder or now or hereafter existing at law or in equity or by statute.

Delay or Omission Not Waiver; Repeated Exercise of Powers; Waiver of Default. No delay or omission of the Trustee or of any holder of the bonds to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by the Trust Agreement to the Trustee and the holders of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the holders of not less than a majority in principal amount of the bonds then Outstanding is required to, waive any default which in its opinion has been remedied before the completion of the enforcement of any remedy under the Trust Agreement, but no such waiver will extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Notice of Default. The Trustee is required to mail to each Bond Insurer of record, and each bondholder of record written notice of the occurrence of any Event of Default, within thirty (30) days after the Trustee has knowledge of such Event of Default. If in any Fiscal Year the total amount of deposits to the Sinking Funds is less than the amounts required to be deposited under the Trust Agreement, the Trustee, on or before the first day of the second month of the next succeeding Fiscal Year, is required to mail to each Bond Insurer of record, and all bondholders of record written notice of the failure to make such deposits. The Trustee will not be subject to any liability to any bondholder by reason of its failure to mail any such notice.

Bond Insurer's Rights. Notwithstanding any other provisions described under the caption "*Events of Default and Remedies*," if there has been filed with the Trustee a Bond Insurance Policy, or a certified copy thereof, with respect to any bond, all enforcement remedies and rights to waive defaults with respect to such bond may be exercised by the registered

bondholders only with the written consent of such Bond Insurer, and, in the alternative, at the option of the Bond Insurer, such Bond Insurer may enforce any such remedies or waive any default with respect to such bond without the consent of the registered bondholder, and in such event such Bond Insurer will be deemed to be the bondholder for such purpose. Any Bond Insurer under a Bond Insurance Policy, or certified copy thereof, which has been filed with the Trustee and is then in effect will, for all purposes of the Trust Agreement, constitute and may be called a Bond Insurer of record.

Certain Matters Regarding the Trustee

General. The Trustee has accepted and agreed to execute the trusts imposed upon it by the Trust Agreement. The Trustee is entitled to the benefit of certain protections under the Trust Agreement, including the right to rely on certificates required or permitted to be filed with it, to buy, sell own, hold and deal in any of the bonds issued under and secured by the Trust Agreement, to rely on the opinion of certain experts such as attorneys, engineers or accountants, and to indemnification against any liabilities except for those liabilities resulting from the negligence or willful misconduct of the Trustee.

NTTA is required to pay the Trustee reasonable compensation for all services performed by it under the Trust Agreement and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts thereby created and the performance of their powers and duties under the Trust Agreement. If NTTA fails to make any payment to the Trustee pursuant to the Trust Agreement, the Trustee may make such payments from any money in its possession under the Trust Agreement and will be entitled to a preference therefor over any of the bonds Outstanding.

The Trustee is under no obligation to institute any suit, or to take any remedial proceeding under the Trust Agreement, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts thereby created or in the enforcement of any rights and powers thereunder, until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it, without indemnity, and in any such case NTTA is required to reimburse the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If NTTA fails to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the Trust Agreement and is entitled to a preference therefor over any of the bonds Outstanding.

Except as otherwise provided in the Trust Agreement, the Trustee will not be obliged to take notice or be deemed to have notice of any Event of Default hereunder, unless specifically notified in writing of such Event of Default by the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding or by any Bond Insurer of record.

Resignation of Trustee. The Trustee may resign and be discharged from the trusts created pursuant to the Trust Agreement, by notice in writing to NTTA and mailed to each bondholder of record not less than sixty (60) days before the resignation is to take effect, but such resignation will take effect immediately upon the appointment of a new Trustee, if such new Trustee is appointed before the time limited by such notice and accepts such trusts; *provided, however,* such resignation will not become effective until and unless a successor trustee is appointed and accepts such trusts. If no successor trustee has been appointed and accepted such trusts within ninety (90) days after the date the resignation is to take effect, the schedule of fees and charges of the Trustee then in effect will terminate, and the Trustee may establish such fees and charges for its services as it deems necessary to reasonably compensate it for such services under the circumstances then existing.

Removal of Trustee. The Trustee may be removed at any time by an instrument or instruments in writing, signed by the holders of not less than a majority in principal amount of the bonds secured under the Trust Agreement and Outstanding and filed with NTTA. No removal of a Trustee will be effective until and unless a qualified successor trustee has been appointed and accepted the trusts under the Trust Agreement. The Trustee may also be removed at any time, for any reason, in the sole discretion of NTTA, by a resolution duly adopted by NTTA; provided that such resolution names a successor Trustee as described below, and directs the successor Trustee to mail written notice of such change in Trustee to each registered bondholder on or before the next interest payment date or redemption date, whichever is first.

