NEW ISSUES - BOOK-ENTRY ONLY **RATINGS: Moody's: A2**
Standard & Poor's: A-

*In the opinion of Co-Bond Counsel, interest on the Series 2012 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 thereof, except as explained under "**TAX MATTERS**" herein, including the alternative minimum tax on corporations. Interest on the Series 2012 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.*

$134,590,000
NORTH TEXAS TOLLWAY AUTHORITY
SYSTEM REVENUE REFUNDING BONDS, SERIES 2012
consisting of
$101,775,000 First Tier Put Bonds, Series 2012C
$32,815,000 First Tier Current Interest Bonds, Series 2012D

NTTA NORTH TEXAS TOLLWAY AUTHORITY

Dated Date: Date of Delivery **Due: As shown herein**

The captioned bonds (collectively, the "*Series 2012 Bonds*") will be issued as fully registered obligations by the North Texas Tollway Authority (the "*Authority*"), a body politic and corporate and a political subdivision of the State of Texas. Proceeds of the Series 2012 Bonds will be used for the purpose of (i) refunding all of the Authority's North Texas Tollway Authority System First Tier Put Revenue Refunding Bonds, Subseries 2008L-2 and all of the Authority's Dallas North Tollway System Revenue Bonds, Series 2003A (collectively, the "*Refunded Bonds*"), and (ii) paying costs of issuance of the Series 2012 Bonds, all as more fully described herein. The Series 2012 Bonds will be registered in the nominee name of The Depository Trust Company, New York, New York ("*DTC*"), which will act as securities depository for the Series 2012 Bonds pursuant to its book-entry only system described herein. No physical delivery of the Series 2012 Bonds will be made to the respective beneficial owners thereof. Principal of, premium, if any, and interest on the Series 2012 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 (as amended and supplemented through the date of delivery of the Series 2012 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 SERIES 2012 BONDS — Book-Entry Only System.**"

The Series 2012 Bonds are authorized by and issued pursuant to (i) the laws of the State of Texas, particularly Chapter 366, Texas Transportation Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended, and (ii) a resolution (the "*Resolution*") adopted by the Board of Directors (the "*Board*") of the Authority on September 19, 2012. The Series 2012 Bonds, together with the Authority's outstanding revenue bonds and other obligations secured by the Trust Agreement, are special, limited obligations of the Authority payable solely from, and secured solely by, the tolls and other revenues of the NTTA System (described herein) and certain specified funds and accounts created pursuant to the Trust Agreement, on the basis and in the priority described therein and herein.

The Series 2012 Bonds are further described in this Official Statement. See pages (i) and (ii) for additional information relating to the Series 2012 Bonds, including provisions relating to maturities, interest rates, yields, and lien priorities.

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2012 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, THE AUTHORITY, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2012 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2012 BONDS. THE AUTHORITY HAS NO TAXING POWER.

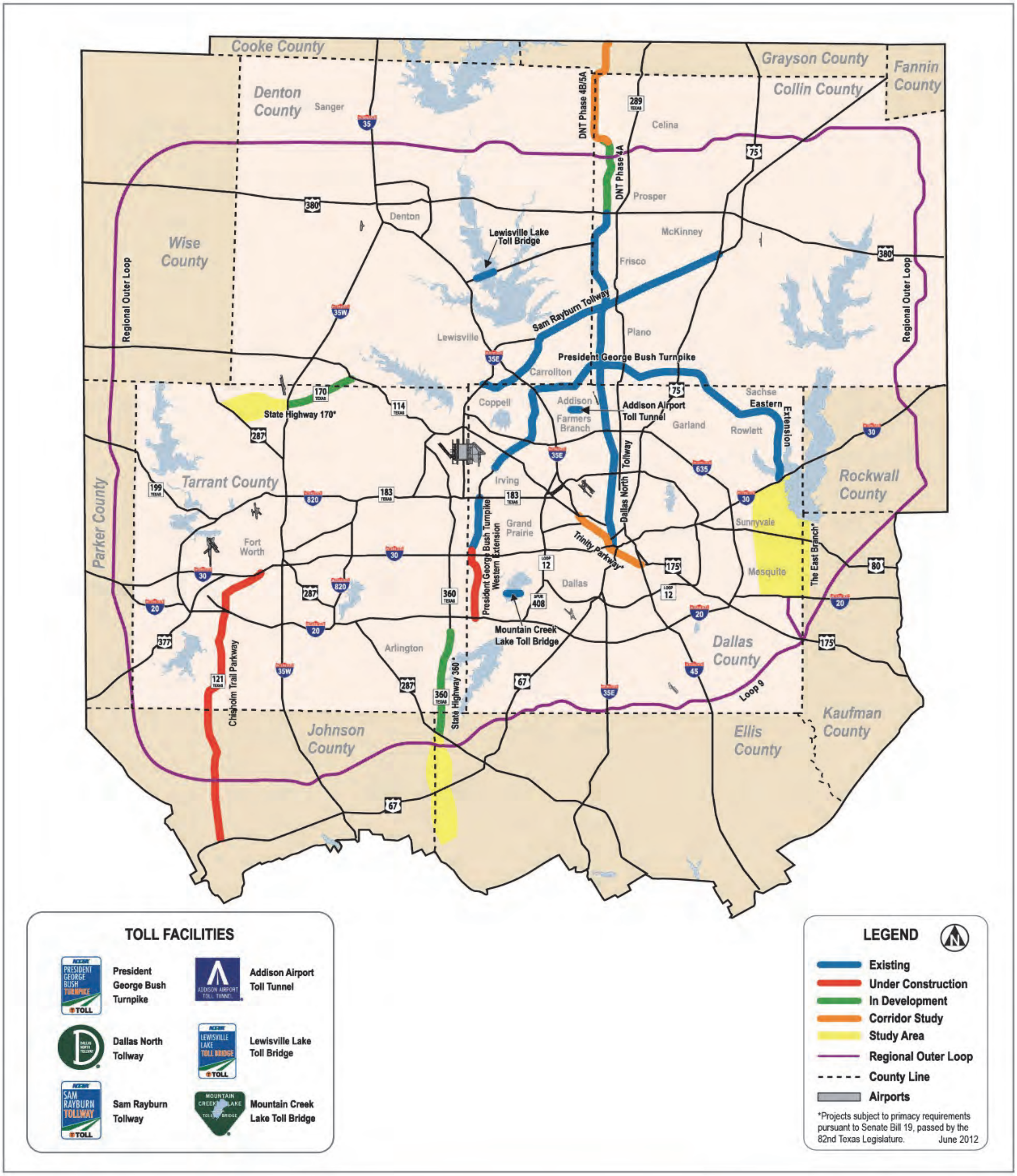
This cover page and pages (i) and (ii) contain information for quick reference only. Such pages do not contain a complete summary of the Series 2012 Bonds. Potential investors must read the entire Official Statement to obtain information essential to making an informed investment decision. Investment in the Series 2012 Bonds is subject to certain investment considerations. See "RISK FACTORS."

The Series 2012 Bonds are offered for delivery when, as, and if issued and received by the Underwriters and subject to the approval of the Attorney General of the State of Texas and McCall, Parkhurst & Horton L.L.P., Dallas, Texas and Mahomes Bolden PC, Dallas, Texas, Co-Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by Locke Lord LLP, Dallas, Texas, Outside General Counsel for the Authority, and McCall, Parkhurst & Horton L.L.P, Dallas, Texas and Mahomes Bolden PC, Dallas, Texas, as Co-Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by Andrews Kurth LLP, Houston, Texas and West & Associates, L.L.P., Dallas, Texas, Co-Counsel for the Underwriters. It is expected that delivery of the Series 2012 Bonds will be made through DTC on or about November 1, 2012.

J.P. MORGAN

RAMIREZ & CO., INC. **RICE FINANCIAL PRODUCTS COMPANY**

The date of this Official Statement is October 11, 2012.



Facility Map of the North Texas Region

NTTA
NORTH TEXAS TOLLWAY AUTHORITY

MATURITIES, INTEREST RATES, YIELDS, CUSIP NUMBERS AND ADDITIONAL INFORMATION REGARDING THE SERIES 2012C BONDS

FIRST TIER PUT BONDS, SERIES 2012C

THIS OFFICIAL STATEMENT DESCRIBES THE SERIES 2012C BONDS IN THE INITIAL MULTIANNUAL PERIOD ONLY. AT THE TERMINATION OF THE INITIAL MULTIANNUAL PERIOD, THE SERIES 2012C BONDS ARE SUBJECT TO MANDATORY TENDER AND PURCHASE. UPON SUCH MANDATORY TENDER AND PURCHASE, THE SERIES 2012C BONDS ARE EXPECTED TO BE REMARKETED. AT THE TIME OF SUCH REMARKETING, A NEW OFFICIAL STATEMENT OR SUPPLEMENT TO THIS OFFICIAL STATEMENT WILL BE PREPARED FOR REMARKETING SUCH SERIES 2012C BONDS. SEE **"THE SERIES 2012 BONDS – THE SERIES 2012C BONDS – INTEREST RATE MODES."**

General. The North Texas Tollway Authority System First Tier Put Revenue Refunding Bonds, Series 2012C (the "*Series 2012C 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. Through the period that commences on the date of delivery of the Series 2012C Bonds and ends on the date specified as the Initial Multiannual Period below (the "*Initial Multiannual Period*"), interest will accrue on the Series 2012C Bonds at the Initial Interest Rate specified below, calculated on the basis of a 360-day year of twelve 30-day months, from their date of delivery and will be payable on January 1 and July 1 of each year, commencing January 1, 2013. 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 2012C Bonds.

MATURITY SCHEDULE FOR THE SERIES 2012C BONDS

Maturity Date (January 1)	Initial Multiannual Period	Principal Amount	Initial Interest Rate (%)	Yield (%)[(1)]	Mandatory Tender Date	CUSIP No.[(2)]
2038	December 31, 2018	$101,775,000	1.950	1.950	01/01/2019	66285WKZ8

Optional and Mandatory Sinking Fund Redemption. The Series 2012C Bonds are *not* subject to optional redemption or to mandatory sinking fund redemption prior to the end of the Initial Multiannual Period specified above.

Conversion. The Series 2012C Bonds are *not* subject to conversion to another interest rate mode prior to the end of the Initial Multiannual Period specified above.

Optional and Mandatory Tender. The Series 2012C Bonds are *not* subject to optional tender by the holders thereof for purchase prior to the end of the Initial Multiannual Period specified above. The Series 2012C Bonds are subject to mandatory tender on the Mandatory Tender Date specified above. See "**THE SERIES 2012 BONDS – The Series 2012C Bonds –** *Optional and Mandatory Tender***.**"

As of the date of this Official Statement, the Authority has not provided any credit or liquidity facility for the payment of the purchase price of Series 2012C Bonds payable upon the mandatory tender of the Series 2012C Bonds on the Mandatory Tender Date, nor is there any requirement or expectation that such credit or liquidity facility will be obtained. The principal portion of the purchase price for the Series 2012C Bonds is expected to be obtained from the remarketing thereof. The obligation of the Authority to purchase Series 2012C Bonds on the Mandatory Tender Date is subject to the successful remarketing of such Series 2012C Bonds. The Authority has no obligation to purchase Series 2012C Bonds except from remarketing proceeds. If the Series 2012C Bonds are not remarketed, the interest rate on the Series 2012C Bonds will be increased to the Stepped Coupon Rate of 10% per annum as described herein. See "THE SERIES 2012 BONDS — The Series 2012C Bonds."

Lien Priority. The Series 2012C Bonds constitute First Tier Bonds under the Trust Agreement. See **"SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS– Priority of Payment."**

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(1) Calculated through the last day of the Initial Multiannual Period.

(2) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the Underwriters and are included solely for the convenience of the holders of the Series 2012C Bonds. Neither the Authority nor the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2012C 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 2012C 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 2012C Bonds.

MATURITIES, INTEREST RATES, YIELDS, CUSIP NUMBERS AND ADDITIONAL INFORMATION REGARDING THE SERIES 2012D BONDS

FIRST TIER CURRENT INTEREST BONDS, SERIES 2012D

General. The North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012D (the "*Series 2012D Bonds*") will be issued 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 2012D 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, 2013. 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 2012D Bonds.

MATURITY SCHEDULE FOR THE SERIES 2012D BONDS

TERM BOND

$32,815,000 5.000% Term Bond due January 1, 2038, Priced to Yield 3.600% [(1)]; CUSIP No. 66285WLA2 [(2)]

Optional and Mandatory Sinking Fund Redemption. The Series 2012D Bonds are subject to optional and mandatory sinking fund redemption as described herein. See **"THE SERIES 2012 BONDS — The Series 2012D Bonds — Redemption."**

Lien Priority. The Series 2012D Bonds constitute First Tier Bonds under the Trust Agreement. See **"SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS — Priority of Payment."**

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(1) Yield to January 1, 2022, the first call date.

(2) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the Underwriters and are included solely for the convenience of the holders of the Series 2012D Bonds. Neither the Authority nor the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2012D 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 2012D 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 2012D Bonds.

AUTHORITY BOARD, ADMINISTRATION, CONSULTANTS AND ADVISORS

Board of Directors[1]

Name	Approximate Length of Service	Term Expires August 31[2]	Appointed by	Occupation
Kenneth Barr, Chairman	4 years	2014	Tarrant County	Businessman
William Moore, Vice Chairman	3 years	2013	Collin County	Businessman
David R. Denison	7 years	2013	Denton County	Businessman
Victor T. Vandergriff	5 years	2012	Tarrant County	Businessman
Michael R. Nowels	5 years	2014	Denton County	Businessman
Jane Willard	2 years	2014	Collin County	Community Advocate
George "Tex" Quesada	1 year	2013	Dallas County	Attorney
Matrice Ellis-Kirk	8 months	2014	Dallas County	Businesswoman
William Elliot	6 months	2013	Governor	Attorney

Administration[3]

Name	Position
Gerald E. Carrigan	Executive Director
Janice D. Davis	Assistant Executive Director of Strategic and Innovative Solutions; Acting Chief Financial Officer
Magdalena M. Kovats	Director of Internal Audit
Clayton Howe	Director of Business Ventures; Acting Assistant Executive Director of Operations
Thomas Bamonte	General Counsel
Elizabeth Mow	Assistant Executive Director of Project Delivery
Everett Ray Zies	Controller
Ruby Franklin	Secretary of the Board

Consultants and Advisors

Outside General Counsel	Locke Lord LLP Dallas, Texas
Co-Bond Counsel	McCall, Parkhurst & Horton L.L.P. Dallas, Texas
	Mahomes Bolden PC Dallas, Texas
Independent Auditors	Crowe Horwath LLP Chicago, Illinois
Traffic Engineers	CDM Smith Dallas, Texas
	with the assistance of
	Baez Consulting, LLC Allen, Texas
Consulting Engineers	HNTB Corporation Plano, Texas
Financial Advisor	RBC Capital Markets, LLC Dallas, Texas
Co-Financial Advisor	TKG & Associates LLC Dallas, Texas
Trustee and Paying Agent/Registrar	Wells Fargo Bank, National Association Dallas, Texas

For additional information regarding the Authority, please contact:

Ms. Janice Davis
Chief Financial Officer
North Texas Tollway Authority
5900 West Plano Parkway, Suite 100
Plano, Texas 75093-4694
(214) 461-2000

Mr. Ron Morrison
Director
RBC Capital Markets, LLC
200 Crescent Court, Suite 1500
Dallas, Texas 75201
(214) 989-1607

(1) See "**GOVERNMENT AND MANAGEMENT — The Board of Directors**" in **APPENDIX A**.
(2) Serves until appointment of 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 the Authority or J.P. Morgan Securities LLC, Rice Financial Products Company, and Ramirez & Co., Inc. (collectively, the "*Underwriters*") to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2012 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale of the Series 2012 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2012 Bonds and in no instance may this Official Statement be reproduced or used for any other purpose.

CUSIP numbers have been assigned to the Series 2012 Bonds by Standard & Poor's CUSIP Service Bureau for the convenience of the owners of the Series 2012 Bonds. None of the Authority, its Financial Advisors or the Underwriters shall be responsible for the selection or the correctness of the CUSIP numbers.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION WILL NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE SERIES 2012 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 THE AUTHORITY 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 THE AUTHORITY, THE FINANCIAL ADVISOR, THE CO-FINANCIAL ADVISOR, 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.

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 RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE PRICE AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2012 BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER SUCH SERIES 2012 BONDS ARE RELEASED FOR SALE, AND SUCH SERIES 2012 BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICE, INCLUDING SALES TO DEALERS WHO MAY SELL SUCH SERIES 2012 BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE SERIES 2012 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2012 BONDS AT A LEVEL ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No registration statement relating to the Series 2012 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 Series 2012 Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2012 Bonds been registered or qualified under the securities laws of any other jurisdiction. The Authority assumes no responsibility for the registration or qualification for sale or other disposition of the Series 2012 Bonds under the securities laws of any jurisdiction in which the Series 2012 Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Series 2012 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE SERIES 2012 BONDS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2012 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

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TABLE OF CONTENTS

OFFICIAL STATEMENT

relating to

$134,590,000

NORTH TEXAS TOLLWAY AUTHORITY
SYSTEM REVENUE REFUNDING BONDS, SERIES 2012
consisting of
$101,775,000 First Tier Put Bonds, Series 2012C
$32,815,000 First Tier Current Interest Bonds, Series 2012D

INTRODUCTION

This Official Statement (this "*Official Statement*") contains certain information relating to the offering and sale by the North Texas Tollway Authority (the "*Authority*") of its NTTA System Revenue Refunding Bonds, Series 2012 consisting of $101,775,000 First Tier Put Bonds, Series 2012C (the "*Series 2012C Bonds*") and $32,815,000 First Tier Current Interest Bonds, Series 2012D (the "*Series 2012D Bonds*" and, together with the Series 2012C Bonds, the "*Series 2012 Bonds*"). The Authority is a body corporate and politic and a political subdivision of the State of Texas (the "*State*") currently serving Collin, Dallas, Denton and Tarrant Counties (the "*Member Counties*").

The Series 2012 Bonds are being issued by the Authority pursuant to (i) the laws of the State, particularly Chapter 366, Texas Transportation Code, as amended (the "*Authority Act*"), and Chapters 1207 and 1371, Texas Government Code, as amended, and (ii) a resolution adopted by the Board of Directors (the "*Board*") of the Authority on September 19, 2012 (the "*Resolution*") which authorizes the issuance of the Series 2012 Bonds.

The Series 2012 Bonds, together with the Authority's outstanding revenue bonds and other obligations 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 Series 2012 Bonds, the "*Trust Agreement*") between the Authority and Wells Fargo Bank, National Association, as trustee (the "*Trustee*"), are special, limited obligations of the Authority 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 SERIES 2012 BONDS — Priority of Payment**."

The Series 2012 Bonds are being issued for the purpose of (i) refunding all of the Authority’s North Texas Tollway Authority System First Tier Revenue Refunding Put Bonds, Subseries 2008L-2 and all of the Authority's Dallas North Tollway System Revenue Bonds, Series 2003A (collectively, the "*Refunded Bonds*"), and (ii) paying costs of issuance of the Series 2012 Bonds, all as more fully described herein. See "**PLAN OF FINANCE**."

Investment in the Series 2012 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 herein, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority as of the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. See "**RISK FACTORS**" for a discussion of certain risks that should also be considered in evaluating an investment in the Series 2012 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**" in **APPENDIX E**.

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2012 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, THE AUTHORITY, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2012 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2012 BONDS. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2012 BONDS ARE NOT SECURED BY THE REVENUES OF THE SPECIAL PROJECTS SYSTEM (AS DEFINED HEREIN) OR THE TRUST AGREEMENT FOR THE SPECIAL PROJECTS SYSTEM (THE "*SPS TRUST AGREEMENT*").

THE AUTHORITY

Introduction

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

The Board has adopted a mission statement which provides that the mission of the Authority is to enhance mobility through responsible and innovative tolling solutions.

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

The Authority operates two turnpike systems: the NTTA System and the Special Projects System. See **APPENDIX A** for additional information regarding the NTTA System and the Special Projects System. The Dallas North Tollway (the "*DNT*"), the Addison Airport Toll Tunnel (the "*AATT*"), The President George Bush Turnpike (the "*PGBT*"), The President George Bush Turnpike Eastern Extension (the "*PGBT EE*"), the Mountain Creek Lake Bridge (the "*MCLB*"), the Lewisville Lake Toll Bridge (the "*LLTB*"), and the Sam Rayburn Tollway (subject to a reversionary interest of the Texas Department of Transportation ("*TxDOT*") on September 1, 2058) (the "*SRT*") constitute and are collectively referred to herein as the "*NTTA System.*" The President George Bush Turnpike Western Extension (the "*PGBT WE*") and the Chisholm Trail Parkway (the "*CTP*") constitute and are collectively referred to herein as the "*Special Projects System.*" **The Series 2012 Bonds will be secured only by the NTTA System revenues and certain funds and accounts established pursuant to the Trust Agreement and not by the Special Projects System revenues or other assets of the Authority**. **Bonds issued under the SPS Trust Agreement are not secured by the revenues of the NTTA System.**

It should be noted that to the extent annual operating and maintenance expenses, major maintenance expenses and capital expenditures relating to the Special Projects System either (i) exceed the budgeted amounts and are not paid out of Special Projects System revenues, or (ii) exceed prescribed standards, and to the extent construction costs relating to the Special Projects System exceed the budgeted amounts, the Authority will be responsible for paying such amounts, with the source of payment likely being NTTA System revenues on deposit in the Capital Improvement Fund. Such obligations are not secured by the Trust Estate established under the Trust Agreement. See **APPENDIX A** for additional information regarding the Authority.

PLAN OF FINANCE

General

The Series 2012 Bonds are being issued in accordance with the Authority 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**" in **APPENDIX E**.

Proceeds of the Series 2012 Bonds will be used for the following purposes: (i) refunding the Refunded Bonds and (ii) paying costs of issuance of the Series 2012 Bonds, all as more fully described herein.

On or before the date of delivery of the Series 2012 Bonds, the Authority intends to cause the respective Refunded Bonds to be called for redemption on the redemption dates specified below. On the date of delivery of the Series 2012 Bonds, the Trustee will transfer a portion of the proceeds of the Series 2012 Bonds to Wells Fargo Bank, National Association, as escrow agent (the "*Escrow Agent*") under an Escrow Agreement between the Authority and the Escrow Agent (the "*Escrow Agreement*").

The proceeds of the Series 2012 Bonds transferred to the Escrow Agent will be invested in state and local government securities (the "*Federal Securities*") to be held by the Escrow Agent, which will be in an amount sufficient to pay the interest on and redemption price of the Refunded Bonds.

Grant Thornton LLP, certified public accountants, will verify at the time of delivery of the Series 2012 Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the escrow fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Such maturing principal of and interest on the Federal Securities will not be available to pay the Series 2012 Bonds. See "**VERIFICATION OF MATHEMATICAL COMPUTATIONS**" herein.

By the deposit of the Federal Securities and cash with the Escrow Agent pursuant to the Escrow Agreement, the Authority will have effected the defeasance of the Refunded Bonds pursuant to the terms of Chapter 1207, Texas Government Code, as amended, the Trust Agreement and the resolutions authorizing the issuance of the Refunded Bonds. It is the opinion of Co-Bond Counsel that, as a result of such defeasance, the Refunded Bonds will no longer be payable from the Pledged Revenues (as defined herein), but will be payable solely from the principal of and interest on the Federal Securities and cash held for such purpose by the Escrow Agent, and that the Refunded Bonds will be defeased and thus will not be included in or considered to be indebtedness of the Authority for the purpose of a limitation on indebtedness or for any other purpose.

The table below sets forth the stated maturities, principal amounts, redemption prices and redemption dates for the Refunded Bonds.

Refunded Bonds

Series	Stated Maturities	Principal Amount	Redemption Price	Redemption Date
Dallas North Tollway System Revenue Bonds, Series 2003A	January 1, 2038	$ 35,790,000	100%, plus accrued interest	January 1, 2013
North Texas Tollway Authority System First Tier Revenue Refunding Put Bonds, Subseries 2008L-2	January 1, 2038	$ 100,000,000	100%, plus accrued interest	January 1, 2013

Concurrent and Subsequent Financings Secured by the NTTA System Revenues

Series 2012B Refunding Bonds

The Authority issued its North Texas Tollway Authority System Revenue Refunding Bonds, Series 2012B (the "*Series 2012B Bonds*"), in the aggregate principal amount of $383,625,000 on October 4, 2012. The Series 2012B Bonds are secured by revenues of the NTTA System and are not secured by the revenues of the Special Projects System under the SPS Trust Agreement. Proceeds of the Series 2012B Bonds were used for the purposes of (i) refunding a portion of the Authority's Dallas North Tollway System Revenue Bonds, Series 2003A and all of the Authority's North Texas Tollway Authority System First Tier Revenue Refunding Put Bonds, Subseries 2008H-2 and (ii) paying costs of issuance of the Series 2012B Bonds.