Appointment of Successor Trustee. If at any time the Trustee resigns, or is removed, dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee will thereupon become vacant. If the position of Trustee becomes vacant for any reason, NTTA is required to appoint a Trustee to fill such vacancy. NTTA is required to publish notice of any such appointment once in each week for four successive weeks in a financial journal of general circulation published in the Borough of Manhattan, City and State of New York or mail notice to each bondholder of record.

At any time within one year after any such vacancy has occurred, the owners of a majority in principal amount of the bonds then Outstanding, by an instrument or instruments in writing, signed by such bondholders or their attorneys in fact, may appoint a successor Trustee, which will supersede any Trustee theretofore appointed by NTTA. If no appointment of a successor Trustee is made, the owner of any bond Outstanding under the Trust Agreement or any retiring Trustee may apply

to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any Trustee appointed is required to be a bank or trust company duly organized and doing business under the laws of the United States of America and located in the State of Texas, authorized under such laws to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having, at the time of its appointment, a combined capital and surplus aggregating not less than \$100,000,000.00.

Any Trustee which is replaced by a successor Trustee is required to promptly turn over to such successor Trustee all funds, books, and records pertaining to the Trust Agreement.

Modification of the Trust Agreement

Supplemental Agreements by NTTA and Trustee. NTTA and the Trustee may, from time to time and at any time, without the consent of the owners of the bonds, enter into such agreements supplemental to the Trust Agreement as will not be in conflict with the terms and provisions thereof (which supplemental agreements will thereafter form a part thereof),

(a) to cure any ambiguity or formal defect or omission in the Trust Agreement or in any Supplemental Agreement, or

(b) to grant to or confer upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustee, or

(c) to close the Trust Agreement against or provide limitations and restrictions, in addition to the limitations and restrictions contained in the Trust Agreement, with respect to the future issuance of Additional Bonds, or

(d) to set forth additional covenants and provisions with respect to any improvements, extensions, enlargements, or projects in connection with the Tollway, and any bonds issued in connection therewith, or

(e) to set forth additional provisions, if deemed necessary or advisable, with respect to the issuance of the Additional Bonds, including provisions for the use and functioning of a Construction Fund for additional projects, and the addition of certain other funds and accounts necessary or convenient for effecting the payment of principal of or interest on such bonds or creation and maintenance of a reserve fund for such bonds, or

(f) to comply with additional requirements to the extent necessary in the opinion of Bond Counsel to preserve the exemption from federal income taxation of interest on the bonds under Section 103 of the Code, or

(g) to make any changes or amendments requested by S&P, Fitch or Moody's, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of NTTA, materially adversely affect the interests of the owners of the Outstanding bonds or any Bond Insurer of record, or

(h) to the extent permitted by law, to permit NTTA to enter into Qualified Credit Agreements or to issue Additional Bonds in foreign denominated currencies; provided, however, no such amendment may be made unless NTTA has received a letter from S&P, Fitch and Moody's to the effect that such amendment will not result in any of such rating agencies lowering the assigned rating on the then Outstanding bonds, or

(i) upon direction of NTTA, provided that the Trustee receives a written confirmation from each rating agency then maintaining a rating on the First Tier Bonds and the Second Tier Bonds to the effect that the execution and delivery of such Supplemental Agreement will not in and of itself cause such rating agency to reduce or withdraw the then current rating on the First Tier Bonds and the Second Tier Bonds, together with the prior written consent of each Bond Insurer and other Credit Provider then providing credit support for any series of bonds, *provided, however*, that no such amendment will have the effect of amending a provision of the Trust Agreement that would otherwise require the consent of the holders of not less than 51% in aggregate principal amount of bonds Outstanding.

Modification of Agreements with Consent of Holders of 51% of Bonds; Restrictions on Modification; Notices. Except as set forth below and except as set forth above under the caption "Supplemental Agreements by NTTA and Trustee," the holders of not less than 51% in aggregate principal amount of the bonds then Outstanding, or if less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding, will have the right, from time to time, notwithstanding anything contained in the Trust Agreement to the contrary, to consent to and approve the execution by NTTA and the Trustee of such agreement or agreements supplemental to the Trust Agreement as is deemed necessary or desirable by NTTA for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Trust Agreement or any Supplemental Agreement; provided, however, that nothing therein contained will permit (a) an extension of the principal of or the interest on any bond, or (b) a reduction in the principal amount of any bond or the redemption premium or the rate of interest

thereon, or (c) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with (to the extent not permitted thereunder) the lien or pledge created by the Trust Agreement, or (d) a preference or priority of any First Tier Bonds, Second Tier Bonds or Third Tier Bonds, as the case may be, over any other First Tier Bonds, Second Tier Bonds, or Third Tier Bonds (except, in the case of Third Tier Bonds, as is set forth in the Supplemental Agreement pursuant to which a series of Third Tier Bonds are issued) or (e) a reduction in the aggregate principal amount of the bonds required for consent to such Supplemental Agreement.