New Money Bonds

The Authority anticipates funding $26 million during 2013 for deposit into a cash collateral account that will serve as performance security for the tolling services agreement for the North Tarrant Express Project (the "*NTE*") and future tolling services agreements, all or a portion of which may be funded from the Capital Improvement Fund and/or financed with the issuance of additional bonds under the Trust Agreement. The NTE is a TxDOT project located within the Authority's service area for which the Authority will provide tolling services in accordance with a tolling services agreement between the Authority and the third party developer for the project. See "**RISK FACTORS — Obligation to Pay for Video Tolls under Tolling Services Agreements Prior to Collection**" and see "**TOLLING SERVICES AGREEMENTS**" in **APPENDIX A.**

The Authority anticipates spending an additional $221 million over the 2012-2016 period for roadway bottleneck improvements, roadway capacity improvements and roadway widening, all or a portion of which may be financed with the issuance of additional bonds under the Trust Agreement. See "**THE NTTA SYSTEM — Multi-Year NTTA System Capital Plan**" in **APPENDIX A**.

Other Refunding Bonds

The Authority's remaining Series 2008E Bonds in the principal amount of $215 million are expected to be remarketed or refunded on or prior to their January 1, 2016 mandatory tender date.

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Estimated Sources and Uses of Funds

The proceeds from the sale of the Series 2012C Bonds and 2012D Bonds and the use of such funds are anticipated to be as follows:

	Series 2012C Bonds	Series 2012D Bonds	Total
Sources of Funds			
Principal Amount	$ 101,775,000	$ 32,815,000	$ 134,590,000
Original Issue Premium	-	3,558,130	3,558,130
Transfer from First Tier Bond Interest Account	2,000,000	596,500	2,596,500
Transfer from First Tier Reserve Account	500,816	161,477	662,293
Total	$ 104,275,816	$ 37,131,107	$ 141,406,923
Uses of Funds			
Deposit to Escrow Fund for 2008L-2 Refunded Bonds	$ 102,987,952	-	$ 102,987,952
Deposit to Escrow Fund for 2003A Refunded Bonds	-	$ 36,680,460	36,680,460
Construction Fund Deposit	500,816	161,477	662,293
Cost of Issuance[(1)]	787,048	289,170	1,076,218
Total	$ 104,275,816	$ 37,131,107	$ 141,406,923

[(1)] Includes underwriting, legal, financial advisory and accounting fees, initial fees of the Trustee, publication costs, rating agency fees and printing expenses.

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PRO FORMA DEBT SERVICE REQUIREMENTS[1]

Set forth in the table below are the total debt service requirements for the outstanding obligations of the Authority secured by Pledged Revenues (as defined herein). The table reflects the Authority's assumptions described under "**PLAN OF FINANCE**" and in the footnotes below.

	A	B	C	D	E	F	G
Fiscal Year Ending 12/31[(1)(2)]	Outstanding First Tier Net Debt Service [(3)(4)(5)(6)]	Series 2012C Bonds Debt Service[(7)]	Series 2012D Bonds Debt Service	Second Tier Net Debt Service [(8)(9)]	ISTEA Loan Debt Service	Subordinate Lien Bonds Debt Service [(10)]	Total Net Debt Service [(5)]
2012	$ 235,963,378	$ 330,769	$ 273,458	$ 37,724,879	$ 8,250,000	$ 23,416,150	$ 305,958,635
2013	263,956,636	1,984,613	1,640,750	58,038,275	8,000,000	23,416,150	357,036,423
2014	282,246,019	1,984,613	1,640,750	58,038,275	8,000,000	23,416,150	375,325,807
2015	301,397,058	1,984,613	1,640,750	58,038,275	8,000,000	23,416,150	394,476,846
2016	322,679,538	1,984,613	1,640,750	58,038,275	8,000,000	23,416,150	415,759,326
2017	324,812,983	1,984,613	1,640,750	58,038,275	9,000,000	23,416,150	418,892,771
2018	372,847,108	1,984,613	1,640,750	58,038,275	10,500,000	23,416,150	468,426,896
2019	371,614,079	6,106,500	1,640,750	58,038,275	12,250,000	53,841,150	503,490,754
2020	385,154,597	6,106,500	1,640,750	58,038,275	15,322,396	53,839,588	520,102,106
2021	409,836,620	6,106,500	1,640,750	58,038,275	15,322,396	53,844,275	544,788,816
2022	409,505,801	6,106,500	1,640,750	58,038,275	15,322,396	53,838,675	544,452,397
2023	418,149,532	6,106,500	1,640,750	58,038,275	15,322,396	53,811,493	553,068,946
2024	428,277,350	6,106,500	1,640,750	58,038,275	15,322,396	53,785,790	563,171,061
2025	453,316,263	6,106,500	1,640,750	58,038,275	15,322,396	53,754,696	588,178,880
2026	462,237,146	6,106,500	1,640,750	58,038,275	15,322,396	53,721,327	597,066,394
2027	489,841,466	6,106,500	1,640,750	58,038,275	15,322,396	53,688,202	624,637,590
2028	514,630,164	6,106,500	1,640,750	58,038,275	15,322,396	53,657,295	649,395,380
2029	470,363,590	7,476,500	1,640,750	83,113,275	-	-	562,594,115
2030	405,254,071	10,224,300	1,640,750	174,967,431	-	-	592,086,553
2031	408,802,165	11,667,300	1,640,750	184,636,450	-	-	606,746,665
2032	446,920,076	13,618,600	1,640,750	173,621,525	-	-	635,800,951
2033	456,468,090	15,651,600	1,640,750	176,682,325	-	-	650,442,765
2034	512,936,278	17,538,100	1,640,750	135,435,175	-	-	667,550,303
2035	539,137,253	19,942,800	1,640,750	130,842,538	-	-	691,563,340
2036	538,980,501	21,895,500	17,650,750	123,821,000	-	-	702,347,751
2037	573,446,290	23,616,800	17,645,250	78,157,961	-	-	692,866,301
2038	349,562,453	-	-	-	-	-	349,562,453
2039	409,418,853	-	-	-	-	-	409,418,853
2040	437,956,116	-	-	-	-	-	437,956,116
2041	444,246,525	-	-	-	-	-	444,246,525
2042	458,115,414	-	-	-	-	-	458,115,414
2043	194,676,933	-	-	-	-	-	194,676,933
2044	195,011,978	-	-	-	-	-	195,011,978
2045	197,385,885	-	-	-	-	-	197,385,885
2046	199,478,299	-	-	-	-	-	199,478,299
2047	151,851,352	-	-	-	-	-	151,851,352
2048	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-
Total	$ 13,836,477,862	$ 214,934,944	$ 73,306,708	$ 2,227,614,959	$ 209,901,564	$ 701,695,542	$ 17,263,931,579

(1) Excludes any payments to be made into the Reserve Maintenance Fund ("*RMF*") under the Trust Agreement. Payments made into the RMF are made after debt service on First, Second and Third Tier Bonds but prior to debt service on the ISTEA Loan and the Subordinate Lien Bonds. See "ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME, AND ESTIMATED DEBT SERVICE COVERAGE" for estimated deposits to the RMF. Additionally, excludes debt that has been or is expected to be incurred under the SPS Trust Agreement payable from revenues of the Special Projects System.

(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 2012 includes debt service on January 1, 2013). 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 2012 includes debt service on August 1, 2013 and February 1, 2014).

(3) Excludes debt service on the Refunded Bonds.

(4) Net of capitalized interest and net of the direct subsidy related to the Series 2009B Bonds issued as Build America Bonds. See "RISK FACTORS — Risks Relating to Build America Bonds." Net of $16.4 million transferred in 2011 to the First Tier Bond Interest Account to be utilized for the July 1, 2013 interest payment. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS — Rate Covenant."

(5) Assumes the Series 2008E-3 Bonds are remarketed to a fixed rate of 6.00% on the January 1, 2016 mandatory tender date. Assumes the Series 2011A Bonds bear interest at a rate of 2.15% (Trust Agreement defined variable rate assumption) which is assumed to increase every 6 months until January 1, 2015 after which date the rate is assumed to remain at 4.35%, inclusive of liquidity and remarketing costs. Assumes the Series 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 3.673% and one with a notional amount of approximately $96.23 million with a swap rate of 3.533%. As the interest rate exchange agreements amortize in 2019 to 2025, the Series 2009D Bonds will become unhedged variable rate bonds and are assumed to bear interest at a rate of 4.35%, inclusive of liquidity and remarketing costs.

(6) Debt service in years 2047 - 2051 is net of cash balances in the First Tier Debt Service Reserve Fund which is required by the terms of the Trust Agreement to be used to retire the last maturities of the outstanding bonds.

(7) Assumes the Series 2012C Bonds are remarketed to a fixed rate of 6.00% on the January 1, 2019 mandatory tender date.

(8) Debt service in year 2037 is net of cash balances in the Second Tier Debt Service Reserve Fund which is required by the terms of the Trust Agreement to be used to retire the last maturities of the outstanding bonds.

(9) The Authority has $56.3 million in commercial paper outstanding and secured as Second Tier Bonds. Assumes the commercial paper notes outstanding are retired in fiscal year 2012 with cash on hand.

(10) Net of direct subsidy related to the Series 2010B Subordinate Lien Bonds issued as Build America 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 on the following page shows estimated annual net revenues of the NTTA System for the period from January 1, 2012 through December 31, 2051. These net revenues figures were derived by deducting estimated expenses, estimated by the Consulting Engineer, from the annual toll revenues of the NTTA System as estimated by the Traffic Engineers, and adding the Other Revenues estimated by the Authority. See "**THE TRAFFIC AND REVENUE STUDY**" in **APPENDIX A** and "**RISK FACTORS**." The "Other Revenues" include investment and other earnings on projected cash balances of the Authority, and various fees and other charges connected with video tolling. The table reflects the Authority's assumptions described under "**PLAN OF FINANCE**" and "**PRO FORMA DEBT SERVICE REQUIREMENTS**."

Fiscal Year Ending 12/31[1]	Estimated Toll Revenues [2]	Estimated Other Revenues [3]	Estimated Expenses[4]	Estimated Net Revenues	Estimated Deposit to RMF[5]	Estimated Debt Service on all Debt[6][7]	Estimated Coverage on 1st Tier Debt [7][8]	Estimated Coverage on 1st & 2nd Tier Debt[7][9]	Estimated Coverage on all Debt and RMF Deposits
2012	$ 442,688,000	$ 33,588,971	$ 108,782,549	$ 367,494,422	$ 30,000,000	$ 305,958,635	1.55x	1.34x	1.09x
2013	483,799,800	34,061,148	114,156,887	403,704,061	-	357,036,423	1.51x	1.24x	1.13x
2014	523,299,400	36,094,798	119,203,758	440,190,440	28,000,000	375,325,807	1.54x	1.28x	1.09x
2015	561,533,600	37,353,724	123,552,366	475,334,958	42,000,000	394,476,846	1.56x	1.31x	1.09x
2016	598,431,100	39,483,151	128,035,562	509,878,689	44,000,000	415,759,326	1.56x	1.33x	1.11x
2017	631,291,800	41,604,759	132,345,810	540,550,748	76,000,000	418,892,771	1.65x	1.40x	1.09x
2018	668,641,900	43,639,522	137,041,210	575,240,212	66,000,000	468,426,896	1.53x	1.32x	1.08x
2019	722,430,200	44,265,102	147,846,046	618,849,256	57,751,279	503,490,754	1.63x	1.41x	1.10x
2020	774,056,100	48,391,812	152,994,347	669,453,565	47,678,319	520,102,106	1.70x	1.48x	1.18x
2021	810,681,400	48,600,826	157,783,795	701,498,431	47,758,211	544,788,816	1.68x	1.47x	1.18x
2022	850,410,700	48,827,994	162,734,035	736,504,660	54,022,488	544,452,397	1.77x	1.55x	1.23x
2023	889,024,000	49,098,689	167,911,153	770,211,535	58,505,293	553,068,946	1.81x	1.59x	1.26x
2024	931,248,900	49,418,089	173,267,053	807,399,936	95,527,582	563,171,061	1.85x	1.63x	1.23x
2025	974,641,200	52,981,433	178,945,982	848,676,651	112,645,606	588,178,880	1.84x	1.63x	1.21x
2026	1,021,840,100	53,332,633	184,813,688	890,359,044	132,478,584	597,066,394	1.89x	1.69x	1.22x
2027	1,068,524,800	53,701,272	190,952,888	931,273,184	113,463,978	624,637,590	1.87x	1.68x	1.26x
2028	1,119,147,300	54,057,372	197,298,640	975,906,032	105,598,891	649,395,380	1.87x	1.68x	1.29x
2029	1,170,218,600	54,390,188	203,952,332	1,020,656,455	113,208,511	562,594,115	2.13x	1.81x	1.51x
2030	1,223,961,700	64,822,906	210,770,100	1,078,014,506	122,823,707	592,086,553	2.58x	1.82x	1.51x
2031	1,276,124,400	65,312,499	216,897,078	1,124,539,822	130,671,746	606,746,665	2.66x	1.85x	1.52x
2032	1,332,407,900	65,819,323	223,872,818	1,174,354,405	153,036,421	635,800,951	2.54x	1.85x	1.49x
2033	1,388,926,000	66,271,069	231,205,432	1,223,991,637	142,572,678	650,442,765	2.58x	1.88x	1.54x
2034	1,449,806,700	66,722,252	238,736,219	1,277,792,733	140,422,149	667,550,303	2.40x	1.91x	1.58x
2035	1,516,676,600	67,135,736	247,089,608	1,336,722,729	132,496,479	691,563,340	2.38x	1.93x	1.62x
2036	1,585,080,500	67,338,708	255,242,705	1,397,176,503	141,878,906	702,347,751	2.42x	1.99x	1.65x
2037	1,652,547,800	67,442,058	263,803,131	1,456,186,727	160,989,299	692,866,301	2.37x	2.10x	1.71x
2038	1,725,359,500	63,879,520	272,592,900	1,516,646,120	182,730,144	349,562,453	4.34x	4.34x	2.85x
2039	1,799,685,800	64,370,127	281,800,044	1,582,255,883	191,730,661	409,418,853	3.86x	3.86x	2.63x
2040	1,879,144,700	79,636,922	291,250,035	1,667,531,586	168,907,181	437,956,116	3.81x	3.81x	2.75x
2041	1,951,681,100	79,577,141	300,560,176	1,730,698,065	160,344,318	444,246,525	3.90x	3.90x	2.86x
2042	2,029,084,700	79,324,558	310,082,355	1,798,326,902	167,393,443	458,115,414	3.93x	3.93x	2.87x
2043	2,108,158,000	78,798,959	320,055,448	1,866,901,511	184,874,630	194,676,933	9.59x	9.59x	4.92x
2044	2,193,075,300	79,439,568	330,241,621	1,942,273,247	218,510,133	195,011,978	9.96x	9.96x	4.70x
2045	2,277,311,600	80,077,097	340,921,944	2,016,466,753	225,287,318	197,385,885	10.22x	10.22x	4.77x
2046	2,366,968,700	80,659,926	351,740,713	2,095,887,913	255,369,658	199,478,299	10.51x	10.51x	4.61x
2047	2,456,770,600	81,117,596	362,984,652	2,174,903,544	205,387,069	151,851,352	14.32x	14.32x	6.09x
2048	2,551,276,100	80,466,637	374,347,477	2,257,395,260	219,939,209	-	-	-	-
2049	2,645,842,100	78,676,318	386,280,761	2,338,237,656	234,491,349	-	-	-	-
2050	2,747,684,800	77,663,057	398,447,794	2,426,900,063	249,043,489	-	-	-	-
2051	2,848,654,400	78,455,599	411,109,945	2,516,000,055	263,595,629	-	-	-	-
Total	$ 57,248,137,900	$ 2,435,899,058	$ 9,401,651,056	$ 50,282,385,902	$ 5,277,134,356	$ 17,263,931,579			

(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 2012 includes debt service on January 1, 2013). 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 2012 includes debt service on August 1, 2013 and February 1, 2014).

(2) Estimated toll revenues are provided by CDM Smith, the Traffic Engineers. 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 the Authority 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 the Authority and include interest earnings, video tolling administrative fees and other charges.

(4) Estimated expenses are net of inter-fund transfers and are provided by HNTB, the Consulting Engineers.

(5) Deposits to RMF are estimated by the Authority based on the current cash balance in the RMF and expenses to be paid out of the RMF are estimated by HNTB, the Consulting Engineers. Projected expenditures from the RMF for fiscal year 2013 are expected to be fully funded from the balance remaining in the RMF at the end of fiscal year 2012 and no deposits into the RMF are scheduled for 2013.

(6) See column H of table under the heading "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-C of table under the heading "Pro Forma Debt Service Requirements" for totals of debt service for all First Tier debt.

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

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THE SERIES 2012 BONDS

The Series 2012C Bonds

Description

The Series 2012C 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. Through the period which commences on the date of delivery of the Series 2012C Bonds and ends on the date specified as the Initial Multiannual Period on page (i) (the "*Initial Multiannual Period*"), interest on the Series 2012C Bonds will accrue, calculated on the basis of a 360-day year composed of twelve 30-day months, from the date of delivery therefor and will be payable on January 1 and July 1 of each year, commencing January 1, 2013, at a rate of interest equal to the per annum Initial Interest Rate specified on page (i) (the "*Initial Multiannual Rate*") until the Mandatory Tender Date for the Series 2012C Bonds specified on page (i). Principal will come due on January 1 of the years and in the amounts set forth on page (i) hereof, or upon the earlier redemption of the Series 2012C Bonds.

The Series 2012C Bonds will be subject to mandatory tender for purchase on the Mandatory Tender Date specified on page (i) (the "*Mandatory Tender Date*") as described below under "— Optional and Mandatory Tender." At that time, the Authority expects to either refund the Series 2012C Bonds or remarket the Series 2012C Bonds in one of the several interest rate modes authorized by the Fifteenth Supplement to Amended and Restated Trust Agreement (the "*Fifteenth Supplement*"), including a Daily, Weekly, Monthly, Flexible, Quarterly, Semiannual, Multiannual, Index Floating Rate or Fixed Rate Mode (as such terms are defined in the Fifteenth Supplement). **This Official Statement does not describe the terms and provisions of the Resolution, the Trust Agreement and the Series 2012C Bonds following the Initial Multiannual Period except as described below in connection with the mandatory tender for purchase occurring at the end of the Initial Multiannual Period. Upon mandatory tender for purchase of Series 2012C Bonds, such Series 2012C Bonds are expected to be refunded or remarketed. If remarketed, a new official statement or supplement to this Official Statement will be prepared for such Series 2012C Bonds.**

The Authority has not provided any credit or liquidity facility for the payment of the purchase price payable upon the mandatory tender of the Series 2012C Bonds on the Mandatory Tender Date. There is no requirement or expectation that a credit or liquidity facility will be obtained. The principal portion of the purchase price for the Series 2012C Bonds is expected to be obtained from the remarketing thereof. The obligation of the Authority to purchase Series 2012C Bonds on the Mandatory Tender Date is subject to the successful remarketing of the Series 2012C Bonds. The Authority has no obligation to purchase Series 2012C Bonds except from remarketing proceeds.

Redemption

Optional Redemption. The Series 2012C Bonds are not subject to redemption prior to the Mandatory Tender Date therefor. The Series 2012C Bonds are subject to redemption on the Mandatory Tender Date therefor and on any date during the Stepped Rate Period (defined below) at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2012C Bonds are subject to mandatory sinking fund redemption prior to maturity with funds on deposit in the First Tier Interest and Sinking Fund created and maintained pursuant to the Trust Agreement, in the amounts and on the dates set forth below, and at a price of par plus accrued interest to the redemption date, with the Series 2012C Bonds or portions thereof to be redeemed to be designated and selected by the Authority in its sole discretion, in authorized denominations.

$101,775,000 Term Bond Due January 1, 2038

Redemption Date (January 1)	Principal Amount ($)
2030	1,370,000
2031	4,200,000
2032	5,895,000
2033	8,200,000
2034	10,725,000
2035	13,255,000
2036	16,455,000
2037	19,395,000
2038(1)	22,280,000

(1) Stated Maturity.

The principal amount of the Series 2012C Bonds required to be redeemed on any date pursuant to the operation of the mandatory sinking fund redemption provisions may be reduced, at the option of the Authority, by the principal amount of any Series 2012C Bonds scheduled for redemption on such redemption date or dates, which, at least 45 days prior to the respective mandatory sinking fund redemption date, have been (i) acquired by the Authority and delivered to the Trustee for cancellation, (ii) acquired and canceled by the Trustee at the direction of the Authority, with funds from the First Tier Interest and Sinking Fund at a price not exceeding the principal amount of such Series 2012C Bonds plus accrued interest to the date of acquisition thereof, or (iii) redeemed pursuant to the optional redemption provisions and not previously credited to a scheduled mandatory sinking fund redemption.

Notice of Redemption. At least thirty (30) days (two days during a Stepped Rate Period) prior to the date fixed for the redemption of any Series 2012C Bonds or portions thereof prior to maturity, at the option of the Authority, 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 2012C Bond to be redeemed at its address as it appeared in the registration books. In any such case, 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 redemption of any Series 2012C Bond, and the sending or mailing of such notice as required above in connection with the redemption of Series 2012C Bonds prior to maturity will be the only notice actually required in connection with or as a prerequisite to such redemption of any Series 2012C Bonds or portions thereof. By the date fixed for any such redemption due provision is required to be made with the Trustee for the payment of the required redemption price for the Series 2012C Bonds or portions thereof which are to be redeemed, plus accrued interest thereon to the date fixed for redemption. If a portion of any Series 2012C Bond is redeemed a substitute Series 2012C Bond or Series 2012C Bonds having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Authority, all as provided in the Fifteenth Supplement. Notwithstanding the foregoing, no notice of redemption is required to be given to the owner of any Series 2012C Bond which is subject to mandatory tender on the date fixed for redemption. All redemption notices for the Series 2012C Bonds are required to contain a description of the Series 2012C Bonds to be redeemed including such items specified in the Fifteenth Supplement.

The Trustee is also required to give notice of redemption (except for redemptions on the date of a mandatory tender of the Series 2012C Bonds) or of defeasance of any Series 2012C Bonds by mail, first-class, postage prepaid 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*"). In addition, with respect to defeased Series 2012C Bonds, the Trustee is required to send a notice of redemption to the persons specified in the preceding sentence at least 30 days but not more than 90 days prior to the actual redemption date. Any notice sent to the registered securities depositories or the MSRB is required to be sent so that it is received at least two days prior to the general mailing or publication date of such notice. The Trustee is also required to send a notice of prepayment or redemption to the registered owner who has not sent its Series 2012C Bonds in for redemption 60 days after the redemption date.

If notice of redemption is given and if due provision for such payment is made, the Series 2012C 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 2012C Bonds, the Trustee will send any notices with respect to the Series 2012C 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 2012C Bonds called for redemption or any other action premised on any such notice.

During any period in which ownership of the Series 2012C Bonds is determined by a book–entry at a securities depository for the Series 2012C Bonds, if fewer than all of the Series 2012C Bonds of the same maturity are to be redeemed, the particular Series 2012C Bonds of the same maturity will be selected in accordance with the arrangements between the Authority and the securities depository.

Conditional Notice of Redemption. In the case of an optional redemption of the Series 2012C Bonds, the notice may state (1) that it is conditioned upon the deposit of money, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "*Conditional Redemption*"), and such notice and optional redemption will be of no effect if such money is not so deposited or if the notice is rescinded as described in the paragraph below.

Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Authority delivers a certificate 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 2012C Bonds subject to Conditional Redemption where redemption has been rescinded or funds to effect the redemption have not been deposited will remain outstanding, and the rescission or failure to deposit funds will not constitute an event of default under the Trust Agreement.

Interest Rate Modes

The Series 2012C Bonds are *not* convertible into any other interest mode during the applicable Initial Multiannual Period. After the Initial Multiannual Period for the Series 2012C Bonds, the Authority expects to refund the Series 2012C Bonds or remarket the Series 2012C Bonds in one of the several interest rate modes authorized by the Fifteenth Supplement, including a Daily, Weekly, Monthly, Flexible, Quarterly, Semiannual, Multiannual, Index Floating Rate or Fixed Rate Mode.

Optional and Mandatory Tender

Optional Tender. The Series 2012C Bonds are *not* subject to optional tender during the Initial Multiannual Period.

Mandatory Tender. The Series 2012C Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date therefor and must be tendered for purchase to the Trustee by the owners thereof, with no right of retention by such owners. The purchase price (the "*Purchase Price*") on the Mandatory Tender Date is equal to the principal amount of the Series 2012C Bonds, plus accrued interest, if any, to the Purchase Date (defined herein). **The obligation of the Authority to purchase Series 2012C Bonds on the Mandatory Tender Date is subject to the successful remarketing of such Series 2012C Bonds. The Authority has no obligation to purchase Series 2012C Bonds except from remarketing proceeds.** The Trustee is required to give written notice to the registered owners of the Series 2012C Bonds of the mandatory tender for purchase on the Mandatory Tender Date (or during the Stepped Rate Period if there has occurred a failed conversion and remarketing on the Mandatory Tender Date) not fewer than 15 days (2 days during the Stepped Rate Period) before the mandatory tender 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 mandatory tender of any Series 2012C Bond. So long as a book–entry only system is used for the Series 2012C Bonds, the Trustee will send any notices with respect to the Series 2012C 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 mandatory tender of the Series 2012C Bonds or any other action premised on any such notice.

The Authority intends to select a remarketing agent (the "*Remarketing Agent*") to act as remarketing agent in connection with the Series 2012C Bonds pursuant to a remarketing agreement to be entered into with the Authority and has covenanted to appoint the Remarketing Agent prior to the Mandatory Tender Date. The Remarketing Agent may not remarket any Series 2012C Bonds if a default in the payment of principal of or interest on the Series 2012C Bonds has occurred and is continuing.

The Remarketing Agent will be required to use its best efforts to remarket the Series 2012C Bonds on the applicable Mandatory Tender Date. If on such Mandatory Tender Date money sufficient to pay the Purchase Price is on deposit with the Trustee, acting as tender agent, the Series 2012C Bonds will be deemed to have been tendered on such date for purchase and interest on such tendered Series 2012C Bonds will cease to accrue. Series 2012C Bonds that have been deemed tendered, but have not been delivered to the Trustee, will not be considered outstanding under the Trust Agreement on the Purchase Date. See "— *Undelivered Series 2012C Bonds*" below.

It is expected that the Remarketing Agreement will allow the Remarketing Agent to resign upon giving 10 days' written notice to the Authority and Trustee and that the Remarketing Agent may be removed at any time by the Authority, in accordance with the Resolution, upon seven (7) days' notice to the Trustee, the Remarketing Agent, and each Rating Agency then maintaining a rating on the Series 2012C Bonds.

Prior to the Mandatory Tender Date for the Series 2012C Bonds, or a later Purchase Date in the event of a failed remarketing of the Series 2012C Bonds on the initial Mandatory Tender Date (in either case a "*Purchase Date*"), the Authority will determine the interest rate mode or modes that will be applicable to the Series 2012C Bonds from and after the Purchase Date. The interest rate or rates to be borne by the Series 2012C Bonds immediately after the Purchase Date will be determined by the Remarketing Agent and will, except for conversions to the Fixed Rate Mode, be equal to the rate or rates that, in the opinion of the Remarketing Agent, will permit the remarketing of such Series 2012C Bonds at par. In conjunction with such remarketing, the Authority may establish amortization requirements for the Series 2012C Bonds that will result in the redemption of such Series 2012C Bonds prior to maturity.

Payment of the Purchase Price of the Series 2012C Bonds will be made by the Trustee on the Purchase Date provided that the Series 2012C Bonds subject to purchase are delivered to the Trustee prior to 11:00 a.m., New York City time, on the Purchase Date, by wire or bank transfer, in the continental United States, in immediately available funds.

As of the date of this Official Statement, the Authority has not provided any credit or liquidity facility for the payment of the Purchase Price payable upon the mandatory tender of the Series 2012C Bonds on the Mandatory Tender Date, nor is there any requirement or expectation that such credit or liquidity facility will be obtained. The principal portion of the Purchase Price for the Series 2012C Bonds is expected to be obtained from the remarketing thereof.

The Authority has agreed that it will use its best efforts to have the Series 2012C Bonds remarketed on the Mandatory Tender Date therefor, if such Series 2012C Bonds are to remain outstanding after such date.

Effects of a Failed Remarketing. If any Series 2012C Bonds cannot be remarketed to new purchasers on the Mandatory Tender Date, the Authority has no obligation to purchase the Series 2012C Bonds tendered on the Mandatory Tender Date, the failed conversion and remarketing will not constitute an Event of Default under the Trust Agreement, the mandatory tender will be deemed to have been rescinded for that date, and such Series 2012C Bonds (i) will continue to be outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of such bonds, (iii) will bear interest at the rate of 10% per annum (the "*Stepped Coupon Rate*") from the applicable Mandatory Tender Date until purchased upon a subsequent remarketing (the "*Stepped Rate Period*"), (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period, and (v) will be deemed to continue in the Multiannual Mode and the

Interest Rate Period will terminate on the day prior to the Effective Date of the next Interest Rate Period. In the event of a failed remarketing on the Mandatory Tender Date, the Authority has agreed that it will cause the Series 2012C Bonds to be remarketed on the earliest possible date on which they can be sold at par (with certain exceptions), in such rate mode or modes as the Authority directs, at a rate not exceeding 10% per annum.

Undelivered Series 2012C Bonds. If a book-entry system is not in effect at the time any Series 2012C Bond is subject to mandatory tender for purchase, and if the Trustee is in receipt of an amount sufficient to pay the Purchase Price, then such Series 2012C Bond (or portion) will be deemed purchased on the Purchase Date, and ownership of such Series 2012C Bond (or portion) shall be transferred to the purchaser thereof. Any registered owner who fails to deliver such Series 2012C Bond for purchase will not be entitled to any payment other than the Purchase Price for such Series 2012C Bond upon surrender of such Series 2012C Bond to the Trustee, and such Series 2012C Bond will no longer be outstanding and entitled to the benefits of the Trust Agreement, except for the payment of the Purchase Price of such Series 2012C Bond from money held by the Trustee for such payment upon presentation and surrender of the Series 2012C Bond. Money which remains unclaimed three years after the due date will, at the request of the Authority, and if the Authority is not, at the time, to the knowledge of the Trustee, in default with respect to any covenant in the Trust Agreement or the Series 2012C Bonds, be paid to the Authority, and the owners of the Series 2012C Bonds for which the deposit was made will thereafter be limited to a claim against the Authority.

Lien Priority

The Series 2012C Bonds constitute First Tier Bonds under the Trust Agreement. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS**" herein.

The Series 2012D Bonds

Description

The Series 2012D 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 2012D Bonds will accrue at the interest rates specified on page (ii), calculated on the basis of a 360-day year composed of twelve 30-day months, from their date of delivery and will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2013. Principal will come due on January 1 of the years and in the amounts set forth on page (ii) hereof or upon earlier redemption of the Series 2012D Bonds as described herein.

Redemption

Optional Redemption. The Series 2012D Bonds may be redeemed prior to their scheduled maturities at the option of the Authority on January 1, 2022, or on any date thereafter, in whole or in part, and if in part, the particular Series 2012D Bonds or portions of Series 2012D Bonds to be redeemed are to be selected and designated by the Authority in its sole discretion, in authorized denominations, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption.

On or before the date fixed for redemption, subject to the provision of conditional notice of redemption described below, money is required to be deposited with the Trustee to pay the principal of and interest accrued to the redemption date on the Series 2012D Bonds called for redemption. Upon the deposit of such money, unless the Authority has given notice of rescission, the Series 2012D Bonds will cease to bear interest on the redemption date and will no longer be considered outstanding.

Mandatory Sinking Fund Redemption. The Series 2012D Bonds maturing on January 1, 2038 are subject to mandatory sinking fund redemption prior to maturity with funds on deposit in the First Tier Interest and Sinking Fund created and maintained pursuant to the Trust Agreement, in the amounts and on the dates set forth below, and at a price of par plus accrued interest to the redemption date, with the particular Series 2012D Bonds, or portions thereof to be redeemed to be selected and designated by the Authority in its sole discretion, in authorized denominations:

$32,815,000 Term Bond Due January 1, 2038

Redemption Date (January 1)*	Principal Amount ($)
2037	16,010,000
2038(1)	16,805,000

(1) Stated Maturity.

The principal amount of the Series 2012D Bonds required to be redeemed on any date pursuant to mandatory sinking fund redemption may be reduced, at the option of the Authority, by the principal amount of any Series 2012D Bonds of the maturity scheduled for redemption on such redemption date or dates, which, at least 45 days prior to the respective mandatory sinking fund redemption date, have been (i) acquired by the Authority and delivered to the Trustee for cancellation, (ii) acquired and canceled by the Trustee at the direction of the Authority, with funds from the First Tier Interest and Sinking Fund at a price not exceeding the principal amount of such Series 2012D Bonds plus accrued interest to the date of acquisition thereof, or (iii) 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 redemption of the Series 2012D Bonds or portions thereof prior to maturity, at the option of the Authority, 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 2012D 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 2012D Bond. The mailing of such notice as required above in connection with the redemption of Series 2012D Bonds prior to maturity at the option of the Authority will be the only notice actually required in connection with or as a prerequisite to such optional redemption of any Series 2012D Bonds or portions thereof. All redemption notices for the Series 2012D Bonds are required to contain a description of the Series 2012D Bonds to be redeemed including such items specified in the Trust Agreement.

The Trustee is also required to give notice of redemption or of defeasance of any Series 2012D Bonds by mail, first-class, postage prepaid 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. In addition, with respect to the redemption of defeased Series 2012D Bonds, the Trustee is required to send a notice of redemption to the persons specified in the preceding sentence at least 30 days but not more than 90 days prior to the actual redemption date. Any notice sent to the registered securities depositories or the MSRB is required to be sent so that it is received at least two days prior to the general mailing or publication date of such notice. The Trustee is also required to send a notice of prepayment or redemption to the registered owner who has not sent its Series 2012D Bonds in for redemption 60 days after the redemption date.

If notice of redemption is given and if due provision for such payment is made, the Series 2012D 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 2012D Bonds, the Trustee will send any notices with respect to the Series 2012D 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 2012D Bonds called for redemption or any other action premised on any such notice.

During any period in which ownership of the Series 2012D Bonds is determined by a book–entry at a securities depository for the Series 2012D Bonds, if fewer than all of the Series 2012D Bonds of the same maturity are to be redeemed, the particular Series 2012D Bonds of the same maturity will be selected in accordance with the arrangements between the Authority and the securities depository.

Conditional Notice of Redemption. In the case of an optional redemption of the Series 2012D Bonds, the notice may state (1) that it is conditioned upon the deposit of money, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "*Conditional Redemption*"), and such notice and optional redemption will be of no effect if such money is not so deposited or if the notice is rescinded as described in the paragraph below.

Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Authority delivers a certificate 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 owners. Any Series 2012D Bonds subject to Conditional Redemption where redemption has been rescinded or funds to effect the redemption have not been deposited will remain outstanding, and the rescission or failure to deposit funds will not constitute an event of default under the Trust Agreement.

Lien Priority

The Series 2012D Bonds constitute First Tier Bonds under the Trust Agreement. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS**" herein.

GENERAL INFORMATION REGARDING THE SERIES 2012 BONDS

Trustee

The Authority has appointed Wells Fargo Bank, National Association to serve as Trustee 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, the Authority is required to appoint a successor trustee to fill such vacancy.

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

Record Date

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

Payments in the Event of Holidays

If the date for payment of the principal of or interest on the Series 2012 Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions in the State of Texas or the City of New York or the city where the Trustee is located are authorized by law or executive order to close, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Transfers and Exchanges

Beneficial ownership of the Series 2012 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 will maintain registration books for the registration and transfer of the Series 2012 Bonds in accordance with the terms of the Resolution.

Upon surrender of any Series 2012 Bond at the corporate trust office of the Trustee, together with a written request therefor duly executed by the current registered owner of such Series 2012 Bond or such registered owner's duly authorized attorney or representative with guarantee of signatures satisfactory to the Trustee, such Series 2012 Bond may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Series 2012 Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate and in the same form as the Series 2012 Bond being surrendered for exchange, registered in the name or names of the registered owner, assignee or assignees; *provided that* the Trustee is not required to exchange or register the transfer of Series 2012 Bonds (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Series 2012 Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption.

The Authority has covenanted to pay the Trustee's standard or customary fees and charges for transferring or exchanging any Series 2012 Bond or any portion thereof, but the person requesting any such transfer or exchange is required to pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of transfer or exchange.

The designated office of the Trustee is 750 N. St. Paul Place, Suite 1750, MAC T9263-170, Dallas, Texas 75201.

Defeasance

Any Series 2012 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 be by reason of maturity, upon redemption, mandatory or optional tender, or otherwise), either (i) has been made in accordance with the terms thereof, or (ii) has been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (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. 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, (y) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (z) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent ("*Governmental Obligations*").

Any moneys so deposited with the Trustee may at the direction of the Authority 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 the Authority.

Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified above in **clauses (a)** or **(b)** above is not irrevocable, *provided that*: (i) in the proceedings providing for such defeasance, the Authority expressly reserves the right to call the Defeased Debt for redemption; (ii) the Authority gives notice of the reservation of that right to the owners of the Defeased Debt immediately following the defeasance; (iii) the Authority 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, the

Authority satisfies the conditions of the preceding paragraph with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

No Series 2012C Bond shall be deemed to be a Defeased Debt unless the funds and Government Obligations required to be deposited with the Trustee as described above will produce amounts sufficient and at the times necessary to pay the Purchase Price of the Series 2012C Bond on any mandatory tender date applicable to the Series 2012C Bond. Upon the mandatory tender of any Series 2012C Bond constituting Defeased Debt to the Trustee in accordance with the terms of the Fifteenth Supplement, the Trustee shall pay the Purchase Price for such Series 2012C Bond out of funds deposited with the Trustee, and such Series 2012C Bond shall not be remarketed but shall be deemed paid and discharged and the Trustee shall cancel such Series 2012C Bond.

Book–Entry Only System

The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC. The Authority, the Trustee and Underwriters take no responsibility for the accuracy thereof.

The DTC, New York, New York, will act as securities depository for the Series 2012 Bonds. The Series 2012 Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2012 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 Standard & Poor's 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 the Series 2012 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012 Bonds on DTC's records. The ownership interest of each actual purchaser of each of the Series 2012 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 Series 2012 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2012 Bonds, except in the event that use of the book-entry only system for the Series 2012 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012 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 the Series 2012 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2012 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2012 Bond documents. For example, Beneficial Owners of the Series 2012 Bonds may wish to ascertain that the nominee holding the Series 2012 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 Series 2012 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 maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2012 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2012 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Series 2012 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with the Series 2012 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority 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 Series 2012 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2012 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, the Series 2012 Bond certificates will be printed and delivered.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND THE DTC BOOK-ENTRY ONLY SYSTEM HAS BEEN PROVIDED BY DTC. THE AUTHORITY, THE TRUSTEE AND THE UNDERWRITERS BELIEVE SUCH INFORMATION TO BE RELIABLE, BUT TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NO REPRESENTATION IS MADE BY ANY SUCH PARTY AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

While the Series 2012 Bonds are in the book–entry only system, reference in other sections of this Official Statement to Owners of the Series 2012 Bonds should be read to include any person for whom a Participant acquires an interest in the Series 2012 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.

Modification of the Trust Agreement

The Trust Agreement may be amended by the Authority and the Trustee, with bondholder consent required for certain of such amendments. See "**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT**" in **APPENDIX E**. Such bondholder consents could be provided by underwriters of bonds other than the Series 2012 Bonds issued under the Trust Agreement.

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS

Security for the Series 2012 Bonds

The Series 2012 Bonds are special, limited obligations of the Authority payable solely from, and secured by a First Tier lien on and pledge of the tolls and other revenues of the NTTA System and all money held by the Trustee in the various funds and accounts created under the Trust Agreement (the "*Pledged Revenues*") to the extent provided therein, and as further described under this caption.

The Pledged Revenues are pledged to the Trustee pursuant to the 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. The Series 2012 Bonds constitute Additional Bonds under the Trust Agreement and will be secured on the priority described herein. See "**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT**" in **APPENDIX E**.

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2012 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, THE AUTHORITY, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY, NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2012 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE COUNTIES CURRENTLY SERVED BY THE AUTHORITY NOR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2012 BONDS. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2012 BONDS ARE NOT SECURED BY THE REVENUES OF THE SPECIAL PROJECTS SYSTEM OR THE SPS TRUST AGREEMENT.

The Authority has not mortgaged, assigned, or pledged any interest in any real or personal property or improvements, including any interest in the NTTA System or the expansions or extensions thereto, as security for payment of the Series 2012 Bonds other than the pledge of Pledged Revenues under the Trust Agreement. The Authority has pledged certain revenues on deposit in the Capital Improvement Fund to the payment of Subordinate Lien Bonds (defined below) issued in the amount of $400 million and the ISTEA Loan (defined below). See "**— ISTEA Loan**" and "**— Subordinate Lien Bonds**."

Priority of Payment

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

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

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

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

First Tier Bonds have a security interest in the tolls and other revenues of the NTTA System senior to that securing the Second Tier Bonds and Third Tier Bonds. Second Tier Bonds have a security interest in the tolls and other revenues of the NTTA System senior to that securing the Third Tier Bonds. See "— **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 the Authority. First Tier Payment Obligations are secured on a parity with First Tier Bonds, Second Tier Payment Obligations are secured on a parity with Second Tier Bonds, and Third Tier Payment Obligations are secured on a parity with Third Tier Bonds. In addition, the Authority may establish additional levels of priority of payment and security within the Third Tier Payment Obligation category.

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

Funds and Accounts

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

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

Master Custodial Account Agreement. The Authority 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 the Authority from all turnpike projects owned or operated by the Authority, including the toll revenues derived from the operation of the NTTA System, are deposited into custodial accounts with the Custodian. On each business day, the Authority 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. The Authority covenants that all gross revenues (all tolls, other revenues, and income) arising or derived by the Authority from the operation and ownership of the Tollway (excepting investment income from all Funds and Accounts other than the Revenue Fund) will be collected by the Authority and deposited daily, as far as practicable, with the Trustee for the credit of the Revenue Fund; *provided, however*, that tolls collected on behalf of the Texas Department of Transportation ("*TxDOT*") pursuant to a project agreement that provides for revenue sharing with TxDOT are required to be collected by the Authority and to be held and transferred to or upon the order of TxDOT as set forth in such project agreement. See "**THE NTTA SYSTEM — The Sam Rayburn Tollway — The SRT Project Agreement — Banded Revenue Sharing**" in **APPENDIX A,** "**THE NTTA SYSTEM — The President George Bush Turnpike Eastern Extension — The PGBT EE Project Agreement — Revenue Sharing**" in **APPENDIX A**, and "**NTTA SYSTEM TOLL RATE SCHEDULES — PGBT EE Tolling**" 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 on deposit in the Revenue Fund as of June 30, 2012 was $115,003,141.

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 Debt 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).
- *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 the Authority.
- *Ninth*, at the end of each fiscal year any remaining funds on deposit in the Revenue Fund may be transferred to the Capital Improvement Fund 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 the Authority, an amount which the Chairman or Vice Chairman and the Chief Financial Officer certify to be required to make the total amount in the Operations and Maintenance Fund equal to one-sixth (1/6) of the amount of the total Current Expenses scheduled for the current Fiscal Year in the current Annual Budget, plus all prior accruals for insurance and other periodic or regularly recurring expenses. All Current Expenses are required to be paid directly by the Authority by drawing checks or drafts on the Operation and Maintenance Fund in the manner determined by the Authority, and such Fund may not be used for any other purpose. The balance on deposit in the Operation and Maintenance Fund as of June 30, 2012 was $15,131,268.

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

<u>Bond Interest Accounts</u>. Funds available 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 on deposit in the First Tier Bond Interest Account, the Second Tier Bond Interest Account and the Third Tier Bond Interest Account as of June 30, 2012 were $166,922,753, $29,024,563, and $0, respectively (pursuant to the Trust Agreement, funds are not transferred to the Bond Interest Accounts until immediately prior to the bond interest due dates). On June 30, 2011, $16,400,000 was transferred from the Capital Improvement Fund into the First Tier Bond Interest Account to be utilized for the July 1, 2013 interest payment in order to satisfy coverage requirements in 2013. 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 Series 2009B Bonds. The balance on deposit in such subaccount as of June 30, 2012 was $0.

<u>Redemption Accounts</u>. Funds available 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 on deposit in the First Tier Redemption Account, the Second Tier Redemption Account and the Third Tier Redemption Account as of June 30, 2012 were $1,664, $0 and $0, respectively (pursuant to the Trust Agreement, funds are not transferred to the Redemption Accounts until immediately prior to the redemption dates).

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

The amounts on deposit in the Reserve Accounts are required to be used to retire the last of the outstanding bonds issued under the Trust Agreement that bear the same designation *(i.e.*, First Tier, Second Tier or Third Tier, as the respective account bearing the same designation) and which are secured by that Reserve Account and/or for the purpose of paying interest on and principal of the bonds issued under the Trust Agreement that bear the same designation (*i.e.*, First Tier, Second Tier or Third Tier, as the respective account bearing the same designation) and which are secured by that Reserve Account to the extent that the money on deposit in the related Bond Interest Account and the related Redemption Account is insufficient for such purpose. As of June 30, 2012, the First Tier Reserve Account under the Trust Agreement was fully funded with a balance of $367,578,118, which amount exceeded the required balance of $366,250,747.62. As of June 30, 2012, the Second Tier Reserve Subaccount was fully funded with a balance of $47,720,579, which amount exceeded the required balance of $42,296,576.89. 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. At the closing for the Series 2012 Bonds, funds will be transferred to the First Tier Reserve Account if necessary so that such Account will be fully funded as of the date of issuance of the Series 2012 Bonds.

Reserve Maintenance Fund. Amounts on deposit in the Reserve Maintenance Fund are to be used for paying the costs of repairs, painting, renewals, replacements, improvements and other costs and expenses necessary for safe or efficient operations of the NTTA System or to prevent loss of revenues, for engineering expenses related to the Authority, for equipment, expenses of maintenance, and for operating expenses not occurring at annual or shorter periods. To the extent that the amounts on deposit in the Bond Interest Accounts, the Redemption Accounts, and the Reserve Accounts are insufficient to pay the principal of and interest on the bonds issued under the Trust Agreement when due, the Authority is required to transfer money from the Reserve Maintenance Fund to the appropriate account in the Sinking Funds for such purposes; *provided, however*, that no such transfer may be made of money in the Reserve Maintenance Fund which is, in the opinion of the Authority, then needed for repairs or replacements necessary to maintain safe operation of the NTTA System or to prevent loss of revenue of the NTTA System. The balance on deposit in the Reserve Maintenance Fund as of June 30, 2012 was $60,283,378.

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

Capital Improvement Fund. Amounts on deposit in the Capital Improvement Fund may be used to pay the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, acquisition of rights-of-way, reconstruction and replacements, capital expenditures, engineering studies, and other expenses relating to the powers and functions of the Authority in connection with the NTTA System, or for any other purpose authorized by law, including the payment of debt service and other payments secured by a lien on all or a portion of the amounts deposited in the Capital Improvement Fund. The balance on deposit in the Capital Improvement Fund as of June 30, 2012 was $134,363,774. Of such amount, approximately $23,416,150 is restricted for Capital Improvement Fund bond payments, approximately $88,413,911 is not restricted in use and approximately $22,533,713 is reserved as "rainy-day" funds. See "**THE NTTA SYSTEM — Multi-Year NTTA System Capital Plan**" in **APPENDIX A**. The Subordinate Lien Bonds outstanding in the aggregate principal amount of $400 million and the ISTEA Loan are secured by the funds held in the Capital Improvement Fund. See "**— ISTEA Loan**" 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 on deposit in the Construction Fund in separate subaccounts established for such proceeds and are also to be used to fund the improvements to the NTTA System. The balance on deposit in the Construction Fund as of June 30, 2012 was $155,285,803. In addition to the foregoing, proceeds in the Construction Fund may be utilized 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 are deemed at all times to be a part of such account or subaccount, and the interest accruing thereon and any profit realized from any investment is credited to such account or subaccount, and any loss resulting from any investment is charged to such account or subaccount. See "**OTHER AUTHORITY INFORMATION — Investments**" in **APPENDIX A**.

Rate Covenant

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

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

(1) that if such proposed toll rate schedule had been in effect during the preceding fiscal year, it would not have caused a decrease in the Net Revenues for said preceding Fiscal Year; or

(2) that the adoption of such toll rate schedule will not adversely affect the ability of the Authority to comply with its rate covenants in the Trust Agreement.