If at any time NTTA requests that the Trustee to enter into a Supplemental Agreement for the purposes described herein, the Trustee is required, at the expense of NTTA, to cause notice of the proposed execution of such Supplemental Agreement to be published once in each week for four successive weeks in a financial journal of general circulation published in the Borough of Manhattan, City and State of New York or to cause such notice to be mailed, postage prepaid, to all registered owners of bonds then Outstanding at their addresses as they appear on the registration books. Said notice is required to briefly set forth the nature of the proposed Supplemental Agreement and to state that a copy thereof is on file at the office of the Trustee for inspection by all bondholders. The Trustee will not be subject to any liability to any bondholder by reason of its failure to mail the notice described herein, and any such failure will not affect the validity of such Supplemental Agreement when consented to and approved as provided for herein.

Whenever, at any time within one year after the date of the first publication of such notice or the date of mailing of such notice, as applicable, NTTA is required to deliver to the Trustee an instrument or instruments purporting to be executed by the holders of not less than 51% in aggregate principal amount of the bonds then Outstanding (or, in the case that less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding at the time of the execution), which instrument or instruments are required to refer to the proposed Supplemental Agreement described in such notice and to specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such Supplemental Agreement in substantially such form, without liability or responsibility to any holder of any bond, whether or not such holder has consented thereto.

If the holders of not less than 51% in aggregate principal amount of the bonds Outstanding at the time of the execution (or, in the case that less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding at the time of the execution) of such Supplemental Agreement have consented to and approved the execution thereof, no holder of any bond will have any right to object to the execution of such Supplemental Agreement or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or NTTA from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Supplemental Agreement as described herein, the Trust Agreement will be modified and amended in accordance therewith, and the respective rights, duties, and obligations under the Trust Agreement of NTTA and the Trustee and all holders of bonds then Outstanding will thereafter be determined, exercised and enforced thereunder, subject in all respects to such modifications and amendments.

Modification of Trust Agreement with Consent of all Holders. Notwithstanding anything contained in the Trust Agreement, the rights and obligations of NTTA and of the holders of the bonds and the terms and provisions of the bonds and the Trust Agreement or any Supplemental Agreement, may be modified or altered in any respect with the consent of NTTA and the consent of the holders of all of the bonds then Outstanding.

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APPENDIX E

FORM OF CO-BOND COUNSEL OPINION

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FORM OF CO-BOND COUNSEL OPINION
SERIES 2017

Proposed Form of Opinion of Co-Bond Counsel

*An opinion in substantially the following form will be delivered by McCall,
Parkhurst & Horton L.L.P. and by Mahomes Bolden PC, co-bond counsel, upon the delivery of the
Bonds, assuming no material changes in facts or law.*

_____, 2017

\$1,743,320,000

NORTH TEXAS TOLLWAY AUTHORITY SYSTEM FIRST TIER REVENUE AND REFUNDING BONDS,
SERIES 2017A

DATED _____, 2017

AS CO-BOND COUNSEL for the North Texas Tollway Authority ("NTTA"), we have examined the legality and validity of the issue of bonds described above (the "*Bonds*"), which bear interest from the dates and mature on the dates specified on the face of the Bonds, all in accordance with the resolution (the "*Bond Resolution*") of the Board of Directors of NTTA (the "*Board*") authorizing the issuance of such Bonds. Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution or the Trust Agreement (as defined herein).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of NTTA, and other pertinent instruments relating to the authorization, issuance, and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of NTTA upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that NTTA is a body corporate and politic and a political subdivision of the State of Texas, created by Senate Bill 370 enacted by the 75th Legislative Session of the Texas Legislature and functioning under Chapter 366, Texas Transportation Code, as amended (the "*Act*"); that the Bonds have been duly authorized; and that the Bonds have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of NTTA which are payable as to principal and interest from the sources provided in the Bond Resolution and the Amended and Restated Trust Agreement between NTTA and Wells Fargo Bank, National Association, dated as of April 1, 2008, as supplemented through the date hereof (as supplemented, the "*Trust Agreement*"), (ii) the covenants and agreements in the Trust Agreement constitute valid and binding obligations of NTTA, (iii) the Bonds constitute valid and legally binding obligations of NTTA secured as First Tier Bonds, on a parity with other Outstanding First Tier Bonds, under the Trust Agreement, (iv) the Bonds are payable in accordance with the priorities established in the Trust Agreement from the sources provided therein, and (v) the Trust Agreement is authorized by law, has been duly executed and delivered, and is valid and legally binding upon and enforceable by the parties thereto in accordance with its terms and provisions.

NTTA has reserved the right, subject to the restrictions stated in the Trust Agreement, to issue Additional Bonds which also may be secured by the Trust Agreement on the terms and conditions described therein.

NTTA also has reserved the right to amend the Trust Agreement in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of fifty-one percent of all outstanding bonds affected by such amendment and secured by the Trust Agreement.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than as described in the Trust Agreement.

IT IS FURTHER OUR OPINION THAT, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court

decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986 (the "*Code*"). In expressing the aforementioned opinions, we have relied on, and assume compliance by NTTA with, certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed or refinanced therewith, and the verification report of Grant Thornton LLP. We call your attention to the fact that failure by NTTA to comply with such representations and covenants may cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds is included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by Section 55 of the Code.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local income tax consequences of acquiring, carrying, owning, or disposing of the Bonds.

WE EXPRESS NO OPINION as to any insurance policies or credit facilities issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies or credit facilities issued in the future.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "*Service*"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat NTTA as the taxpayer. We observe that NTTA has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE HAVE ACTED AS CO-BOND COUNSEL for NTTA for the purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes. We have not been requested to investigate or verify, and have not investigated or verified, any records, data, or other material relating to the financial condition or capabilities of NTTA and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

Proposed Form of Opinion of Co-Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P. and by Mahomes Bolden PC, co-bond counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

_____, 2017

\$765,995,000

NORTH TEXAS TOLLWAY AUTHORITY SYSTEM SECOND TIER REVENUE AND REFUNDING BONDS,
SERIES 2017B

DATED _____, 2017

AS CO-BOND COUNSEL for the North Texas Tollway Authority ("*NTTA*"), we have examined the legality and validity of the issue of bonds described above (the "*Bonds*"), which bear interest from the dates and mature on the dates specified on the face of the Bonds, all in accordance with the resolution (the "*Bond Resolution*") of the Board of Directors of NTTA (the "*Board*") authorizing the issuance of such Bonds. Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution or the Trust Agreement (as defined herein).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of NTTA, and other pertinent instruments relating to the authorization, issuance, and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of NTTA upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that NTTA is a body corporate and politic and a political subdivision of the State of Texas, created by Senate Bill 370 enacted by the 75th Legislative Session of the Texas Legislature and functioning under Chapter 366, Texas Transportation Code, as amended (the "*Act*"); that the Bonds have been duly authorized; and that the Bonds have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of NTTA which are payable as to principal and interest from the sources provided in the Bond Resolution and the Amended and Restated Trust Agreement between NTTA and Wells Fargo Bank, National Association, dated as of April 1, 2008, as supplemented through the date hereof (as supplemented, the "*Trust Agreement*"), (ii) the covenants and agreements in the Trust Agreement constitute valid and binding obligations of NTTA, (iii) the Bonds constitute valid and legally binding obligations of NTTA secured as Second Tier Bonds, on a parity with other Outstanding Second Tier Bonds, under the Trust Agreement, (iv) the Bonds are payable in accordance with the priorities established in the Trust Agreement from the sources provided therein, and (v) the Trust Agreement is authorized by law, has been duly executed and delivered, and is valid and legally binding upon and enforceable by the parties thereto in accordance with its terms and provisions.

NTTA has reserved the right, subject to the restrictions stated in the Trust Agreement, to issue Additional Bonds which also may be secured by the Trust Agreement on the terms and conditions described therein.

NTTA also has reserved the right to amend the Trust Agreement in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of fifty-one percent of all outstanding bonds affected by such amendment and secured by the Trust Agreement.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than as described in the Trust Agreement.

IT IS FURTHER OUR OPINION THAT, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986 (the "*Code*"). In expressing the aforementioned opinions, we have relied on, and assume compliance by NTTA with, certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed or refinanced therewith, and the verification report of Grant Thornton

LLP. We call your attention to the fact that failure by NTTA to comply with such representations and covenants may cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds is included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by Section 55 of the Code.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local income tax consequences of acquiring, carrying, owning, or disposing of the Bonds.

WE EXPRESS NO OPINION as to any insurance policies or credit facilities issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies or credit facilities issued in the future.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "*Service*"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat NTTA as the taxpayer. We observe that NTTA has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE HAVE ACTED AS CO-BOND COUNSEL for NTTA for the purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes. We have not been requested to investigate or verify, and have not investigated or verified, any records, data, or other material relating to the financial condition or capabilities of NTTA and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

APPENDIX F
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: \$ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