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

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

In the event that during any such fiscal year such Net Revenues are less than the amounts contemplated above, the Authority is required, before the 15th day of March of the following fiscal year, to request the Traffic Engineers to make and file their recommendations with the Authority and the Trustee as to a revision in the toll rate schedule then in effect, in order to cause the raising and production of Net Revenues in a manner which will enable the Authority to produce at the earliest feasible time Net Revenues in at least the amounts described in the rate covenant above for each such fiscal year. The Authority covenants that it will promptly and carefully consider such recommendations, and that it will, within 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 the Authority complies with all recommendations of the Traffic Engineers (or a successor independent engineer or engineering firm or corporation as provided for in the Trust Agreement) with respect to the toll rate schedule, an event of default will not occur solely as the result of the occurrence of a deficiency in any fiscal year(s) between the Net Revenues for such fiscal year(s) and the amount required to be produced for such fiscal year(s). In the event of any such deficiency, however, and regardless of any recommendations of the Traffic Engineers or others, or compliance therewith by the Authority, the Trustee, or the holders of not less than 15% in aggregate principal amount of the bonds then outstanding under the 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 the Authority to comply with its covenant to adopt and keep in effect a toll rate schedule which will raise and produce during each fiscal year an amount of Net Revenues as required above for such fiscal year, or to comply with any other rate covenant in the Trust Agreement. The Authority covenants that it will comply with any final order, decree, or judgment entered in any such proceeding, or any modification thereof.

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

On June 30, 2011, with Board direction, the Authority transferred $16,400,000 from the Capital Improvement Fund to the First Tier Bond Interest Account to pre-fund a portion of the interest coming due on the July 1, 2013 interest payment date for First Tier Bonds to allow the Authority to meet the Board's goal of 1.50x first tier debt service coverage, exceed the required minimum debt service coverage ratio under the Trust Agreement toll rate covenant and meet the additional bonds test for fiscal year 2013. The required minimum debt service coverage ratio was exceeded in all other projected fiscal years.

Additional Bonds

The Authority reserves and has the right and power to issue or incur additional First Tier Bonds, First Tier Payment Obligations, Second Tier Bonds, Second Tier Payment Obligations, Third Tier Bonds and Third Tier Payment Obligations (and within the Third Tier, additional bonds or payment obligations secured on different levels of priority). Such obligations may be issued under the Trust Agreement for any purpose then authorized by law, including the refunding of obligations at any time authorized and issued by the Authority and/or interest thereon; *provided*, *however*, no First Tier Bonds, Second Tier Bonds or Third Tier Bonds may be issued unless the Authority has met certain conditions concerning the additional bonds test established pursuant to the Trust Agreement. In addition, the Authority 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 the Authority secured by Net Revenues (excluding, in each case, those being refunded). The Authority may also issue additional First Tier Bonds in a principal amount not to exceed 10% of the original First Tier Bonds issued to finance a project to complete such project without meeting the above-described requirements. 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), or (b) the estimated Net Revenues for the current and each future fiscal year are at least (i) 1.20 times the Debt Service Requirements for each such fiscal year for all First Tier Bonds and Second Tier Bonds (including those proposed to be delivered), and (ii) 1.00 times the Debt Service Requirements for each such fiscal year for all then outstanding First Tier Bonds, Second Tier Bonds (including those proposed to be delivered), Third Tier Bonds and all other outstanding obligations of the Authority secured by Net Revenues (excluding, in each case, those being refunded). 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 the Authority 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.

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

Outstanding Obligations

After the issuance of the Series 2012 Bonds and the application of the proceeds thereof, the obligations listed below will be outstanding under the Trust Agreement in the following principal amounts:

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First Tier Bonds	Principal Amount
Dallas North Tollway System Revenue Bonds, Series 2005C (the "*Series 2005C Bonds*")	$ 178,310,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008A (the "*Series 2008A Bonds*")	1,734,130,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008B (the "*Series 2008B Bonds*")	226,930,000
North Texas Tollway Authority System First Tier Insured Capital Appreciation Revenue Refunding Bonds, Series 2008D (accreted amount calculated through July 1, 2012) (the "*Series 2008D Bonds*")	512,851,309
North Texas Tollway Authority System First Tier Revenue Refunding Bonds, Series 2008E (the "*Series 2008E Bonds*")	215,000,000
North Texas Tollway Authority System First Tier Convertible Capital Appreciation Revenue Refunding Bonds, Series 2008I (accreted amount calculated through July 1, 2012) (the "*Series 2008I Bonds*")	252,728,999
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2008K (the "*Series 2008K Bonds*")	205,000,000
North Texas Tollway Authority System First Tier Tax-Exempt Current Interest Revenue Bonds, Series 2009A (the "*Series 2009A Bonds*")	389,105,000
North Texas Tollway Authority System First Tier Taxable Current Interest Revenue Bonds, Series 2009B (Build America Bonds—Direct Payment) (the "*Series 2009B Bonds*")	825,000,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2009C (the "*Series 2009C Bonds*")	170,730,000
North Texas Tollway Authority System First Tier Variable Rate Revenue Refunding Bonds, Series 2009D (the "*Series 2009D Bonds*")	178,400,000
North Texas Tollway Authority System First Tier Revenue Refunding Bonds, Series 2010 (the "*Series 2010 Bonds*")	332,225,000
North Texas Tollway Authority System First Tier Variable Rate Revenue Refunding Bonds, Series 2011A (the "*Series 2011A Bonds*")	100,000,000
North Texas Tollway Authority System First Tier Revenue Refunding Bonds, Series 2011B (the "*Series 2011B Bonds*")	268,625,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012A (the "*Series 2012A Bonds*")	25,930,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012B (the "*Series 2012B Bonds*")	383,625,000
North Texas Tollway Authority System First Tier Put Revenue Refunding Bonds, Series 2012C	101,775,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012D	32,815,000
Total First Tier Bonds	$ 6,133,180,308

Second Tier Bonds	
North Texas Tollway Authority System Second Tier Revenue Refunding Bonds, Series 2008F (the "*Series 2008F Bonds*")	$ 1,000,000,000
North Texas Tollway Authority System Commercial Paper Notes, Series A (the "*CP Notes*")	56,300,000
Total Second Tier Bonds	$ 1,056,300,000

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, the Authority may establish additional levels of priority of payment and security within the Third Tier Payment Obligations category.

The Trust Agreement secures the First Tier Payment Obligations of the Authority under (i) an Amended and Restated Letter of Credit and Reimbursement Agreement between the Authority and JPMorgan Chase Bank, National Association relating to the Series 2009D Bonds, (ii) a Letter of Credit and Reimbursement Agreement between the Authority and Bank of America, N.A. relating to the Authority's Commercial Paper Program (the "*CP Credit Agreement*"), (iii) a Letter of Credit and Reimbursement Agreement between the Authority and Morgan Stanley Bank, N.A. relating to the Series 2011A Bonds, (iv) certain interest rate exchange agreements, and (v) certain insurance agreements. See "— **The Commercial Paper Program**" herein. Additionally, the Authority has pledged certain revenues on deposit in the Capital Improvement Fund on a basis subordinate to the Third Tier Payment Obligations to the payment of the ISTEA Loan and the Authority's Subordinate Lien Revenue Bonds, Series 2010A and Subordinate Lien Taxable Revenue Bonds, Series 2010B (Build America Bonds — Direct Payment) (the "*Subordinate Lien Bonds*"). See "— **ISTEA Loan**" and "— **The Subordinate Lien Bonds**."

The Commercial Paper Program

In order to finance construction of various components of the NTTA System, the Authority utilizes its existing commercial paper note program which allows for the issuance, at one time, or from time to time, of up to $200,000,000 aggregate principal amount of CP Notes. The CP Notes are secured as Second Tier Bonds. The Authority has entered into the CP Credit Agreement to provide credit support for the CP Notes.

ISTEA Loan

In connection with the issuance of the Dallas North Tollway System Revenue Bonds, Series 1995, the Authority and TxDOT entered into an agreement pursuant to the provisions of the Intermodal Surface Transportation Efficiency Act ("*ISTEA*") under which the Authority borrowed $135,000,000 from TxDOT to pay a portion of the construction costs of the PGBT (the "*ISTEA Loan*"), with $140,607,305 currently outstanding. Interest accrued on the ISTEA Loan from 2000 to 2004 and annual payments began in 2004. The principal of and interest on the ISTEA Loan is payable only out of amounts on deposit in the ISTEA Loan Debt Service Account in the Capital Improvement Fund, no other funds or other assets of the Authority are pledged to the repayment of the ISTEA Loan and the Authority is under no obligation to make any payment on the ISTEA Loan from any other source. The amortization schedule for the ISTEA Loan is set forth in **APPENDIX F**.

The Subordinate Lien Bonds

As described in the section that follows, in connection with the development of the PGBT WE and the CTP, which are projects of the Special Projects System, the Authority issued the Subordinate Lien Bonds in the aggregate principal amount of $400 million, all of which is currently outstanding. 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.

The Special Projects System Obligations

The Authority's Special Projects System Revenue Financings. The Authority established a separate Special Projects System to finance the PGBT WE and the CTP. In April 2011, the Authority issued its North Texas Tollway Authority Special Projects System Revenue Bonds, Series 2011A, Series 2011B, and Series 2011C (the "*SPS PGBT WE Bonds*") in the aggregate principal amount of approximately $672.8 million and its Taxable Bond Anticipation Notes, Series 2011 (the "*SPS Notes"*) in the aggregate principal amount of approximately $418.4 million. In November 2011, the Authority issued its North Texas Tollway Authority Special Projects System Revenue Bonds, Series 2011D and Series 2011E (the "*SPS CTP Bonds*") in the aggregate principal amount of approximately $641 million. The SPS Trust Agreement authorizes the Authority to issue

"Additional First Tier Obligations" under the SPS Trust Agreement upon satisfaction of certain requirements. The SPS PGBT WE Bonds and the SPS CTP Bonds are "First Tier Obligations" under the SPS Trust Agreement. **The revenues of the NTTA System do not secure the SPS PGBT WE Bonds, the SPS CTP Bonds or the SPS Notes or other bonds or obligations under the SPS Trust Agreement and the revenues of the Special Projects System do not secure the Series 2012 Bonds or other bonds or obligations under the Trust Agreement.**

The Transportation Infrastructure Finance and Innovation Act Loan. The Authority has entered into a loan agreement with the Federal Highway Administration of the United States Department of Transportation (the "*TIFIA Lender*") in order to obtain a loan in the approximate amount of $418 million (the "*TIFIA Loan*") under the Transportation Infrastructure Finance and Innovation Act to finance a portion of the acquisition and construction of the Special Projects System or to refund the SPS Notes. **The revenues of the NTTA System do not secure the TIFIA Loan and the revenues of the Special Projects System do not secure the Series 2012 Bonds or other bonds or obligations under the Trust Agreement.**

The Toll Equity Loan. The Authority has entered into a Toll Equity Loan Agreement ("*TELA*") with TxDOT pursuant to which TxDOT has made a toll equity loan (the "*Toll Equity Loan*") available to the Authority in an amount up to approximately $6.02 billion in connection with the Special Projects System (the "*Maximum Available Aggregate Amount*"). The Toll Equity Loan is available to be drawn upon to pay debt service on the SPS PGBT WE Bonds, the SPS CTP Bonds and the TIFIA Loan and to pay certain budgeted operating expenses, major maintenance expenses and capital expenditures relating to the Special Projects System. The Maximum Available Aggregate Amount represents the aggregate amount TxDOT may be required to advance to pay debt service on the SPS PGBT WE Bonds, the SPS CTP Bonds and the TIFIA Loan and to pay budgeted operating expenses, major maintenance expenses and capital expenditures relating to the Special Projects System during the term of the Toll Equity Loan. **The revenues of the NTTA System do not secure the Toll Equity Loan and the revenues of the Special Projects System do not secure the Series 2012 Bonds or other bonds or obligations under the Trust Agreement. The Authority has the obligation to cover shortfalls in operating expenses, major maintenance expenses and capital expenditures (including construction costs), to the extent not covered by the Toll Equity Loan, from "legally available funds," which, if needed, is expected to be funds held in the Capital Improvement Fund for the NTTA System.**

In the future the Authority may refinance debt related to the Special Projects System as NTTA System debt and make the facilities that are part of the Special Projects System a part of the NTTA System.

RISK FACTORS

The Series 2012 Bonds are special and limited obligations of the Authority payable solely from a First Tier lien on tolls and other revenues of the NTTA System. The following is a discussion of certain risk factors that should be considered in evaluating an investment in the Series 2012 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 Series 2012 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 other information provided by the Authority, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future and the projections in the traffic and revenue study. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements.

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

Rising Interest Rate Risk, Market Disruptions, Reliance on Capital Markets and Market Turmoil

Substantially increased interest rates could adversely impact the ability of the Authority to remarket or refund certain bonds issued pursuant to the Trust Agreement on their respective tender dates. If the Authority 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 8% and 12% per annum, which could have a material adverse effect on the Authority. Further, the failure to obtain replacement credit facilities and liquidity facilities with respect to the Series 2009D Bonds and the Series 2011A Bonds issued under the Trust Agreement could require the Authority to refinance the Series 2009D Bonds and the Series 2011A Bonds at substantially higher interest rates. Additionally, the failure to renew or procure new letters of credit relating to the Series 2009D Bonds and the Series 2011A Bonds could accelerate the amortization of debt service on the Series 2009D Bonds and the Series 2011A Bonds.

The 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. The Authority's capital plans include raising additional funds through bond financings for various projects. If the Authority is unable to access the credit markets as a result of any such disruption, it is likely to have to delay the completion of certain projects until such time as the capital markets rebound. The effect of such delays could result in increased costs for such projects and a delay in the receipt of revenues for such projects.

The recent domestic financial crisis has had, and may continue to have, negative repercussions upon the national economy, including a scarcity of credit, lack of confidence in the financial sector, extreme volatility in the financial markets, fluctuations in interest rates, reduced business activity, increased unemployment, increased consumer bankruptcies and increased business failures and bankruptcies. Congress, the Federal Reserve Board and other agencies of the federal government have taken various actions that are designed to enhance liquidity, improve the performance and efficiency of the credit markets and generally stabilize the securities markets and stimulate the economy. There can be no assurance that these actions will be effective. If the economic environment remains weak or worsens further, it could impact the Authority's ability to generate sufficient revenues to pay its obligations as they come due.

Costs of Construction of Toll Facilities

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

There is also a possibility of insolvency or bankruptcy of the contractors during construction. While the contractors 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 the Authority's toll facilities. Moreover, if a default occurs under a construction contract by the contractor, there is a possibility of litigation between the Authority and the providers of the performance bonds and payment bonds and/or the contractor, which could further delay construction and the opening of the Authority's toll facilities. Any such delays and/or cost overruns could result in the delay or reduction in the collection of revenues and an increase in costs, thereby making it more difficult for the Authority to generate sufficient revenues to pay principal of and interest on the Series 2012 Bonds and other parity obligations under the Trust Agreement.

Traffic and Revenue Reports

The revenue forecasts in the traffic and revenue studies are based upon certain assumptions set forth or incorporated therein. See "**— THE TRAFFIC AND REVENUE STUDY**" in **APPENDIX A**. The traffic and revenue study is not a guarantee of any future events or trends and the forecasts therein are subject to future economic and social conditions and demographic developments that cannot be predicted with certainty. Further, any of the estimates and assumptions in the traffic and revenue study are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of the Authority. Failure to achieve or realize any of the assumptions listed in the traffic and revenue study may have a materially adverse effect upon the net revenues actually realized. Currently, the toll rates in effect on the NTTA System are set at rates that are expected to produce a First Tier debt service coverage ratio of at least 1.50 times in each future year. In 2013, the First Tier debt service coverage ratio is expected to be 1.50 times, the lowest future level projected. If there is a decrease in ridership on the NTTA System or if there is a period of significant inflationary pressure, the Authority's actual First Tier debt service coverage ratio could decline below 1.50 times, which could affect the market value of the Series 2012 Bonds. While the Authority 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) the Authority 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 decline in ridership on the NTTA System, the Authority stressed the results of the Traffic and Revenue Study for the NTTA System, which stress tests reflected a decline in toll revenues by up to 8%. The Authority estimates that it would still maintain a debt service coverage ratio on all outstanding First Tier debt of 1.35 times if toll revenues were to decline by 8%, a debt service coverage ratio on all outstanding First Tier and Second Tier debt of 1.20 times if toll revenues were to decline by 2.5%, and a debt service coverage on all outstanding debt of 1.00 times if toll revenues were to decline by 5%.

Operating Risks

The ability of the Authority's toll facilities to generate revenues in amounts sufficient to pay debt service on the obligations of the Authority when due will be subject to the risks inherent in the establishment and operation of any toll facility. The ability to repay the obligations of the Authority issued pursuant to the Trust Agreement will be dependent on the volume of traffic that utilizes the Authority's toll facilities and the ability of the Authority and its computer systems to accurately process data. Revenues to be generated through such use will be influenced by numerous factors, including, among other things, the ability to manage toll evasion 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

In 2011, the Authority experienced downward trends in the percentage of total transactions constituting TollTag (as defined in Appendix A) transactions and ZipCash (as defined in Appendix A) revenue recovery on the NTTA System. Failure to stop and reverse these trends may have a material adverse effect on the net revenues actually realized from the NTTA System. The Authority is in the process of reviewing and implementing various improvements to its systems, processes and procedures designed to increase the percentage of TollTag transactions, pursuable ZipCash transactions and ZipCash revenue recovery. See "**THE NTTA SYSTEM —Operations — Revenue Assurance,**" "**— Toll Collection Variance**" **and** "**— Revenue Recovery**

Assumptions in Traffic and Revenue Study" in **APPENDIX A**. The Authority also has the ability to raise toll rates or the premium charged on ZipCash transactions to address any revenue shortfalls.

Turnover in Executive Management

Since January 1, 2006, the Authority has experienced turnover in its executive management. Specifically, the Authority has had four different permanent executive directors prior to the appointment of the current executive director and four different general counsels. Significant turnover in executive management could make it difficult to hire and retain qualified personnel.

Ability to Maintain or Raise Rates

The Authority may need to raise toll rates in the future to support its debt service requirements. Although the traffic and revenue 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, substantial political pressure could result in hesitance by the Authority to raise rates further if needed. Such risk is mitigated as a result of automatic increases in toll rates every two years pursuant to the existing NTTA System toll rate schedule, absent action by the Authority.

Maintenance Costs

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

Motor Fuel Prices and Taxes

There is no assurance that motor fuel will remain in adequate supply or that motor fuel prices and federal and State motor fuel taxes will not increase. Increases in motor fuel pump prices could negatively impact the revenues of the Authority. 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 the Authority.

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 Carrollton, Texas (the "*Kelly Wall*") buckled and the Authority was required to stabilize the wall. The Authority spent $5.3 million to stabilize and repair the wall. No personal injuries resulted from the wall failure. The Authority investigated the reasons for the wall failure and is pursuing reasonably available options to recoup the associated costs from legally responsible parties. In February 2012, the Authority filed a lawsuit against the General Contractor, and the Authority's Construction Manager and Testing Verification Engineer to recoup costs of emergency stabilization, remediation and/or repair work associated with the Kelly Wall failure. The lawsuit is currently limited to the Kelly Wall and neighboring walls, but could be expanded to include additional walls.

In response to the MSE retaining wall failure, the Authority 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 "*2011 MSE Study*"), which revealed that such walls are vulnerable to a similar failure mode as was experienced with the Kelly Wall. The Authority is in the process of engaging another forensic engineering consultant to inspect MSE retaining walls on the DNT and the SRT, and the Authority expects the results of such inspections to be received in mid-2013.

The Authority estimates that the cost to stabilize the MSE retaining walls covered by the 2011 MSE Study at approximately $56 million. Based on its initial internal review of the remaining MSE retaining walls in the NTTA System that were constructed using similar soils, the Authority has preliminarily estimated the cost to stabilize such walls at approximately $30 million, which cost will likely be adjusted after the forensic engineering consultant's inspection report on such walls is completed. The Authority has designated $28.7 million from the Capital Improvement Fund for the stabilization and strengthening of existing MSE retaining walls along the PGBT, DNT and SRT over the 2012-2014 period.

The Authority 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. The Authority estimates the cost to stabilize such walls at approximately $3.5 million. The Authority has not engaged a forensic engineering consultant to inspect the MSE retaining walls on the Special Projects System.

There can be no assurance that the costs of stabilizing the MSE retaining walls will not exceed current estimates, and variation in cost estimates could be material.

Limitation and Enforceability of Remedies

Limitation of Remedies under the Trust Agreement.

The remedies available to owners of the Series 2012 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 the Authority and its officers to observe and perform any covenant, condition or obligation prescribed in the Trust Agreement. In no event will owners have the right to have the maturity of the Series 2012 Bonds accelerated as a remedy in the event of a default by the Authority. The enforcement of the remedy of mandamus may be difficult and time consuming. No assurance can be given that a mandamus or other legal action to enforce a default under the Trust Agreement would be successful.

Under current State law the Authority may waive sovereign immunity from suit or liability for the purpose of adjudicating a claim to enforce an obligation issued or incurred (including credit agreements entered into) under Chapter 1371 of the Texas Government Code, such as the Series 2012 Bonds, or for damages for breach of such obligation. **THE AUTHORITY 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**" in **APPENDIX E**.

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, (iii) are subject, in part, to the provisions of the United States Bankruptcy Act and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the Series 2012 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2012 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

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

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

The CAA requires the EPA to set National Ambient Air Quality Standards ("*NAAQS*") for widespread pollutants from numerous and diverse sources considered harmful to public health and the environment. The CAA establishes two types of National Air Quality Standards: Primary Standards set limits to protect public health, including the health of "sensitive" populations; Secondary Standards set limits to protect public welfare, including protection against visibility impairment, damage to animals, crops, vegetation, and buildings. The CAA requires periodic review of the science upon which the standards are based and the standards themselves. NAAQS have been set for pollutants: Ozone, Carbon Monoxide, Particulate Matter, Sulfur Dioxide, Nitrogen

Oxides, and Lead. An area in which one or more of the six regulated pollutants exceeds the NAAQS is designated as a "non-attainment" area, based on the area's failure to attain compliance with NAAQS for any particular pollutant. On April 15, 2004, EPA designated a nine-county area as non-attainment under the 8-hour NAAQS for ozone proposed in 1997, which became effective June 15, 2004 ("*1997 Ozone Standard*"). The nine-county area includes Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall and Tarrant Counties ("*DFW Non-Attainment Area*"). The 1997 Ozone Standard of 84 parts per billion ("*ppb*") was lowered to 75 ppb in 2008. This new standard was immediately challenged in the D.C. Circuit Court of Appeals. EPA then began the rulemaking process to reconsider the 75 ppb ozone standard. In January 2010, EPA proposed lowering the ozone standard to a level between 60 and 70 ppb. On September 2, 2011, President Obama requested that EPA delay finalizing a new ozone standard until 2013. What effect, if any, the delay and proposed change to the 8-hour ozone standard will have on the DFW Non-Attainment Area cannot be determined at this time.

Transportation projects, including those of the Authority, must comply with and conform to the CAA. Although the area is currently designated non-attainment for ozone under the 1997 Ozone Standard, voluntary pollution reduction efforts made in the area have kept the Area's transportation projects, including the Authority's projects, in compliance and conformity with the CAA.

Should the 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 under the CAA for the area. Due to the complexity of the non-attainment/conformity analysis, the status of EPA's implementation of its 8-hour standard, and the incomplete information surrounding any SIP requirements for areas designated non-attainment under the 8-hour standard, the exact nature of sanctions or any potential SIP for the 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.

The Authority's existing toll facilities should not be directly affected by a lapse in conformity or non-attainment sanctions. The Mobility 2030: The Metropolitan Transportation Plan (the "*MTP*") was approved by the RTC in 2007 and received a favorable air quality conformity determination from the U.S. Department of Transportation. The MTP was amended in 2009 (the "*MTP 2009 Amendment*") and was approved by the RTC on April 9, 2009. As a result of the MTP 2009 Amendment, a new air quality conformity analysis was performed. A favorable air quality conformity determination based upon the 2009 amendment was received from the U.S. Department of Transportation in August 2009. The Authority's toll facilities are included in the MTP and the MTP 2009 Amendment. On March 10, 2011, the RTC adopted a new mobility plan—Mobility 2035. The new plan was developed utilizing the most recent demographic projections. Final federal approval was received on July 14, 2011.

It is possible that non-attainment, a lapse in conformity under the CAA, or other environmental issues may result in litigation involving injunctive or other relief that could give rise to delays in the construction or operation of the PGBT WE and the CTP. Litigation under the National Environmental Policy Act or other state or federal environmental laws may also result in injunctive or other relief and the possibility of delay in construction or operation of, or increase in the cost of construction of, the PGBT WE and the CTP. See "**— Obligation to Fund Shortfalls Relating to Special Projects System**," "**— Risk of Delay**" and "**— Costs of Construction of Toll Facilities**."

Swap Transaction Risks

The Authority entered into interest rate swap transactions (the "*Swap Transactions*") under the Trust Agreement with a collective outstanding notional amount of approximately $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, N.A. ("*JPM*"), successor to Bear Stearns Financial Products Inc., (the "*Swap Providers*"). The Authority may enter into additional interest rate exchange agreements. The Authority is exposed to basis risk under the Swap Transactions as the variable rate received under the ISDA Master Agreements will not perfectly match the variable rate paid on the variable rate bonds intended to be hedged by such Swap Transactions.

Each of the ISDA Master Agreements may be terminated by the Authority if the respective counterparty does not maintain a credit rating of least "Baa3" by Moody's or "BBB-" by S&P. As of the date hereof, the Swap Providers respective ratings by Moody's and S&P are as follows: Citibank N.A., New York, "A3"/"A" and JPM, "Aa3"/"A+."

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

In addition to the foregoing, the Swap Transactions were insured by FGIC. Pursuant to the interest rate exchange agreement with JPM if FGIC's rating is below "A-" by S&P or "A3" by Moody's and the Authority's First Tier Bonds are rated below "A-" by S&P or "A3" by Moody's, the Authority will be obligated to post collateral in an amount equal to the swap termination payment amount owed by the Authority to JPM. The collateral posting requirement could have a negative impact on the Authority's liquidity position. While FGIC's ratings have been withdrawn, the Authority's ratings on its First Tier Bonds are "A2" by Moody's and "A-" by S&P and so the Authority has no obligation to post collateral at this time.

Additional Obligations

There is no restriction on the Authority's ability to enter into additional hedging arrangements or to issue additional bonds (except for the satisfaction of the additional debt test contained in the Trust Agreement). The execution of such hedging arrangements and the issuance of such additional bonds could adversely affect the ability of the Authority to repay the Series 2012 Bonds.

Obligation to Fund Shortfalls Relating to Special Projects System

Under the terms of the TELA entered into between the Authority and the Texas Department of Transportation, the Authority is obligated to fund any construction cost overruns from assets that are not a part of the Special Projects System trust estate. In addition, to the extent annual operating expenses, major maintenance expenses and capital expenditures relating to the Special Projects System either (i) exceed the budgeted amounts and are not paid out of the Special Projects System revenues or (ii) exceed prescribed standards, the Authority is responsible for paying such amounts from assets that are not a part of the Special Projects System trust estate. Funding any of such shortfalls is likely to come from revenues generated by the NTTA System and could have a material adverse effect on the Authority.

Obligation to Pay for Video Tolls under Tolling Services Agreements Prior to Collection

Under the terms of the Tolling Services Agreements between the Authority and the developers of the IH 635 Managed Lanes Project and the North Tarrant Express Project, the Authority has agreed to pay such developers an amount equal to the toll for each video transaction, less its fee, within two business days after the date the video transaction has been properly transmitted to the Authority. Until the tolls for such video transactions are collected, the funding of the payments to such developers for such tolls is likely to come from funds in the NTTA System Capital Improvement Fund and could have a material adverse effect on the Authority. The Authority experienced downward trends in 2011 for video toll revenue recovery on the NTTA System. Failure to stop and reverse this trend for video toll collections may have a material adverse effect on the Authority's ability to fully recover its payments for video transactions to developers under the Tolling Services Agreements and its costs to collect revenue attributable to the video transactions. The obligation of the Authority to collect tolls under the Tolling Services Agreements does not commence until each respective project opens for toll traffic, which is generally expected to be 2014 for the IH 635 Managed Lanes Project and 2015 for the North Tarrant Express Project. The Authority is in the process of reviewing and implementing various improvements to its systems, processes and procedures designed to increase its video toll revenue recovery. See "**THE NTTA SYSTEM — Operations — Revenue Assurance**." The Authority also has the ability under the Tolling Services Agreements to raise the premium charged on video transactions to cover its costs and to reflect the collection risks for video tolls. See "**TOLLING SERVICES AGREEMENTS**" in **APPENDIX A**.

Risk of Delay

If Phase 4 of the PGBT WE or any section of the CTP is delayed or is not opened, the aggregate amount of the eligible costs may be in an amount less than the principal of and interest on the SPS CTP Bonds, the SPS PGBT WE Bonds and the TIFIA Loan. As a result, draws under the TELA will be limited to the aggregate amounts of eligible costs, which may be insufficient to enable draws on the TELA to pay the principal of and interest on the SPS CTP Bonds, the SPS PGBT WE Bonds and the TIFIA Loan, if and when requested because the amounts requested would exceed the TxDOT exposure limitations. As of June 30, 2012, $1.1 billion (net of reimbursements) has been spent by the Authority on PGBT WE and CTP construction, professional services, operations, maintenance, and upfront payment to TxDOT.

Risks Relating to Build America Bonds

The Authority has previously issued certain of its bonds under the Trust Agreement as "Build America Bonds." The Authority has elected to receive a subsidy payment from United States Treasury equal to 35% of the taxable interest the Authority pays on such bonds. In order to receive the subsidy, the Authority is required to make certain filings with the Internal Revenue Service. If the Authority fails to make the required filings, it will not be eligible to receive the subsidy payments. Additionally, the proceeds of "Build America Bonds" have a number of limitations on their use. If the Authority were to use the proceeds of 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 the Authority 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 the Authority.

Under the Sequestration Transparency Act of 2012 ("*STA*"), if Congress fails to enact legislation to reduce the federal deficit by $1.2 trillion, as required by the Budget Control Act of 2011, the STA will automatically trigger large scale cuts in the federal budget. The STA will go into effect January 2, 2013 unless Congress passes a deficit reduction plan. On September 13, 2012, the United States Office of Management and Budget issued a report (the "*OMB Report*"), as required by the STA, detailing the effects of sequestration for Fiscal Year 2013. The Report provides estimates of the STA's impact on more than 1,200 budget accounts necessary to achieve the required reductions of the STA. According to the OMB Report, subsidy payments authorized for the issuers of Build America Bonds in fiscal year 2013 would be cut by 7.6% early in 2013. The Authority has issued its First Tier Series 2009B Bonds and its Series 2010B Subordinate Lien Bonds as direct subsidy Build America Bonds. In 2013, the Authority is scheduled to receive $19,398,226 in subsidy payments on the Series 2009B Bonds and $9,579,850 in subsidy payments on the Series 2010B Subordinate Lien Bonds, for total subsidy payments of $28,978,076. A reduction of 7.6% in the total subsidy payments would result in the Authority receiving $2,202,334 less than it is scheduled to receive. The Authority calculates its debt service and debt service coverage net of the direct subsidy the Authority expects to receive for the Series 2009B Bonds and Series 2010B Subordinate Lien Bonds. See "**PRO FORMA DEBT SERVICE REQUIREMENTS**."

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 Series 2012 Bonds under Federal or state law and could affect the market price or marketability of the Series 2012 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 Series 2012 Bonds should consult their own tax advisors regarding the foregoing matters.

LITIGATION AND INVESTIGATIONS

On the date of delivery of the Series 2012 Bonds to the Underwriters, the Authority will execute and deliver to the Underwriters a certificate to the effect that no litigation of any nature has been filed or is pending as of such date seeking to restrain or enjoin the issuance or delivery of the Series 2012 Bonds or which would affect the provisions made for their payment or security, or in any manner questions the validity of the Series 2012 Bonds.

As of the date of this Official Statement, the Authority 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 the Authority, could have a material adverse effect on the financial condition or operations of the Authority.

Notwithstanding the foregoing, the Authority has become a defendant in a class-action lawsuit alleging that (a) the Authority has exceeded its legal authority in assessing administrative fees to toll road violators, and (b) the method pursuant to which administrative fees are collected is not permitted pursuant to statute. The Authority believes that the lawsuit is without merit. Regardless, if the plaintiffs were to succeed on all counts in the litigation, the Authority believes that the maximum damages would be less than $20 million. The lawsuit is in its early stages. There is no trial date set.

In October 2011, the Federal Bureau of Investigation (the "*FBI*") interviewed several officials of the Authority regarding any knowledge the officials may have concerning the conduct of certain current and former Board members, including possible conflicts of interests pertaining to Authority business. The Authority has no reason to believe that it is the target of the investigation or that the investigation will materially adversely affect the operations or financial condition of the Authority or the transactions contemplated by the Resolution, the Trust Agreement and this Official Statement, or would adversely affect the validity or enforceability of the Resolution, the Trust Agreement, or the Series 2012 Bonds. The investigation is ongoing and the Authority is cooperating fully with the FBI. There can be no assurance that the investigation will be limited to the matters described above or that the Authority will not become a target at a later date.

TAX MATTERS

Opinion

On the date of initial delivery of each series of the Series 2012 Bonds, Co-Bond Counsel will render an opinion with respect to that series of the Series 2012 Bonds that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (*"Existing Law"*), (1) interest on such series of the Series 2012 Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) such series of the Series 2012 Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the *"Code"*). Except as stated above, Co-Bond Counsel will not express an opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Series 2012 Bonds. See "**FORM OF CO-BOND COUNSEL OPINION**" in **APPENDIX G**.

In rendering the opinion, Co-Bond Counsel will rely upon (a) certain information and representations of the Authority, including information and representations contained in the Authority's federal tax certificate, (b) covenants of the Authority contained in the Trust Agreement relating to certain matters, including arbitrage and the use of the proceeds of the Series 2012 Bonds and the Refunded Bonds and the property financed or refinanced therewith, and (c) the verification report of Grant Thornton LLP. Failure by the Authority to observe the aforementioned representations or covenants could cause the interest on the Series 2012 Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Series 2012 Bonds in order for interest on the Series 2012 Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Series 2012 Bonds to be included in gross income retroactively to the date of issuance of the Series 2012 Bonds. The opinion of Co-Bond Counsel is conditioned on compliance by the

Authority with such requirements, and Co-Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Series 2012 Bonds.

Co-Bond Counsel's opinion represents their legal judgment based upon their review of existing law and reliance on the aforementioned information, representations and covenants. Co-Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the United States Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Series 2012 Bonds.

A ruling was not sought from the Internal Revenue Service by the Authority with respect to any series of the Series 2012 Bonds or property financed with the proceeds of any series of the Series 2012 Bonds or the Refunded Bonds. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of a series of the Series 2012 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 the Authority as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Series 2012 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 Series 2012 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

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

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Series 2012 Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

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

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT BONDS BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2012 BONDS.

Interest on the Series 2012 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 Series 2012 Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Series 2012 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 Series 2012 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.

UNDERWRITING

The Underwriters for the Series 2012C Bonds, for which J.P. Morgan Securities LLC is acting as representative, have agreed, subject to certain customary conditions to delivery, to purchase the Series 2012C Bonds from the Authority at the price of $101,268,860.43, reflective of par, less an Underwriters' discount of $506,139.57. The Underwriters for the Series 2012C Bonds will be obligated to purchase all of the Series 2012C Bonds if any Series 2012C Bonds are purchased.

The Underwriters for the Series 2012D Bonds, for which J.P. Morgan Securities LLC is acting as representative, have agreed, subject to certain customary conditions to delivery, to purchase the Series 2012D Bonds from the Authority at the price of $36,177,122.44, reflective of par plus an original issue premium of

$3,558,130.45 and less an Underwriters' discount of $196,008.01. The Underwriters for the Series 2012D Bonds will be obligated to purchase all of the Series 2012D Bonds if any Series 2012D Bonds are purchased.

The Series 2012 Bonds may be offered and sold to certain dealers and others at prices lower than the initial public offering prices set forth on pages (i) and (ii) of this Official Statement, and such public offering prices may be changed, from time to time, by the Underwriters therefor. The Underwriters for the Series 2012 Bonds may provide other services and products to the Authority for which they may be entitled to receive additional compensation.

Certain of the other Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as Underwriters) for the distribution of the Series 2012 Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

RATINGS

The Series 2012 Bonds received ratings of "A2" by Moody's and "A-" by S&P. An explanation of the significance of each rating may be obtained from the company furnishing the rating. The ratings reflect only the views of such companies at the time such ratings are given, and the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such companies, if in the judgment of such companies, circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price of the applicable series of Series 2012 Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2012 Bonds are subject to approval of legality by the Attorney General of the State, of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Co-Bond Counsel to the Authority and of Mahomes Bolden PC, Dallas, Texas, Co-Bond Counsel to the Authority. Attached hereto as **APPENDIX G** is the form of opinion that Co-Bond Counsel will render in connection with the issuance of the Series 2012 Bonds. The legal opinion will accompany the Series 2012 Bonds deposited with DTC or will be printed on the Series 2012 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 "**PLAN OF FINANCE**" (excluding the information under the subcaption "Estimated Sources and Uses of Funds", as to which no opinion will be expressed), "**THE SERIES 2012 BONDS,**" "**GENERAL INFORMATION REGARDING THE SERIES 2012 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 SERIES 2012 BONDS,**" "**TAX MATTERS,**" "**LEGAL MATTERS,**" "**REGISTRATION AND QUALIFICATION OF SERIES 2012 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 E** and **APPENDIX G**, 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 Series 2012 Bonds, such information conforms to the Resolution and the Trust Agreement. CDM Smith, the Traffic Engineers, has reviewed the information contained in "**APPENDIX A — THE 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. HNTB, the Consulting Engineers, has reviewed the information contained in "**APPENDIX A –THE NTTA SYSTEM**," "**OTHER POTENTIAL PROJECTS (ON SYSTEM AND OFF SYSTEM),**" "**THE SPECIAL PROJECTS SYSTEM**" and "**ENGINEERING REPORTS AND PROGRESS REPORTS**" and in "**APPENDIX D — Progress Reports for Dallas North Tollway Extension Phase 3, Lewisville Lake Toll Bridge, Sam Rayburn Tollway and President George Bush Turnpike Eastern Extension**," and the Incorporated 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, Outside General Counsel, has reviewed the information contained in "**RISK FACTORS — Clean Air Non-Attainment and Conformity Risk; NEPA Environmental Litigation Risk**" and "**LITIGATION AND INVESTIGATIONS**" and in "**APPENDIX A — INTRODUCTION AND OVERSIGHT,**" "**— GOVERNMENT AND MANAGEMENT,**" "**THE NTTA SYSTEM,**" "**OTHER POTENTIAL PROJECTS (ON SYSTEM AND OFF SYSTEM),**" "**TOLLING SERVICES AGREEMENTS**" and "**THE SPECIAL PROJECTS SYSTEM**" (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 Series 2012 Bonds is contingent on the sale and delivery of the Series 2012 Bonds. Certain legal matters will be passed upon for the Authority by Locke Lord LLP, Dallas, Texas, Outside General Counsel for the Authority. Certain legal matters will be passed upon for the Authority by McCall, Parkhurst & Horton L.L.P., Dallas, Texas and Mahomes Bolden PC, Dallas, Texas, as Co-Disclosure Counsel to the Authority. The payment of certain legal fees to Co-Disclosure Counsel in connection with the issuance of the Series 2012 Bonds is contingent on the sale and delivery of the Series 2012 Bonds. Certain legal matters will be passed upon for the Underwriters by Andrews Kurth LLP, Houston, Texas and West & Associates, L.L.P., Dallas, Texas, Co-Counsel for the Underwriters. The payment of legal fees to Co-Counsel for the Underwriters in connection with the issuance of the Series 2012 Bonds is contingent on the sale and delivery of the Series 2012 Bonds. In connection with the issuance of the Series 2012 Bonds, Co-Bond Counsel has been engaged by, and only represents, the Authority.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, a firm of independent public accountants, will deliver to the Authority, on or before the closing or settlement date, as appropriate, of the applicable series of Series 2012 Bonds, its verification report indicating that it has verified, in accordance with attestation standards 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 Federal Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds and (b) the mathematical computations of yield used by Co-Bond Counsel to support its opinion that interest on the Series 2012 Bonds will be excluded from gross income for federal income tax purposes.

The verification performed by Grant Thornton LLP will be solely based upon data, information and documents provided to Grant Thornton LLP by the Authority. Grant Thornton LLP has restricted its procedures to recalculating the computations provided by the Authority and the Authority's Financial Advisor and Co-Financial Advisor and has not evaluated or examined the assumptions or information used in the computations.

The verification report or reports will be relied upon by Co-Bond Counsel in rendering their opinions with respect to the tax-exemption of interest on the Series 2012 Bonds and with respect to the defeasance of the Refunded Bonds.

INDEPENDENT AUDITOR

The financial statements of the Authority's North Texas Tollway Authority System Enterprise Fund, for the year ended December 31, 2011 included in **APPENDIX B-1** to this Official Statement have been audited by Crowe Horwath LLP, independent auditors, as stated in its report appearing in **APPENDIX B-1**. The audit report refers to certain supplementary information that is not a required part of the basic financial statements, some of which is unaudited.

Crowe Horwath LLP has not been engaged to perform and has not performed, since the date of its report included in **APPENDIX B-1**, any procedures on the financial statements addressed in such report.

The financial statements of the Authority's North Texas Tollway Authority System Enterprise Fund, for the six-month period ended June 30, 2012, included in **APPENDIX B-2** to this Official Statement, have not been audited.

PROFESSIONAL ENGINEERS

The reports of CDM Smith (formerly known as Wilbur Smith Associates) incorporated by reference herein, the engineering reports of HNTB, incorporated by reference herein, and the progress reports of HNTB set forth in **APPENDIX D**, have been incorporated by reference in this Official Statement or included in this Official Statement in reliance on their expertise as professional consultants. See "**INCORPORATION BY REFERENCE**" in **APPENDIX A**. Each firm has consented to the inclusion of their reports in this Official Statement.

FINANCIAL ADVISORS

RBC Capital Markets, LLC is acting as Financial Advisor to the Authority and TKG & Associates LLC is acting as Co-Financial Advisor to the Authority. RBC Capital Markets, LLC and TKG & Associates 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 Series 2012 Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies. The Financial Advisor may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Series 2012 Bonds.

REGISTRATION AND QUALIFICATION OF SERIES 2012 BONDS FOR SALE

The sale of the Series 2012 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 Series 2012 Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2012 Bonds been qualified under the securities acts of any jurisdiction. The Authority assumes no responsibility for qualification of the Series 2012 Bonds under the securities laws of any jurisdiction in which the Series 2012 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2012 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 Series 2012 Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Series 2012 Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Series 2012 Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Series 2012 Bonds are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations. The Series 2012 Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Authority has been made of the laws in other states to determine whether the Series 2012 Bonds are legal investments for various institutions in those states.

The Authority makes no representation that the Series 2012 Bonds will be acceptable to banks, savings and loan associations or public entities for investment purposes or to secure deposits of public funds. The Authority has made no investigation of other laws, regulations or investment criteria that might apply to or otherwise limit the availability of the Series 2012 Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Series 2012 Bonds and as to the acceptability of the Series 2012 Bonds for investment or collateral purposes.

CONTINUING DISCLOSURE OF INFORMATION

In the Trust Agreement, the Authority has made the following agreement for the benefit of the holders and beneficial owners of the Series 2012 Bonds. The Authority is required to observe the agreement for so long as it remains obligated to advance funds to pay the Series 2012 Bonds. Under the agreement, the Authority will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "*MSRB*"). This information will be available from the MSRB.

Annual Reports

The Authority will provide certain updated financial information and operating data to the MSRB. The information to be updated includes (i) all quantitative financial information and operating data with respect to the Authority and the NTTA System of the general type included in this Official Statement under the headings or sub-headings "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS — Outstanding Obligations**," "**PRO FORMA DEBT SERVICE REQUIREMENTS**," "**ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME, AND ESTIMATED DEBT SERVICE COVERAGE**," "**THE NTTA SYSTEM — Operations — General**" and "**— Toll Collection Variance**" in **APPENDIX A**, "**OTHER FINANCIAL INFORMATION — Historical Traffic and Net Revenues**" and "**— Historical Debt Service Coverage**" in **APPENDIX A** and "**NTTA SYSTEM TOLL RATE SCHEDULES**" in **APPENDIX C** (ii) a copy of the progress reports required under the Trust Agreement, and (iii) the annual financial statements in **APPENDIX B-1 "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, 2011**." The Authority will update and provide this information within six months after the end of each fiscal year of the NTTA System. The Authority will provide the updated information to the MSRB.

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

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

Event Notices

The Authority will also provide timely notices of certain events to the MSRB. The Authority will provide notice of any of the following events with respect to the Series 2012 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 or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEC) or other material notices or determinations with respect to the tax-exempt status of the Series 2012 Bonds, or other events affecting the tax-exempt status of the Series 2012 Bonds; (7) modifications to rights of holders of the Series 2012 Bonds, if material; (8) calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2012 Bonds, if material; (11) ratings changes; (12) bankruptcy, insolvency, receivership or similar event of the Authority; (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into 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, the Authority will provide timely notice of any failure by the Authority to provide information, data, or financial statements in accordance with its agreement described above under " — Annual Reports." The Authority will provide each notice described in this paragraph to the MSRB.

Availability of Information from the MSRB

The Authority has agreed to provide the foregoing information only to the MSRB. The information will be available to Bondholders through the MSRB's internet website at www.emma.msrb.org.

Limitations and Amendments

The Authority has agreed to update information and to provide notices of material events only as described above. The Authority has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Authority makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Series 2012 Bonds at any future date. The Authority disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Series 2012 Bonds may seek a writ of mandamus to compel the Authority to comply with its agreement.

The Authority may amend, supplement, or repeal its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Series 2012 Bonds in the primary offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Series 2012 Bonds consent to the agreement or (b) any person unaffiliated with the Authority (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interest of the holders and beneficial owners of the Series 2012 Bonds. The Authority 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 Series 2012 Bonds in the primary offering of the Series 2012 Bonds.

Compliance with Prior Undertakings

During the last five years, the Authority has complied materially with all continuing disclosure agreements made by it in accordance with the Rule. The Authority has made its continuing disclosure filings on a materially timely basis during the last five years, but discovered in November 2011 that bonds associated with certain CUSIPs were inadvertently omitted from particular filings. The Authority has corrected this clerical error. For the fiscal year ended December 31, 2008, the Authority’s annual report containing its audited financial statements and financial and operating data was due to be filed with certain information vendors by June 30, 2009, but was filed on July 7, 2009. For the fiscal year ended December 31, 2010, the Authority’s annual report containing its audited financial statements and financial and operating data was due to be filed with the MSRB by June 30, 2011, but was filed on July 6, 2011.

OTHER MATTERS

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

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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 (the "*Authority*") is a regional tollway authority governed by Chapter 366 of the Texas Transportation Code (the "*Authority Act*") and a political subdivision of the State of Texas currently serving Collin, Dallas, Denton, and Tarrant Counties (the "*Member Counties*"). It came into existence on September 1, 1997 as the successor to the Texas Turnpike Authority (the *"TTA"*), an agency of the State of Texas that was created in 1953 and abolished in 1997. At that time, all obligations of the TTA related to the system of toll roads operated by the TTA were assumed by the Authority. Also, the Authority assumed ownership of the system of toll roads then in existence (as then in existence and subsequently expanded, the "*NTTA System*"). The NTTA System is currently comprised of the Dallas North Tollway (the "*DNT*"), the Addison Airport Toll Tunnel (the "*AATT*"), the President George Bush Turnpike (the "*PGBT*"), the President George Bush Turnpike Eastern Extension (the "*PGBT EE*"), the Mountain Creek Lake Bridge (the "*MCLB*"), the Lewisville Lake Toll Bridge (the "*LLTB*") and the Sam Rayburn Tollway (subject to the reversionary interest of the Texas Department of Transportation ("*TxDOT*") on September 1, 2058) (the "*SRT*").

In April 2011, the Authority created a separate system of toll roads known as the "Special Projects System." The Special Projects System is comprised of an 11.5-mile tollway between SH 183 south to IH 20 in Dallas County and designated as the President George Bush Turnpike Western Extension (State Highway 161) (the "*PGBT WE*") and a 27.6 mile tollway between IH 30 near the Central Business District in the City of Fort Worth and US 67 in Cleburne designated as the Chisholm Trail Parkway (the "*CTP*").

The $101,775,000 North Texas Tollway Authority System First Tier Put Revenue Refunding Bonds, Series 2012C (the "*Series 2012C Bonds*") and the $32,815,000 North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012D (the "*Series 2012D Bonds*" and, together with the Series 2012C Bonds, the "*Series 2012 Bonds*"), will be secured only by the NTTA System revenues and certain funds and accounts established pursuant to the Trust Agreement and not by the Special Projects System revenues or other assets of the Authority. Bonds issued under the trust agreement for the Special Projects System are not secured by the revenues of the NTTA System.

The Authority's Board of Directors (the "*Board*") has adopted a mission statement which provides that the mission of the Authority is to enhance mobility through responsible and innovative tolling solutions.

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

Counties' Oversight

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

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

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

Not later than the 90th day before the date of issuance of revenue bonds by the Authority, the Authority must notify each Member County's commissioners' court of any planned bond issue. The Authority notified the Member Counties of the issuance of the Series 2012 Bonds on January 27, 2012. Such notification remains effective through December 31, 2012.

During the Regular Session of the 82nd Texas Legislature that concluded on May 30, 2011, proposed legislation was introduced that would have required the Authority to undergo either an annual audit by the Texas State Auditor or a review by the Texas Sunset Advisory Commission. That effort to subject the Authority to an annual state audit or state review was ultimately unsuccessful in the Regular Session, and no legislation to that effect was ultimately enacted by the Legislature during the Regular Session or otherwise. The next regular session of the Legislature commences in January, 2013.

In response to the possibility of state review, one or more of the Member Counties proposed the alternative of a "local review" under which the Authority would pay an outside firm to evaluate its operational, administrative and finance functions. Alvarez & Marsal Business Consulting LLC ("*Alvarez*") along with its partner firm Animato was selected by the Member Counties to perform the review and was directed by the county judges of the Member Counties, along with the Authority's chairman. The final report containing Alvarez's findings and recommendations (the "*Alvarez Review*") was presented to the Board on October 18, 2011.

The Alvarez Review made 82 recommendations on governance, administrative and operational practices. The Alvarez Review emphasized that the recommendations come in the context of an organization with many strengths and a reputation as an international leader in the toll industry. The strengths noted include the Authority's strong finance and project delivery functions, its ability to build and maintain toll roads in a timely manner, and high customer satisfaction.

Recommendations included (i) the institution of a more effective governance model, (ii) strengthening Board conflicts of interest policies and procedures, (iii) changes in the Authority's organizational structure and strengthening its financial analytics capabilities, (iv) a comprehensive review of the collections organization and processes, and (v) the development of an updated and actively managed strategic and long range plan. The Alvarez Review did not find any malfeasance or impropriety at the Authority.

While the recommendations are not binding on the Board or the Authority, the Board carefully considered the recommendations and initiated a plan to implement most of the recommendations. As of June 12, 2012, of the 82 recommendations, 76% (62) of the recommendations have been completed and implemented, 18% (15) are currently in progress, 5% (4) relate to the Authority's organizational design and are pending future action by the Executive Director, and 1% (1) requires ongoing action relating to the county judges' decisions.

THE ALVAREZ REVIEW IS NOT INCORPORATED INTO THIS OFFICIAL STATEMENT BY REFERENCE OR OTHERWISE. The Alvarez Review is available upon request made to the Authority or may be accessed on the Authority's website by accessing the following link: *http://www.ntta.org/NR/rdonlyres/23BAD2E4-B2EC-4062-8004-8319100B806D/0/IFPRCoverLetter_FinalReport.pdf*. THE AUTHORITY, ITS FINANCIAL ADVISORS AND THE UNDERWRITERS DISCLAIM ANY RESPONSIBILITY AS TO THE ACCURACY OR COMPLETENESS OF THE CONTENT OF THE ALVAREZ REVIEW AND THE CONTENT OF ANY MATERIAL CONTAINED ON ANY LINK TO OR CONTENT OR MATERIAL ON OTHER INTERNET SITES OR HYPERLINKS/URL REFERENCES ACCESSED THROUGH THE ALVAREZ REVIEW.

GOVERNMENT AND MANAGEMENT

The Board of Directors

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

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

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

Key Staff Members

Name	Position	Current Position Since	At NTTA Since
Gerald E. Carrigan	Executive Director	04/18/2012	12/15/2008
Janice D. Davis	Assistant Executive Director of Strategic and Innovative Solutions and Acting Chief Financial Officer	09/21/2012	07/14/2008
Thomas Bamonte	General Counsel	09/13/2011	09/13/2011
Magdalena M. Kovats	Director of Internal Audit	03/24/2008	03/24/2008
Clayton Howe	Director of Business Ventures and Acting Assistant Executive Director of Operations	09/21/2012	03/04/2002
Everett Ray Zies	Controller	09/01/2008	09/01/2008
Elizabeth Mow	Assistant Executive Director of Project Delivery	06/19/2012	05/12/2008
Ruby Franklin	Secretary of the Board	05/03/2010	02/04/2008

See "**RISK FACTORS — Turnover in Executive Management.**"

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

GERALD E. CARRIGAN, P.E. Executive Director since April 2012. Mr. Carrigan is responsible for oversight of the operations of the Authority and acts as a liaison to key stakeholders within the region. Prior to being selected permanent Executive Director, Mr. Carrigan had served as the interim Executive Director since October 19, 2011. Mr. Carrigan served as Assistant Executive Director of Project Delivery before becoming Interim Executive Director and has been at the Authority since December 2008.

Mr. Carrigan offers more than 25 years of professional experience in the field of infrastructure program management, engineering, and construction management. Throughout his career, Mr. Carrigan has been involved in the development and implementation of major capital improvement programs for state, county, and municipal agencies. His expertise spans the full spectrum of projects ranging from major interstate and expressway corridor improvements to local maintenance projects. Mr. Carrigan is experienced in all phases of program delivery including the development of short and long range capital infrastructure programs, long and short range planning, project development and the 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 his bachelor’s degree in civil engineering from Southern Illinois University and his master’s degree in public administration from the University of South Florida. He is also a Registered Professional Engineer, and holds memberships and affiliations with several professional associations.

JANICE D. DAVIS, Assistant Executive Director of Strategic and Innovative Solutions and Acting Chief Financial Officer. As described below under "**—Management Additions and Changes**," Ms. Davis is transitioning to the newly created position of Assistant Executive Director of Strategic and Innovative Solutions where she will be responsible for innovative financing and business ventures to maximize and develop new revenue. From July 2008 to September 2012, Ms. Davis was Chief Financial Officer where she was responsible for debt issuance, banking, financial management and trustee, bondholder and broker relations, as well as oversight of the Finance Department. Ms. Davis will continue to act as Chief Financial Officer until such time as that position is filled. Ms. Davis has also been Treasurer of the Authority since July 2008 and will continue to be Treasurer going forward.

Prior to joining the Authority in 2008, Ms. Davis served for four years with the City of Atlanta as Chief Financial Officer and for four years as Secretary of Financial Oversight/Director of Finance for the City of Philadelphia. She has over 30 years of experience in a wide range of accounting, procurement, pension, financial service and budget areas.

Ms. Davis earned her bachelor of science degree in accounting at the University of New Orleans. She has served as a member of the Municipal Securities Rulemaking Board and was a fellow of the Robert Wood Johnson Urban Health Initiative.

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

THOMAS J. BAMONTE, General Counsel since September 2011. Mr. Bamonte directs and manages all legal functions of the Authority including management of outside legal counsel.

Prior to joining the Authority in 2011, Mr. Bamonte was general counsel at the Illinois State Toll Highway Authority ("*ISTHA*") where he advised its board of directors and senior management on a wide variety of legal matters relating to toll highway transportation. He also managed ISTHA's in-house law department and outside counsel.

Earlier in his career, Mr. Bamonte held a U.S. District Court clerkship with the Honorable James B. Moran and spent a decade as a litigator specializing in corporate control issues. He served as Chairman of the Corporation and Business Law Committee of the Chicago Bar Association and was one of the co-drafters of the revised Illinois Business Corporation Act. Starting in 1996, Mr. Bamonte served in various positions in the public sector with the City of Chicago and Chicago Transit Authority, where he became First Deputy General Counsel prior to moving to ISTHA in 2004.

Mr. Bamonte earned his bachelor's degree at the University of Chicago and his juris doctor from Northwestern University School of Law, where he served as editor-in-chief of the Journal of Criminal Law and Criminology.

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

Prior to joining the Authority in 2008, Ms. Kovats worked for public companies and professional services firms in similar internal audit capacities. Most recently, she was the director of internal audit for Friedman's Inc. where she established the company's internal audit department. Ms. Kovats has also been a subject matter expert on internal audit issues such as Sarbanes-Oxley and has provided extensive training both internally and externally.

Ms. Kovats graduated from the University of North Texas ("*UNT*") with a bachelor of science and master of science in accounting and is a committee member of the Dallas Chapter of the Institute of Internal Auditors and chair of the UNT Internal Audit Advisory Board.

CLAYTON HOWE, Director of Business Ventures and Acting Assistant Executive Director of Operations. As described below under "**—Management Additions and Changes**," Mr. Howe is transitioning to the newly created position of Director of Business Ventures where he will be responsible for tolling services agreements, fiber leasing and other revenue opportunities. From September 2007 to September 2012, Mr. Howe was Assistant Executive Director of Operations where he had operational responsibility for the activities and the strategic planning in the areas of the customer service center, maintenance, system and incident management and the information technology departments. Mr. Howe will continue to act as Assistant Executive Director of Operations until the position is filled.

Mr. Howe joined the Authority in 2002 as the Assistant Director of the Maintenance Department focusing on the initial implementation of the Asset Management program. In 2003, Mr. Howe became the Assistant Director of the Toll Programs and Services Department to oversee the implementation of the Customer Service Center initiative. In 2004, he became the Director of Toll Programs and Services, responsible for the operational activities and the strategic planning in the areas of the Command Center, Vault Collection and Processing, DPS support, Loss Prevention and the Customer Service Center. In 2006, Mr. Howe became the Director of Customer Programs and Services and was tasked with the development of service offerings to include customer experience management and fiscal accountability. Mr. Howe currently serves as the Chair of the Team Texas Interoperability Technical Task Force supporting the development of the initial business requirements and technical standards and serves on the Board of Trustees for the Alliance for Toll Interoperability, a nonprofit organization developing a national interoperability solution for tolling agencies.

Mr. Howe graduated with a degree in plant engineering from Texas State Technical College in Waco, Texas.

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

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

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

ELIZABETH MOW, Assistant Executive Director of Project Delivery since June 2012. Ms. Mow is responsible for the day to day management of project implementation, from the planning stage through construction on all new turnpike and capital improvement projects and for administering the effective and efficient operation of the project delivery process for the Authority through the oversight of assigned traffic corridors, and for defining strategies and accomplishing goals and objectives relating to the development and delivery of projects. Prior to being appointed as the permanent Assistant Executive Director of Project Delivery, Ms. Mow served as Interim Assistant Executive Director of Project Delivery since October 2011. Ms. Mow served as Director of Project Delivery before becoming Interim Assistant Executive Director of Project Delivery and has been with the Authority since May 2008.

Prior to joining the Authority, Ms. Mow's professional experience included 10 years as a consultant where she served in many design and management roles.

Ms. Mow graduated from the University of Toledo, Ohio with a bachelor of science degree in civil engineering and is a licensed Professional Engineer in the State of Texas.

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

Management Additions and Changes

The Authority is actively searching for a Deputy Executive Director, a position that has been vacant for approximately three years. The Deputy Executive Director will lead all day-to-day operations activities of the Authority. The Authority expects to fill this position by November of 2012.

Ms. Davis, the former and current acting Chief Financial Officer, is transitioning to the newly created position of Assistant Executive Director of Strategic and Innovative Solutions where she will be responsible for innovative financing and business ventures to maximize and develop new revenue. Ms. Davis will also continue to act as Chief Financial Officer until the position is filled. The Authority expects to begin the search soon for a new Chief Financial Officer. Ms. Davis has been Treasurer of the Authority since July 2008 and will continue in that capacity going forward.

Mr. Howe, the former and current acting Assistant Executive Director of Operations, is transitioning to the newly created position of Director of Business Ventures where he will be responsible for tolling services agreements, fiber leasing and other revenue opportunities. Mr. Howe will also continue to act as Assistant Executive Director of Operations until the position is filled. The Authority expects to begin the search soon for a new Assistant Executive Director of Operations.

During the transitions, staff will remain in their current roles managing all operational and financial functions of the Authority and are expected to be available during the transition of new management staff.

THE NTTA SYSTEM

General

The Authority operates and maintains the NTTA System. The NTTA System currently consists of the DNT, the AATT, the PGBT, the PGBT EE, the MCLB, the LLTB, and the SRT. The SRT is subject to the reversionary interest of TxDOT on September 1, 2058.

The NTTA System also includes such additional extensions, expansions, improvements, and enlargements to the NTTA System as may be designated by the Board. The average daily revenue vehicle transactions on the NTTA System increased from 630,260 in fiscal year 2001 to approximately 1,406,724 in fiscal year 2011. From fiscal year 2001 to fiscal year 2011, as additional segments of the PGBT and DNT were opened to traffic and as the LLTB, SRT and PGBT EE were added to the NTTA System and opened to traffic, the lane miles of the NTTA System increased from approximately 272 to approximately 744. Presented below are descriptions of the seven existing components of the NTTA System, other committed NTTA System extensions, other potential Authority projects, and a discussion of the Authority's electronic tolling system, toll collections process, operations and its multi-year capital improvement program.

The Authority has also established and operates the Special Projects System. **The Series 2012 Bonds will be secured only by the NTTA System revenues and not by the Special Projects System revenues or other assets of the Authority.**

In the future the Authority may refinance the debt related to the Special Projects System as NTTA System debt and make the facilities that are a part of the Special Projects System a part of the NTTA System.

The Dallas North Tollway

The DNT is a limited access tollway providing a connection for motorists between downtown Dallas and cities in northern Dallas and southern Collin and Denton Counties. It is currently a six-lane, limited access expressway passing through or along the cities of Dallas, Highland Park, University Park, Addison, Farmers Branch, Plano and Frisco and is approximately 31 miles in length. The first section of the DNT from downtown Dallas to IH-635 (LBJ Freeway) opened to traffic in June 1968. It was extended to Briargrove Lane in 1987, to Legacy Drive in 1994, over the SRT in Collin County in 2004 and to US 380 in September 2007. The DNT connects with major traffic arteries in the areas it serves: IH-35E (Stemmons Freeway), Loop 12, IH-635, Belt Line Road, Frankford Road, PGBT, Park Boulevard, Legacy Drive, the SRT, FM 2934 (Eldorado Parkway) and US 380. A significant north-south commuter route, the DNT averaged approximately 588,497 revenue vehicle transactions per day in fiscal year 2011.

The President George Bush Turnpike

The PGBT is the northern portion of a potential outer loop around the Dallas Metropolitan Area. The PGBT runs from West Belt Line Road in Irving to SH 78 in Garland, a distance of approximately 30 miles. It passes through seven cities and three counties, links commuters to high-tech corridors and corporate headquarters and gives motorists additional access to US 75 (Central Expressway), the DNT, IH-35E and IH-635. It also provides an alternative route to the Dallas-Fort Worth International Airport. The PGBT averaged approximately 524,951 revenue vehicle transactions per day in fiscal year 2011.

The President George Bush Turnpike Eastern Extension

General Information Regarding the PGBT EE

The PGBT EE is an extension of the PGBT from SH 78 east and south to IH 30 and is approximately 9.9 miles in length. The PGBT EE 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 was opened in its entirety to traffic in December 2011. The PGBT EE was developed, financed and constructed and is operated by the Authority under a Two-Party Agreement (the "*PGBT EE Project Agreement*") dated December 5, 2007, as amended, between the Authority and TxDOT. The PGBT EE Project Agreement is incorporated by reference herein. See "**INCORPORATION BY REFERENCE**."

The total project cost, including any amounts to be paid by others under the local funding agreements, was estimated at $958 million, although the Authority anticipates the project completion cost will be approximately $835 million, inclusive of ongoing landscaping costs through 2014. Per the PGBT EE Project Agreement, TxDOT was responsible for the design, construction, and construction support of the IH 30 Interchange and Lake Ray Hubbard Bridge and has provided financial assistance in the form of a toll equity grant in the amount of approximately $160 million that was used for right-of-way acquisition, utility relocations, and other mutually agreed items for the PGBT EE. The Authority's share of project costs is budgeted at $539 million but the Authority estimates that its share of project costs will be approximately $445 million, inclusive of ongoing landscaping costs through 2014. As of June 30, 2012, the Authority had spent approximately $405 million (net of reimbursements) on the PGBT EE. The Authority believes it has sufficient cash on hand to finish the remaining portions of the PGBT EE for which it has responsibility, which is mainly landscaping.

The PGBT EE Project Agreement

<u>General</u>.

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

<u>TxDOT Obligations</u>. TxDOT is responsible for developing and constructing the IH-30 interchange and the Lake Ray Hubbard Bridge. TxDOT has completed its construction obligations on schedule and final construction is ongoing.

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

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

Revenue Sharing. The Authority is required to provide revenue sharing as described in the PGBT EE Project Agreement through a supplemental toll to be collected by the Authority and held in trust for TxDOT for the benefit of the North Central Texas region. The supplemental toll to which TxDOT is entitled is equal to 20% of the publicly announced toll. Revenues from the supplemental toll are not part of the Trust Estate and are not pledged to the Series 2012 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.

The Mountain Creek Lake Bridge

The MCLB, in southwestern Dallas County, opened in April 1979. The MCLB has helped support economic development in the area by providing a direct east-west crossing of Mountain Creek Lake between the Oak Cliff section of Dallas and the City of Grand Prairie. Linking communities in the southern part of Dallas County with those in Tarrant County, MCLB provides convenient access to attractions like Six Flags Over Texas, the Dallas Cowboy Stadium and the Ballpark in Arlington, as well as many other area businesses and recreational facilities in Grand Prairie and Arlington. The MCLB extends eastward from the intersection of Spur 303 and Southeast 14th Street in Grand Prairie, across the lake, to the intersection of Spur 303 and Mountain Creek Parkway in Dallas. The total length of the MCLB project is approximately 2.0 miles. The two-lane bridge structure is 7,425 feet long and averaged approximately 6,719 revenue vehicle transactions per day in fiscal year 2011.

The Addison Airport Toll Tunnel

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

The AATT expands traffic capacity and eases congestion in the northern sector of Dallas and Addison by providing an alternate east-west route between the DNT and IH-35E. The tunnel allows motorists to continue on Keller Springs Road, which once ended on either side of Addison Airport, paralleling Belt Line Road and Trinity Mills Road, both congested city streets. The AATT averaged approximately 5,286 revenue vehicle transactions per day in fiscal year 2011. The Authority designed improvements to the east approach of the AATT. In addition, the town of Addison is considering the widening of Keller Springs Road east of the Addison Road intersection.

Lewisville Lake Toll Bridge

The LLTB, a 1.7-mile four-lane bridge, opened to traffic in August 2009 and provides an east-west route over Lewisville Lake in southern Denton County. To ease the obstruction to east-west travel caused by Lewisville Lake, the cities of Lake Dallas, Little Elm and Frisco, Denton County, TxDOT and the Authority worked together to provide this link. The Lewisville Lake corridor is 13.8 miles long and includes the LLTB and the 0.3-mile flowage easement bridge built by the Authority. The Authority is providing project oversight for the entire corridor and the cities and counties are responsible for the design and construction of the approach roadways to the LLTB. The west approach roadway is complete. The east approach roadway is not expected to be finalized until the end of 2014, although a two lane road from the east is open and is required to remain open until the east approach roadway is complete. The LLTB averaged approximately 9,718 revenue vehicle transactions per day in 2011.

The Sam Rayburn Tollway

General Information Regarding the Sam Rayburn Tollway

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

The SRT Project Agreement contains the obligations of the Authority and TxDOT relating to the financing, development and operation of the SRT. On September 1, 2058, the Authority's interests in the SRT will revert back to TxDOT. The initial acquisition of the rights in the SRT required a payment by the Authority to TxDOT (or its designee) in the amount of approximately $3.2 billion, which was made on November 29, 2007. Because of a dispute between the Authority and TxDOT relating to the aggregate amount of the market interest rate adjustment to the acquisition payment made to TxDOT by the Authority, the Authority agreed to deposit $25,598,767 into a trust account as performance security for its obligations under tolling service agreements to be entered into with private developers who operate toll projects in the Authority's service area. See "**TOLLING SERVICES AGREEMENTS**." The deposit is required to be made six months before the scheduled opening date of any such toll project and will not be an asset of the Authority. The Authority may utilize funds from the Capital Improvement Fund or may borrow funds to make the deposit.

The SRT serves as a northeast-southwest traffic artery between IH 35E and US 75. The SRT corridor continues to experience growth in commercial, retail and residential development. The SRT is also an artery serving the Dallas-Fort Worth International Airport. The SRT includes 3 main lane toll gantries and 40 ramp toll gantries. The SRT is comprised of five segments with the fifth segment opening to traffic in November 2011. The SRT averaged approximately 271,553 revenue vehicle transactions per day in fiscal year 2011.

Project Costs

The total estimated costs to complete the SRT by the Authority is $638,810,700 (excluding $59,309,300 (in 2007 dollars) of project costs for the expansion from six to eight lanes scheduled for 2019). The Authority is monitoring expenditures on the SRT to keep it on budget. As of June 30, 2012, the Authority had spent approximately $589 million (net of reimbursements) on the SRT and has cash on hand to finish the initial construction of the SRT.

The SRT Project Agreement

General. The SRT Project Agreement contains the representations, commitments, and obligations of the Authority and TxDOT related to the development, financing, design, construction, operation, maintenance, and handback of the SRT. TxDOT acknowledges its approval of and support for the financing, design, construction, operation, and maintenance by the Authority of the SRT as a turnpike project pursuant to the Authority Act. TxDOT agrees to take all actions reasonably requested by the Authority in furtherance of the purposes of the SRT Project Agreement. Upon the Service Commencement Date (as defined herein) for each Segment of the Project, and after completion of the required public hearing and approval by the Texas Transportation Commission and the Governor, TxDOT and the Authority intend that such Segment's main lanes and associated right-of-way, but not the frontage roads, will be removed from the state highway system and transferred to the Authority; provided, that various interchanges and underpass and overpass structures will remain with TxDOT. The public hearings for the transfer of the Segment 1, Segment 2 and Segment 3 main lanes and associated right-of-way were held in August 2007, July 2008 and September 2009, respectively, and the Texas Transportation Commission approved the transfer of Segments 1, 2 and 3 main lanes and associated right-of-way. A public hearing has not yet been set for the transfer of Segment 4 main lanes and associated right-of-way. The failure to remove any Segment from the state highway system and to transfer such Segment to the Authority will not affect the right of the Authority to continue to develop and operate the SRT. TxDOT agrees not to use the various retained structures in a manner that would interfere with access to and egress from the SRT or the safe and efficient operation of the SRT.

Capacity Improvements. The Authority is required to make capacity improvements to the SRT if certain minimum required levels of service are not maintained.

Operations and Maintenance. The Authority is responsible for operation and maintenance for the SRT and associated right-of-way and is required to operate and maintain the SRT 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.

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

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

Toll Rates. The Authority has covenanted to charge toll rates on the SRT that do not exceed the maximum rates for each user classification as set forth in the SRT Project Agreement, unless the Authority determines that it is necessary to (a) preserve the financial condition of the NTTA System, (b) comply with the provisions of any bonds, notes, trust agreements or other financial instruments or agreements secured by the revenues of the NTTA System, or (c) comply with law. Prior to establishing rates in excess of those set forth in the SRT Project Agreement, the Authority must increase the toll rate schedule for the remainder of the NTTA System (other than those portions for which a lower toll rate is projected to produce higher revenues) to a level substantially equivalent to the toll rate schedule for the SRT. The toll rate 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. The SRT Project Agreement has provisions for a peak period pricing study and the implementation of time of day pricing on the SRT.

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

(i) the Authority's failure to make any payment due TxDOT under the SRT Project Agreement or to deposit funds to any reserve or account as required under the SRT Project Agreement, and such failure is not cured within thirty (30) days after written notice from TxDOT; and

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

Remedies. TxDOT is entitled to seek an action in mandamus against the Authority on account of the occurrence of an Authority Default. Upon the occurrence of an Authority Default involving any payment due TxDOT, TxDOT is entitled to recover from the Authority said unpaid amounts, plus interest thereon at the floating rate equal to the LIBOR in effect from time to time plus 2.0% from and after the date such payment becomes due to TxDOT until paid, to the extent such interest rate does not exceed the maximum rate permitted by law.

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

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

Electronic Tolling

The Authority uses the Regional Integrated Toll Enhancements ("*RITE*") System, an integrated software, hardware, and management system for toll collection that enables the Authority to manage its roadways and operations through automated revenue audit and reconciliation 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 the Authority ("*TollTags*") or other transponders that are interoperable with the Authority's AVI system, and tolls are collected from the customer's account with the Authority or the issuer of such other transponders. With ZipCash, for users without a TollTag or other transponder (or if the transponder is inoperative or malfunctioning), an image of the vehicle's license plate is captured in the lane and used to identify the vehicle's owner for invoicing. See "**Operations — Revenue Assurance**" below for information regarding collection of TollTag and ZipCash transactions.

The RITE System was recently upgraded to provide enhanced functionality, improved financial reporting, increased customer convenience offering various account plans and payment options for TollTag and ZipCash customers, and more effective customer service with the combination of three sub-systems with one user interface and common customer account information and lookup features. The RITE System technology platform is also being upgraded in an effort to improve its overall performance, to include operational stability, scalability, and maintainability. The Authority expects the RITE System technology platform upgrade to be complete by the end of the first quarter of 2013.

Operations

General

The Authority and its predecessor, TTA, have operated toll roads in the North Texas region for more than 50 years. The number of active TollTags was over 2.41 million as of June 30, 2012. The NTTA System currently utilizes a main lane gantry ("*MLG*") configuration for toll collection. Each facility has MLGs at which user information is captured in both directions, with ramp toll gantries to prohibit toll-free entrance or exit from the NTTA System. The entire NTTA System is All-ETC. Under the current toll schedule, the weighted average two-axle TollTag toll rate for the NTTA System is approximately $0.153 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 40 ramp toll gantries. The PGBT EE has one MLG with three lanes in each direction and six pairs of ramp toll gantries. There is one MLG at each of the AATT, the LLTB and the MCLB.

To administer the NTTA System and the Special Projects System, the Authority has budgeted for up to 733 employees to be involved in maintenance, customer service, administration, project delivery, finance, human resources, government affairs, information technology, legal, communications and marketing, loss prevention, internal audit and business diversity.

Revenue Assurance

As described above, all roadways of the Authority are All-ETC, with the last major portion of the NTTA System (being DNT, AATT and MCLB) converted to All-ETC in December 2010, thereby eliminating toll booths and cash collection of tolls on the NTTA System. 2011 was the first full year that the entire NTTA System operated on an All-ETC basis. With All-ETC, the Authority collects tolls in only two ways, through its AVI system or through its ZipCash video tolling system. A transaction where 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 is recorded as a TollTag transaction by the Authority. All other toll transactions are recorded as ZipCash transactions. A transaction initially recorded as a ZipCash transaction may be later identified and reclassified as a TollTag transaction. The Authority calls these "*VToll*" transactions. VToll transactions occur when a vehicle associated with a TollTag account passes through a toll gantry but the TollTag is not detected by the AVI equipment or the transaction is detected but not recorded as a TollTag transaction. The transaction may be detected by the AVI equipment but not be recorded as a TollTag transaction for a number of reasons, including a negative balance on the TollTag account at the time of the transaction or the vehicle not being listed as authorized on the account. A TollTag may not be detected because the AVI equipment fails to identify the transponder or the transponder is not installed in the vehicle as required by the user license agreement.

A normal TollTag transaction is collected by immediately 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 the Authority and mailed to the owner of the vehicle using the tollway. In order 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, the Authority is unable to pursue collection of that transaction. The Authority may not be able to match the license plate information to the vehicle owner information because the vehicle had out-of-state license plates and the Authority was unable to obtain vehicle owner information or the license plate information did not match the Texas Department of Motor Vehicles' registration records.

If a ZipCash transaction is pursuable, the Authority will determine if the transaction meets its business rules regarding the invoicing of transactions. The business rules establish the minimum number of transactions 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 owner, the Authority 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.

When the decision was made to convert the NTTA System to All-ETC, the Authority developed and implemented a revenue assurance plan ("*RAP*") focusing 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 TollTag system, so increasing the percentage of TollTag transactions on the NTTA System has a direct, positive effect on net revenues. Increasing the number of pursuable ZipCash transactions 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 expenses and revenues. The RAP provides for quarterly review and tracking of projects and initiatives that impact these key areas and to identify needed improvements to the key areas in order to optimize toll operations and net revenues.

In 2011, the Authority modified its revenue collection system by changing the invoicing process and timeline to comply with new state legislation relating to toll collection and enforcement procedures known as SB 469 (see "**THE NTTA SYSTEM — Legislative Changes to Toll Collection Process**") and implementing "DocNo," a process to improve the owner address information capture from the Texas Department of Motor Vehicles. Thereafter, in late 2011 and early 2012, the Authority's management became aware of certain negative trends in TollTag penetration rates and ZipCash revenue collections. After trending upwards in previous years, the TollTag penetration rate decreased from 76.3% for January 2011 (which consists of 70.5% of transactions initially recorded as AVI transactions plus 5.8% of transactions reclassified from ZipCash to VTolls as of January 31, 2011) to 74.9% for January 2012 (which consists of 64.6% of transactions initially recorded as AVI transactions plus 10.3% of transactions reclassified from ZipCash to VTolls as of January 31, 2012). As of July 15, 2012, the percentage of transactions constituting TollTag transactions for the six-month period ended June 30, 2012 was 79% (which consists of 65% of transactions initially recorded as AVI transactions plus 14% of transactions reclassified from ZipCash to VTolls through June 30, 2012).

TollTag penetration percentages are adjusted upward as VToll transactions are moved from the ZipCash category to the TollTag category. The majority of adjustments for VTolls occur within six months of the transaction, but may be made at any point after a transaction. VToll transactions are 100% collectible because they become VToll transactions due to the fact that they become associated with a TollTag account with enough money in the account to pay the toll. The Authority does, however, incur additional costs in connection with VToll transactions as compared to normal TollTag transactions as various resources are required to be used in determining the existence of a VToll transaction and the re-categorization of the transaction as a TollTag transaction. While the Authority incurs these additional costs, the transaction has historically been collected at the TollTag toll rate rather than the higher ZipCash toll rate. As noted above, the percentage of VToll transactions has trended upward from an average of 5.8% for January 2011 to 10.3% for January 2012 and 14% for January 2012 through June 2012. To offset these additional costs, in mid-2012 the Authority shifted to assessing the ZipCash rate for VToll transactions resulting from account user error, such as where an account has a negative balance or the vehicle was not authorized on the account.

The Authority's management also became aware in late 2011 that cash generated by ZipCash transactions was not at levels projected in the Authority's traffic engineers' report, indicating lower ZipCash revenue recovery than expected. See the TollTag Share/ZipCash Recovery Sensitivity Test Table below under the heading "**THE TRAFFIC AND REVENUE STUDY" — Updated Long-Term Traffic and Revenue Estimates**" for the effects that the lower TollTag penetration and ZipCash revenue recovery are projected to have on estimates of annual toll revenues. Several consultants have been engaged to assess various aspects of the Authority's toll operations, including TollTag penetration and the rate of pursuable ZipCash transactions, and provide recommendations for any deficiencies they might identify. Another consultant was engaged to perform a broader end-to-end assessment of the revenue collection process and procedures to identify commercial credit/collection industry best practices that could be applied to the Authority's processes and procedures. The end-to-end assessment of the revenue collection process has been finalized. However, all other reviews are in the process of being finalized and will be presented to the Board in the next several months, although preliminary findings were presented to the Board in March and April 2012.

In its preliminary findings the consultants reviewing TollTag penetration and rate of pursuable ZipCash transactions determined that, in almost all areas, the Authority's toll collection system is operating at or near industry expected levels of performance. However, the consultants working with the Authority's staff did identify opportunities to improve TollTag penetration and the number of pursuable ZipCash transactions. The consultant reviewing the revenue collection process has also made specific recommendations for improvements. The Alvarez Review also made recommendations as to collections process improvements. See "**INTRODUCTION AND OVERSIGHT — Counties Oversight.**" The Authority has implemented or is in the process of implementing improvements to the image capture capabilities in the lanes, additional technology solutions and modifications to business rules regarding disbursement of ZipCash invoices. The Authority is also considering the implementation of a number of other recommendations, including:

- customer service center software updates,
- modifications to customer service center internal procedures,
- improvements to inter-departmental communication,
- regular lane audits of high risk toll zones,
- improved maintenance of lane equipment,
- targeted corridor campaigns to increase TollTag penetration,
- programs to replace hard case TollTags with sticker tags,
- adding the ability to allow partial payments and payment plans for ZipCash transactions, and
- improvements to arrangements with collection agencies engaged by the Authority.

The Authority is also reviewing the use of additional types of TollTag plans, such as lower balance thresholds and pre-loaded TollTags, a possible increase in the ZipCash premium, additional fees for ZipCash users and the charging of ZipCash rates for VTolls to recover the additional collection costs of VTolls and to discourage customer-behavior related causes of VTolls. In June 2012, the Board authorized the use of civil lawsuits against repeat violators, as well as the establishment of a website for the posting of names of violators who have failed to pay 100 or more tolls in an effort to increase the Authority's collection of unpaid tolls and fees. The Board also authorized the General Counsel to retain outside counsel to assist with collection efforts and the General Counsel has subsequently retained several law firms to assist with these matters. In July 2012, the Authority began posting the names of all violators who failed to pay 100 or more tolls on its website. In September 2012, the Board adopted administrative rules to allow for the issuance of orders prohibiting repeat toll violators from accessing the Authority's tollroads and the impoundment of vehicles traveling on the Authority's tollroads in violation of those orders.

Toll Collection Variance

The variance between traffic using the facility and tolls actually collected is an issue for all modern tollway systems that seek to maximize vehicle "throughput," improve safety and realize environmental benefits through the use of All-ETC at highway speeds on their facilities. As described above, the conversion of all roadways of the Authority to All-ETC was completed in December 2010.

The Authority has determined that due to the complete conversion to All-ETC, a change in methodology in calculating the variance between traffic using the NTTA System and tolls actually collected is necessary to provide better information in tracking the toll collection variance. The Authority previously used a calculation that was adopted by the Board in 2004 before the advent of All-ETC that took into account earned revenue, collected revenue, violation invoices, images in process for collection and collected violation administration fees. The new methodology (the "*All-ETC methodology*") to calculate toll collection variance used by the Authority starting with 2011 is as follows:

$$\frac{\textit{(value of invoiced ZipCash transactions for the year uncollected as of year-end} \\ \textit{+ value of uninvoiced ZipCash transactions for the year as of year-end)}}{\textit{value of all AVI and ZipCash transactions that have occurred during the year} \\ \textit{as adjusted for VTolls}}$$

An AVI transaction is valued at the TollTag toll rate for that transaction, and 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.

Using the All-ETC methodology, the toll collection variance for the NTTA System for 2011 was ($44,675,438 + $38,069,555)/$493,585,247, or 16.75% and for the six-month period ended June 30, 2012 was ($22,673,962 + $23,683,628)/$291,015,579, or 15.93%.

ZipCash transactions constituted 31.87% of the value of all NTTA System transactions in 2011 and 32.19% of the value of all NTTA System transactions for the six-month period ended June 30, 2012. For 2011, approximately 47.39% of those ZipCash transactions (or 16.75% of the value of all toll transactions for the NTTA System) were not collected by the Authority as of the end of 2011, and for the six-month period ended June 30, 2012, approximately 49.48% of those ZipCash transactions (or 15.93% of the value of all toll transactions for the NTTA System) were not collected by the Authority as of June 30, 2012. In both cases, tolls were not collected because they were (i) invoiced to the tollway user but not collected within the applicable period, (ii) not invoiced to the user because the transaction did not meet the Authority's business rules regarding the distribution of invoices, or (iii) 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.

Because the All-ETC methodology does not include ZipCash transactions collected after the end of the calendar year in which the transaction occurred, the Authority also reports total ZipCash collections for the calendar year. This amount includes all ZipCash transactions collected regardless of the date the transactions occurred. For 2011, total ZipCash collections were approximately $31.8 million. Total ZipCash collections for the six-month period ended June 30, 2012 were approximately $29.2 million.

Prior Year's Toll Collection Variance

The Authority has not historically retained records of certain information necessary to calculate the toll collection variance for 2010 using the All-ETC methodology, such as the value of year-end uncollected invoiced ZipCash transactions and year-end uninvoiced ZipCash transactions. Therefore, the Authority cannot provide the 2010 toll collection variance utilizing the All-ETC methodology for comparison purposes. Total ZipCash collections in 2010 were approximately $28.8 million.

Using the old methodology for calculating the toll collection variance, for 2010 the Authority reported what was called a "violation percentage" of 5.55%. However, as noted above, the old methodology was developed in 2004 when all non-TollTag transactions were collected on a cash basis through a cash payment at a toll booth and the Authority has determined that with the use of the cashless All-ETC on the entire NTTA System the All-ETC methodology provides a more appropriate and informative calculation of toll collection variance. One difference between the two methods is that under the old method, collected administrative fees were included as revenues in the calculation to reduce the violation percentage. The Authority reports these revenues as "other revenue" in its financial statements and not as part of toll revenue, as these fees are intended to cover the cost of collecting the invoiced tolls. Also, under the old method, all invoiced and uninvoiced transactions were included and assumed to be 100% collectible. The inclusion of these in the calculation at 100% reduced the violation percentage.

Revenue Recovery Assumptions in Traffic and Revenue Study

The current Traffic and Toll Revenue Study report for the NTTA System (defined below as the "*2012 Report*") reflects the most current ZipCash revenue recovery assumptions and distribution of TollTag/ZipCash transactions. For transactions recorded in calendar year 2012, the 2012 Report uses a revenue recovery rate of 39.4% for all ZipCash transactions (includes invoiced and uninvoiced transactions and excludes all VTolls) at one year after the transaction, with the rate ramping up to 52.5% for transactions recorded in calendar year 2015 and holding steady thereafter. For calendar year 2012, the 2012 Report assumes the current TollTag penetration rates (including all VTolls) for each NTTA System roadway, with a ramp up based on a logistical function to an average of 81.1% for all NTTA System roadways in 2020, 83.7% in 2030, 84.6% in 2040, 84.9% in 2050 and 85.0% in 2060 and thereafter. This maximum TollTag penetration assumption remains unchanged from the October 2011 Report (defined below). See "**THE TRAFFIC AND REVENUE STUDY**." Projected annual toll revenues in the 2012 Report and used in the calculation of estimated debt service coverage for NTTA System debt are revenues projected to be actually collected in each year (*i.e.*, cash basis) after applying the above-described assumptions to the projected toll transactions for the year. See "**ESTIMATED TOLL REVENUES, EXPENSES, OTHER INCOME, AND ESTIMATED DEBT SERVICE COVERAGE**." Historical toll revenues and historical debt service coverage are based on revenues determined on an accrual basis in accordance with generally accepted accounting principles. 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 (see "**RISK FACTORS — General**" and "**— Forward-Looking Statements**").

Reporting of Toll Accounts Receivable

In its annual audited and monthly unaudited financial statements the Authority 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 generally accepted accounting practices. Certain toll transactions are recorded as receivables in accordance with generally accepted accounting practices.

In August 2007, the Authority's Board voted to initiate the process to convert its roadways to All-ETC. The south entrance to DNT was converted in late 2007. SRT opened as a TxDOT facility in 2007 as All-ETC and the Authority began collecting tolls on its own behalf in September 2008. PGBT was converted to All-ETC in July 2009 and the remainder of the NTTA System's facilities were converted in December 2010. Before the advent of All-ETC, toll receivables were limited to violations noted at the lane level of the facilities. With the implementation of All-ETC, there are no longer any violations noted at the lane level as each vehicle passing through a toll gantry not recorded as an AVI transaction is classified as a ZipCash transaction. Toll receivables as of December 31, 2007 were $676,626. As the facilities were converted to All-ETC, the toll receivable balance began to grow. As of December 31, 2008, net toll receivables were $3,197,033, which included an allowance for uncollectible receivables of $4,506,601. As of December 31, 2009, net toll receivables were $6,805,803, which included an allowance for uncollectible receivables of $8,572,648. As of December 31, 2010, net toll receivables were $11,421,679, which included an allowance for uncollectible receivables of $23,376,284. As of December 31, 2011, net toll receivables were $21,277,571, which included an allowance for uncollectible receivables of $35,839,991. 2011 represents the first full year of the entire NTTA System being All-ETC. See "**APPENDIX B-1**" for the audited financial statements of the Authority's NTTA System Enterprise Fund for the fiscal year ending December 31, 2011.

Prior to the audited financial statements for 2011, the Authority recorded a ZipCash transaction as an account receivable when the transaction was invoiced to the user. Uninvoiced ZipCash transactions were not recorded as a receivable or any other type of asset. Currently, the Authority maintains an allowance for uncollectible receivables in its financial statements with respect to a toll receivable, with the amount of the allowance based on whether the toll receivable has been invoiced and, if invoiced, where the toll receivable is at in the collection process. A 25% allowance is made for toll receivables in the "current invoice process," meaning invoiced transactions which have not incurred administrative fees or fines in the collections process. Receivables in the current invoice process generally have an age of 60 days or less. An 85% allowance is made for a toll receivable after it moves from the "current invoice process" to the "violation invoice process," which means administrative fees or fines have been incurred with respect to the transaction and that, generally, it is more than 60 days old. At this time, the Authority currently does not write off any of its toll receivables because of age or otherwise, thus the allowance for uncollected receivables continues to grow.

The audited financial statements for 2011 included, for the first time, revenue that has been earned but has not yet been invoiced due to the Authority's business rules. The Authority now books as an account receivable the value of uninvoiced ZipCash transactions that are categorized as "matched, current address," with an allowance for uncollectible receivables of 85%. The amount of "matched, current address" transactions as of December 31, 2011 was $15,665,256. After the allowance, net toll receivables for such uninvoiced transactions as of December 31, 2011 was $2,349,788.

As of December 31, 2010, 29.5% of the invoiced toll receivables were still in the current invoice process, while 70.5% had moved to the violation invoice process. Of all invoiced toll receivables on that date, 20.0% were less than 30 days old, and 46.0% were over 120 days.

As of December 31, 2011, 41.6% of the invoiced receivables were still in the current invoice process, while 58.45% had moved to the violation invoice process. Of all invoiced toll receivables on that date, 28.3% were less than 30 days old, and 47.1% were over 120 days. As part of its implementation of improvements to the vehicle owner address information capture from the Texas Department of Motor Vehicles in the last calendar quarter of 2011, the Authority significantly reduced the number of invoices mailed to tollway users in November and also "unassigned" a large number of transactions in November and December that had been previously invoiced but with incorrect owner information. Being "unassigned" means that the transactions were removed from accounts receivable. Unassigned transactions may be re-invoiced if correct owner information is obtained. The unassigning of transactions in November and December, together with the invoicing of a significantly higher number of receivables in December than in previous months, caused the amount of invoiced accounts receivable in the "current invoice process" as of December 31, 2011 to be significantly higher than for previous months.

Legislative Changes to Toll Collection Process

Senate Bill 469 ("*SB 469*") was passed by the 82nd Texas Legislature and became effective on September 1, 2011. SB 469 made several changes to the statutory provisions controlling the Authority's toll collection process set forth in Texas Transportation Code Section 366.178. First, it provides that the Authority may charge an administrative fee of not more than $25.00, in addition to the invoiced and unpaid tolls, on the first notice of nonpayment sent to the registered owner of a nonpaying vehicle. If a second notice of nonpayment is sent, SB 469 allows the Authority to seek payment of the initial $25.00 administrative fee, the unpaid tolls, plus an additional administrative fee of $25.00 for each unpaid toll, not to exceed a total of $200.00. If a third notice of nonpayment is sent, the Authority may seek payment of all amounts sought in the second notice, plus any third-party collection service fees; further, the registered owner is then subject to prosecution, and SB 469 prohibits waiver by the court of the unpaid tolls, administrative fees, and third-party collection costs unless it finds that the registered owner is indigent. SB 469 also amends Texas Transportation Code Section 366.178 to more explicitly reference the Authority's current video tolling practices. The Authority has implemented changes to its current toll collection practices to comply with SB 469. Changes implemented include RITE System upgrades (which are currently ongoing), customer service business rules and process changes, invoice redesign, collection agency and court process changes, and Government Affairs and Communications key messages and public outreach initiatives.

Multi-Year NTTA System Capital Plan

The estimated costs for the major maintenance, rehabilitation, and capital improvement program for the NTTA System over the 2012-2016 period (the "*Capital Improvement Program*" or "*CIP*"), in addition to the construction costs of corridor expansion projects, are expected to be approximately $258 million (2012 year-to-date expenses as of June 30, 2012 have been approximately $24 million). Of the $258 million, approximately $100 million is expected to be paid from the Reserve Maintenance Fund and approximately $158 million is expected to be paid from the Capital Improvement Fund. The Authority anticipates expending such funds on the replacement of equipment, roadway resurfacing, roadway safety improvements and office facility improvements. As of June 30, 2012, the Authority had on deposit approximately $60 million in the Reserve Maintenance Fund and $88 million in the Capital Improvement Fund for those projects and has spent an aggregate of $24 million out of the Reserve Maintenance Fund and Capital Improvement Fund. The Authority intends on financing the capital improvements through cash flow, including the $86 million for which money has not yet been set aside in the Reserve Maintenance Fund or the Capital Improvement Fund.

In addition to the Capital Improvement Fund and the Reserve Maintenance Fund projects listed above, over the 2012-2016 period, the Authority anticipates spending approximately $221 million for roadway bottleneck improvements, roadway capacity improvements and roadway widening, including all or a portion of which may be financed with the issuance of additional bonds under the Trust Agreement for the NTTA System. The DNT 4th lane improvements from PGBT north to SRT and the bottleneck improvements at the DNT/PGBT interchange are anticipated to be open to traffic at the end of 2015 and to be complete by mid-2016. The PGBT widening between IH 35E and SH 78 is anticipated to be complete in 2019.

OTHER POTENTIAL PROJECTS (ON SYSTEM AND OFF SYSTEM)

General

Future turnpike projects of the Authority may be financed as part of the NTTA System or independently of the NTTA System (a "*Non-NTTA System Project*"). The Authority is in the preliminary review stage for a number of projects 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 several State and federal agencies, various feasibility studies, the development of traffic and revenue studies, an analysis of financing structures (such as stand-alone or system) and development options (Comprehensive Development Agreement ("*CDA*"), design-build, and construction manager at risk) and approval of the Board. A key factor in determining whether to undertake a project is the impact on the Authority's credit profile (including expected revenue contribution and ability to service debt). The Authority's objective in determining whether to undertake projects is to maintain and enhance the overall Authority credit profile and preserve or enhance debt capacity for future projects. If the Authority determines to pursue any of these projects, the Authority anticipates this process to be gradual. Funding agreements and cost estimates are preliminary.

Local Primacy

In June 2007, Senate Bill 792 ("*SB 792*"), passed by the Texas legislature, became effective. SB 792 established new procedures for the development of toll projects in Texas including a statutory first option for local toll entities, such as the Authority, for the right to develop toll projects in the territory of the local toll entity. This first option right is sometimes referred to as "local primacy."

SB 792 provides that either the Authority or TxDOT may propose development of a toll project in the Authority's service area. Before development of a proposed toll project may go forward, the Authority and TxDOT must agree on business terms for the project's development, construction, and operation. The business terms must include (but are not necessarily limited to) an initial toll rate and a toll-rate-escalation methodology. If TxDOT and the Authority do not agree on the basic business terms, the project cannot proceed. If the parties agree on the basic business terms, they then prepare or commission a "market valuation" of the proposed project based on several factors. After the market valuation is complete, the Authority has six months to exercise an option to develop the proposed project. However, as a condition to developing the proposed project, the Authority must commence the environmental clearance process for the project and enter into a contract for the project's construction within certain specified time periods and either (i) commit to make a payment to TxDOT in an amount equal to the market valuation for the proposed project (subject to certain reductions), which amount TxDOT must use for additional projects in the Authority's region, or (ii) commit to construct additional projects in the Authority's region with estimated construction costs equal to the market valuation of the proposed project (subject to certain reductions). Certain projects are exempt from the market valuation provisions of SB 792. Also SB 792 provides that TxDOT and the Authority may agree to waive the market valuation.

Senate Bill 19 ("*SB 19*"), was passed by the Texas legislature and became effective in June 2011. SB 19 repealed the market valuation provisions of SB 792 described above and extends the concept of local primacy for local toll entities in Texas by establishing a new framework that has been codified in Chapter 373, Texas Transportation Code ("*Chapter 373*"). As with SB 792, a local toll entity’s primary responsibility for toll road development within its boundaries is expressly recognized in SB 19. Toll projects undertaken in the future will be subject to the new local primacy requirements of Chapter 373. Chapter 373 streamlines the first option process by eliminating the requirement for a market valuation while retaining first option, highway right-of-way and access provisions that are otherwise similar to the corresponding provisions in SB 792. SB 19 does not affect any project agreement, agreement regarding negotiated value, market valuation waiver or other agreement entered into between TxDOT and the Authority under SB 792.

Projects Under Consideration

Trinity Parkway

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

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

The 2007 USACE Periodic Inspection Report was released on April 1, 2009. Due to USACE concerns with the existing Dallas Floodway levees, FHWA requested additional environmental studies (Limited

Supplement Draft Environmental Impact Statement) for the public that will include the City's assessment and future plans for levee remedies and how the Trinity Parkway will play into these levee remedies. A public hearing for the Limited Supplement Draft Environmental Impact Statement was held on May 8, 2012. It is not possible at this time to forecast whether this project will show sufficient financial feasibility to go forward.

DNT Extension Phase 4A

DNT Extension Phase 4A, a proposed 6-mile extension of the DNT, would begin at US 380 in Collin County and extend north to FM 428. No financial commitments have been made by the Authority 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 the section between US 380 and FM 428 to accommodate this possible DNT extension. CDM Smith has completed sketch level traffic forecasts for the DNT Extension Phase 4A, but financial feasibility has not been conducted.

DNT Extension Phase 4B and 5A

The Authority has completed a planning study on the DNT extension north of FM 428 north into Grayson County (Phase 4B to the Grayson County lines and Phase 5A from the Grayson County lines to north of the Grayson County lines, with the terminus at FM 121). No financial commitments have been made by the Authority for DNT Extension Phase 4B and 5A. 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. The Authority has completed the environmental documentation and schematic development stage for Phase 4B and 5A.

IH 35E Managed Lanes Project

The proposed reconstruction and redevelopment of IH 35E from IH 635 in Dallas County to U.S. 380 in Denton County currently is planned to include two concurrent-flow managed lanes in each direction in the median of the highway (the "*IH 35E Managed Lanes Project*"). On June 18, 2008, at the request of Denton County and the City of Lewisville, the Board adopted a resolution waiving both the market valuation process and the Authority's first option to develop, finance, construct and operate the IH 35E Managed Lanes Project. On September 21, 2011, at the request of TxDOT, the Board (a) confirmed its previous waivers of the market valuation and its first option to develop, finance, construct, and operate the IH 35 Managed Lanes Project and (b) waived and declined to exercise the Authority's option to develop, finance, construct, and operate the IH 35 Managed Lanes Project pursuant to Section 373.055 of the Texas Transportation Code. These waivers will not apply if (1) all or any portion of the IH 35E Managed Lanes Project is modified to fail to comply with the RTC policy regarding managed lanes, or (2) the majority of the IH 35E lanes (exclusive of service roads) are converted to managed or tolled lanes. The Authority did not waive its right under Chapter 366, Transportation Code, to provide toll collection and enforcement services with respect to the IH 35E Managed Lanes Project.

IH 30 Managed Lanes Project

TxDOT has proposed development of managed lanes on Interstate Highway 30 consisting of one managed lane in each direction from SH 161 to IH 35E (the "*IH 30 Managed Lane Project*"), which development is subject to the applicable local primacy requirements of state law. In October 2008, the Board waived the market valuation process for this project, while maintaining its first option development rights. In April 2009, the Board waived the Authority's first-option right to deliver the IH 30 managed lanes project.

SH 183 Managed Lanes Project

TxDOT has proposed development of managed lanes on State Highway 183 consisting of four to five controlled access general purpose lanes in each direction, continuous frontage roads of two to three lanes in each direction as well as two managed lanes in each direction from SH 161 to IH 35E/Trinity Parkway (the "*SH 183 Managed Lane Project*"). The development is subject to the applicable local primacy requirements of state law. In October 2008, the Board waived the market valuation process for this project, while maintaining its first option in development rights. After reviewing the sketch level feasibility in May 2009, the Board waived the Authority's first-option right to construct, operate and maintain the SH 183 managed lanes project. In March 2012, the Board confirmed its waiver of the market valuation process and first option right, and waived the Authority's option to develop the SH 183 managed lanes project pursuant to the project allocation process under Chapter 373.

Other Possible Projects

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

TOLLING SERVICES AGREEMENTS

General

Section 366.038 of the Authority Act provides that the Authority 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 the Authority's service area of Collin, Dallas, Denton, and Tarrant counties, including toll projects developed, financed, constructed, and operated under a CDA. TxDOT has entered into "concession" CDAs with each of (a) LBJ Infrastructure Group LLC (the "*IH 635 Developer*") for the IH 635 Managed Lanes Project, consisting of the reconstruction of general purpose lanes, construction of managed lanes, and construction of new and reconstruction of existing frontage roads, the establishment of tolling operations and maintenance and operation of the IH 635 corridor from Luna Road to Greenville Avenue, as well as on IH 35E between Loop 12 and Valwood Parkway, in Dallas County, Texas (the "*IH 635 Project*") which is expected to open to traffic in 2014, and (b) NTE Mobility Partners LLC (the "*NTE Developer*") for the North Tarrant Express Project, consisting of the construction and/or reconstruction of general purpose lanes, managed lanes, railroad improvements, frontage roads and crossing streets, utility adjustments, the establishment of tolling operations and maintenance and operation of the IH 820 and SH 121/183 (Airport Freeway) corridor between IH 35 West and Industrial Boulevard in Tarrant County, Texas (the "*NTE Project*") which is expected to open to traffic in 2015.

Pursuant to the requirements of Section 366.038 of the Authority Act, the Authority has entered into (i) a Tolling Services Agreement dated September 4, 2009 with the IH 635 Developer to provide Tolling Services for the managed lanes on the IH 635 Project (the "*IH 635 TSA*") and (ii) a Tolling Services Agreement dated June 23, 2009 with the NTE Developer to provide Tolling Services for the managed lanes on the NTE Project (the "*NTE TSA*"). The Authority is currently negotiating the terms and conditions of a tolling services agreement ("*TSA*") with TxDOT to provide Tolling Services for the managed lanes of the DFW Connector Project, consisting of the construction and/or reconstruction of general purpose lanes, managed lanes and frontage roads, the establishment of tolling operations, and maintenance of the SH 114 and SH 121 corridor north of the Dallas-Fort Worth International Airport in Dallas and Tarrant Counties, Texas (the "*DFW Connector Project*"), and anticipates the parties reaching mutually acceptable terms for such TSA, and subsequently executing such TSA, by the end of 2012. TxDOT anticipates the DFW Connector Project opening to traffic in 2014. The Authority also may enter into additional TSAs in respect of the IH 30 Managed Lanes Project, the IH 35 Managed Lanes Project and the SH 183 Managed Lanes Project if those projects are developed by third parties. At this time the Authority is not able to forecast whether these projects will go forward or a projected opening date if they do go forward. See "**OTHER POTENTIAL PROJECTS (ON SYSTEM AND OFF SYSTEM) - Projects Under Consideration — IH 35E Managed Lanes Project, - IH 30 Managed Lanes Project and — SH 183 Managed Lanes Project.** " The NTE TSA also may be modified to cover an expansion of the original NTE Project to include additional road segments to be developed by the NTE Developer. **Revenues generated by the Authority under the IH 635 TSA, the NTE TSA or any of these future TSAs will not secure the Series 2012 Bonds or other obligations entitled to the benefit of the Trust Agreement.**

After the IH 635 TSA and NTE TSA were executed, Section 366.038 of the Authority Act was amended to provide that the Authority may not provide financial security, including a cash collateral account, for its performance of Tolling Services if (1) it determines that providing security could restrict the amount, or increase the cost, of bonds or other debt obligations the Authority may subsequently issue; or (2) it is not reimbursed its cost of providing the security. This amendment will apply in respect of future TSAs; however, it does not alter the Authority's obligations to provide performance security under the IH 635 TSA or the current NTE TSA.

As described below, the IH 635 TSA and the NTE TSA place most of the toll collection risk on the Authority, and certain future agreements may do the same. For example, the Authority will be required to pay to the developer a portion of the toll for each vehicle that travels on the managed lanes, subject to certain exceptions, regardless of whether the transaction is a video transaction or a transponder transaction and regardless of whether or not the Authority actually collects the toll. While the Authority is only required to pay the developer tolls for video transactions where the license plate image is readable, the Authority is taking all other collection risk associated with video transactions and is responsible for costs for enforcement and third party collection efforts. See the discussion regarding collection of ZipCash video transactions under "**THE NTTA SYSTEM — Operations — Revenue Assurance**." All fees assessed and collected by the Authority are intended to serve as mitigation of uncollected tolls for these projects. The Authority may use funds in the Capital Improvement Fund for the NTTA System to pay costs it incurs under the agreements for Tolling Services. See "**RISK FACTORS — Collection Risks**" and "**— Obligation to Pay for Video Tolls under Tolling Services Agreements Prior to Collection**" in the forepart of the Official Statement.

IH 635 Tolling Services Agreement

General

The IH 635 TSA contains the representations, commitments and obligations of the Authority and the IH 635 Developer related to the Tolling Services to be provided by the Authority for the IH 635 Project.

Responsibilities of IH 635 Developer

The IH 635 Developer's general responsibilities include (i) installing, replacing and maintaining in good condition equipment that will identify vehicles equipped with a transponder issued by the Authority or another toll operator and video equipment and related lane controller equipment designed to capture video images of and/or data concerning vehicles passing through tolling stations, (ii) capturing data evidencing each transponder transaction and video transaction and transmitting a properly formed transaction to the Authority, (iii) responsibility for all interoperability fees, (iv) providing reasonably detailed information to the Authority for purposes of training the Authority's customer service personnel adequately to respond to customer inquiries concerning the IH 635 Developer's dynamic or other toll pricing models and (v) not issuing any transponders to or imposing any tolls on users in connection with the IH 635 Project other than as permitted by the IH 635 TSA and not taking any actions in competition with the rights and responsibilities of the Authority under the IH 635 TSA.

Responsibilities of the Authority

The Authority's general responsibilities include (i) posting transponder transactions to customer accounts, (ii) providing interoperability functions, (iii) processing video transactions, (iv) remitting payments to the IH 635 Developer in respect of video transactions and transponder transactions, (v) utilizing and making available its customer service center services for handling of customer inquiries and complaints, (vi) providing account management and other back office services, and (vii) providing toll collection enforcement services.

Term

The term of the IH 635 TSA expires upon expiration of the IH 635 CDA, subject to earlier termination. The IH 635 CDA expires on September 4, 2061.

Compensation for Services and Payments to IH 635 Developer

The Authority 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, the Authority may impose on and collect from users of the IH 635 Project, and retain as additional compensation, incidental charges consistent with the Authority's practices concerning customers of its own facilities, including, with respect to video transactions, the Authority's reasonable out-of-pocket costs and expenses and a reasonable amount to reflect its collection risk.

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

The Authority has no interest in funds owing or remitted to the Authority by a user for a transaction to the extent the amounts owed by the Authority to the IH 635 Developer for such transaction have not yet been paid, and the Authority is deemed to be a collecting agent acting on behalf of the IH 635 Developer with respect to such amounts until the Authority pays such amounts to the IH 635 Developer, at which time the Authority may receive and retain the corresponding amounts from applicable users for its own account and as its own funds.

Performance Security

The Authority is required to deliver to the IH 635 Developer annually a letter of credit to secure the Authority's payment obligations under the IH 635 TSA. The delivery of the letter of credit is a condition to the Authority's right to receive compensation for services. The first letter of credit is to be delivered not later than six months before the date the IH 635 Project is scheduled to open to traffic, and the IH 635 Developer anticipates the first segment of the IH 635 Project opening to traffic in 2014. The Authority is required to deliver a replacement letter of credit annually thereafter. The IH 635 Developer is obligated to reimburse the Authority for the costs of the issuance of the letters of credit. The face amount of each letter of credit to be delivered for each of the first three service years of the IH 635 Project is to be equal to 50% of the toll revenues that the IH 635 Developer's base case financial model projects will be earned during the third service year. The face amount of the letter of credit to be issued for each service year thereafter is to be equal to 50% of the toll revenues that the IH 635 Developer's base case financial model projects will be earned in the applicable service year.

Authority Defaults

The following constitute Authority defaults under the IH 635 TSA: (i) (A) the Authority fails to provide and maintain the required letter of credit or other performance security; or (B) the Authority fails to replenish the letter of credit within 5 business days after a draw thereon; or (C) the Authority fails to replace the letter of credit as and when required; (ii) the Authority fails to perform any other obligation of the Authority under the IH 635 TSA, and the failure to perform such other obligation continues for 30 days after written notice to the Authority thereof (or if such failure cannot be cured within 30 days but the Authority has begun diligently pursuing a cure within such 30 days and continues to diligently pursue such cure, 90 days); (iii) the Authority files a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law; (iv) an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Authority as bankrupt or insolvent or appointing a receiver, trustee or liquidator of all or a substantial part of the Authority's assets, and such order, judgment or decree shall continue unstayed and in effect for 90 days after its entry; (v) any representation or warranty of the Authority was not true when made and such failure has a material adverse effect on the Authority's ability to perform its obligations; (vi) the Authority assigns its rights and obligations under the IH 635 TSA in violation thereof; (vii) the Authority ceases to be a body politic and corporate and a political subdivision of the State of Texas and its obligations and interests under the IH 635 TSA are not transferred to any other person that succeeds to the governmental powers and authority of the Authority; or (viii) there occurs certain other defaults that relate to the IH 635 Developer's step-in rights.

In the event of a default by the Authority under the IH 635 TSA, subject to the IH 635 Developer's step-in rights, and subject to certain limitations on damages, the IH 635 Developer will be entitled to recover all losses and damages incurred as a result of Authority's default. In addition, upon certain Authority Defaults or upon certain conditions, the IH 635 Developer has the right to require suspension of the Authority's services under the IH 635 TSA and the IH 635 Developer has the option to step in and perform such services itself or to arrange for a designee to step in and perform such services.

NTE Tolling Services Agreement

General

The NTE TSA contains the representations, commitments and obligations of the Authority and the NTE Developer related to the Tolling Services to be provided by the Authority for the NTE Project.

Responsibilities of NTE Developer

The NTE Developer's general responsibilities include (i) installing, replacing and maintaining in good condition equipment that will identify vehicles equipped with a transponder issued by the Authority or another toll operator and video equipment and related lane controller equipment designed to capture video images of and/or data concerning vehicles passing through tolling stations, (ii) capturing data evidencing each transponder transaction and video transaction and transmitting a properly formed transaction to the Authority, (iii) responsibility for all interoperability fees, (iv) providing reasonably detailed information to the Authority for purposes of training the Authority's customer service personnel adequately to respond to customer inquiries concerning the NTE Developer's dynamic or other toll pricing models and (v) not issuing any transponders to or imposing any tolls on users in connection with the NTE Project other than as permitted by the NTE TSA and not taking any actions in competition with the rights and responsibilities of the Authority under the NTE TSA.

Responsibilities of the Authority

The Authority's general responsibilities include (i) posting transponder transactions to customer accounts, (ii) providing interoperability functions, (iii) processing video transactions, (iv) remitting payments to the NTE Developer in respect of video transactions and transponder transactions, (v) utilizing and making available its customer service center services for handling of customer inquiries and complaints, (vi) providing account management and other back office services, and (vii) providing toll collection enforcement services.

Term

The term of the NTE TSA expires upon expiration of the NTE CDA, subject to earlier termination. The NTE CDA expires on June 23, 2061.

Compensation for Services and Payments to NTE Developer

The Authority 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, the Authority may impose on and collect from users of the NTE Project, and retain as additional compensation, incidental charges consistent with the Authority's practices concerning customers of its own facilities, including, with respect to video transactions, the Authority's reasonable out-of-pocket costs and expenses and a reasonable amount to reflect its collection risk.

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

The Authority has no interest in funds owing or remitted to the Authority by a user for a transaction to the extent the amounts owed by the Authority to the NTE Developer for such transaction have not yet been paid, and the Authority is deemed to be a collecting agent acting on behalf of the NTE Developer with respect to such amounts until the Authority pays such amounts to the NTE Developer, at which time the Authority may receive and retain the corresponding amounts from applicable users for its own account and as its own funds.

Performance Security

As part of the settlement with TxDOT relating to the calculation of the upfront payment for the SRT, the Authority and TxDOT agreed that the $25.6 million otherwise payable to TxDOT as part of the upfront payment would be deposited into a cash collateral account to provide performance security for the NTE TSA and future tolling services agreements.

Not later than six months prior to the date the NTE Project is scheduled to open to traffic (the NTE Developer anticipates the NTE Project opening to traffic in 2015) and as a condition to the right to receive compensation for services, the Authority is required to (i) establish a master cash collateral trust account (the "*Master Cash Collateral Trust Account*"), on commercially reasonable terms for similar accounts, with a trustee (the "*Collateral Account Trustee*") and cause $25,598,767 to be funded in cash therein; and (ii) the Authority is required to cause the Collateral Account Trustee to establish a separate sub-account, for the sole benefit of the NTE Developer (the "*NTE Cash Collateral Sub-Account*"), and to deposit and hold in the NTE Cash Collateral Sub-Account, from funds in the Master Cash Collateral Trust Account, an amount equal to the lesser of (x) the amount determined by applying the methodology set forth in the NTE TSA, as such methodology is applied in respect of the service year that, under the NTE Developer's base case financial model, is projected to have the highest annual revenues during the term, or (y) $8,600,000 plus interest on such $8,600,000 at the rate of two percent (2%) per annum, compounded annually, accruing from January 1, 2009 until the date of actual funding in the Facility Cash Collateral Sub-Account.

Authority Defaults

The following constitute Authority defaults under the NTE TSA: (i) a "step-in trigger default" (related to the provision, maintenance and replenishment of cash collateral as performance security) occurs; (ii) the Authority fails to perform any other obligation of the Authority under the NTE TSA, and the failure to perform such other obligation continues for 30 days after written notice to the Authority thereof (or if such failure cannot be cured within 30 days but the Authority has begun diligently pursuing a cure within such 30 days and continues to diligently pursue such cure, 90 days); (iii) the Authority files a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law; (iv) an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Authority as bankrupt or insolvent or appointing a receiver, trustee or liquidator of all or a substantial part of the Authority's assets, and such order, judgment or decree shall continue unstayed and in effect for 90 days after its entry; (v) any representation or warranty of the Authority was not true when made and such failure has a material adverse effect on the Authority's ability to perform its obligations; (vi) the Authority assigns its rights and obligations under the NTE TSA in violation thereof; (vii) the Authority ceases to be a body politic and corporate and a political subdivision of the State of Texas and its obligations and interests under the NTE TSA are not transferred to any other person that succeeds to the governmental powers and authority of the Authority; or (viii) there occurs certain other defaults that relate to the NTE Developer's step-in rights.

In the event of a default by the Authority under the NTE TSA, subject to the NTE Developer's step-in rights, and subject to certain limitations on damages, the NTE Developer will be entitled to recover all losses and damages incurred as a result of Authority's default. In addition, upon certain Authority Defaults or upon certain conditions, the NTE Developer has the right to require suspension of the Authority's services under the NTE TSA and the NTE Developer has the option to step in and perform such services itself or to arrange for a designee to step in and perform such services.

THE SPECIAL PROJECTS SYSTEM

General

As described above, the Authority has created the Special Projects System to finance certain roads "off-system." The Special Projects System consists of the PGBT WE and the CTP. Revenues of the Special Projects System may only be used to pay bonds issued for projects that are part of the Special Projects System and for other costs related to the Special Projects System. **Revenues from the Special Projects System do not secure and are not available to pay debt service on the Series 2012 Bonds or other obligations entitled to the benefit of the Trust Agreement.**

PGBT WE

The PGBT WE extends the existing 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. The PGBT WE is being built in four phases. Phase 1, which generally consists of the SH 183/PGBT WE interchange and the frontage roads from Carrier Parkway (north of IH 30) south to IH 20 was built by TxDOT and is complete and open to traffic. Phases 2 and 3, which generally consist of the frontage roads and main lanes (including two major bridges over floodplains) from SH 183 south to just north of IH 30, were jointly constructed by TxDOT and the Authority and are complete and open to traffic. Phase 4 generally consists of the main lanes from just north of IH 30 south to IH 20 (including a multi-track Union Pacific railroad bridge over the PGBT WE), and the IH 30/PGBT WE and IH 20/PGBT WE interchanges, with the main lanes and high volume interchange direct connect ramps scheduled to be substantially complete in October 2012. The design portion of the Phase 4 design build contract is 100% complete while construction is 85% complete. The PGBT WE is and will be operated exclusively as All-ETC, including AVI and video tolling.

On April 20, 2008, and pursuant to an "Agreement Regarding a Negotiated Value for State Highway 161" (the "*NV Agreement*"), the Authority and TxDOT established a negotiated value for the project as well as the terms and conditions for the development, construction and operation of the project by the Authority.

Under the NV Agreement, the negotiated value of the PGBT WE was $1.1 billion consisting of (a) payment by the Authority of $469 million (includes interest) to TxDOT and (b) the obligation of the Authority to build Phase 4 of the PGBT WE and the toll gantries of Phases 2 and 3. The expected cost of the Authority's construction obligations is approximately $546.6 million (including $12 million to be reimbursed by TxDOT, but excluding approximately $53.3 million for future lane expansions). As of June 30, 2012, the Authority had spent $371 million. The Authority assumes all risk for construction cost increases for the portions of the PGBT WE it is required to build. This risk is mitigated through the use of a design-build contract for Phase 4 which shifts most of the risk from the Authority to the contractor.

The Authority has exercised the option to construct the Union Pacific railroad bridge over the PGBT WE as a part of the Phase 4 design-build contract. The Authority is responsible for construction costs of the railroad bridge up to $22.6 million. TxDOT is responsible for the construction and engineering costs of the railroad bridge in excess of $22.6 million.

The PGBT WE averaged approximately 34,133 revenue toll transactions per day from October 1, 2011 through June 30, 2012.

In October 2008, the Authority exercised its option under SB 792 (as defined above) to undertake delivery of the PGBT WE. On July 30, 2009, the Authority entered into a project agreement with TxDOT for the PGBT WE, as amended, which contains the representations, commitments and obligations of the Authority and TxDOT related to the development, financing, design, construction, operation and maintenance of the PGBT WE and provides that the Authority will own the PGBT WE in perpetuity. In April 2011, the Authority issued approximately $1.1 billion in bonds and notes secured by the revenues of the Special Projects System and/or amounts on deposit under the trust agreement for the Special Projects System. Such bonds and notes are not secured by the revenues of the NTTA System.

Chisholm Trail Parkway

Chisholm Trail Parkway (the *"CTP"*) (formerly known collectively as Southwest Parkway/Southwest Parkway (TxDOT)/Chisholm Trail) is a 27.6 mile extension of State Highway 121 from IH 30 near the central business district to Farm-to-Market road (FM) 1187 in Tarrant County, and continuing south to United States Highway 67 in Johnson County. 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 project is a controlled-access, All-ETC facility consisting of two to six-lane controlled-access main lanes with discontinuous two to three-lane frontage roads in Sections 1, 2 and 3 only. The project will be six main lanes from the IH 30 northern terminus to Altamesa Boulevard in south Fort Worth, four main lanes from Altamesa Boulevard to FM 1187 and two main lanes with intermittent passing lanes from FM 1187 to the US 67 southern terminus. The corridor has been divided into nine sections (Sections 1, 2, 2B, 2C, 3A, 3B, 4, 5 and 6) for design and construction purposes. Section 1 runs from IH 30 to Rogers Road and includes the IH 30/CTP interchange. Section 2 runs from Rogers Road to south of Arborlawn Drive. Sections 2B and 2C are within the Section 2 portion of the corridor and consist of the Hulen Street Bridge and the Union Pacific Railroad Davidson Yard overpass. Sections 3A and 3B run from south of Arborlawn Drive to south of Overton Ridge Boulevard, with Section 3A consisting of the access roads at the IH 20/CTP interchange and Section 3B consisting of the interchange itself. Section 4 runs from south of Overton Ridge Boulevard to south of Altamesa Boulevard. Section 5 runs from south of Altamesa Boulevard to FM 1187, and Section 6 runs from FM 1187 to U.S. 67. Sections 1, 2, 2B, 2C, 3A, 3B, 4 and 5 constitutes what was formerly known as the "Southwest Parkway/Southwest Parkway (TxDOT)" or "SWP" portion of the CTP, and Section 6 constitutes what was formerly known as the "Chisholm Trail" portion of the CTP. Design is 100% complete for all Sections, with the exception of Section 6 which is under a design build contract, and all construction bids have been awarded. All portions of the CTP have been environmentally cleared. An inter-local agreement, outlining roles and responsibilities relative to cost participation, right of way acquisition, and construction obligations, among other things, for TxDOT, the City of Fort Worth, and the Authority was executed in November 2000. In addition, several amendments to this agreement define responsibilities for the development of a Nature and Character Plan for Sections 1 through 4 of the CTP and various design and maintenance responsibilities. The Chisholm Trail Parkway Corridor Master Plan (Sections 1 – 4) setting forth aesthetic design guidelines was approved by TxDOT, the Authority and the City of Fort Worth in October 2005. The development of a final funding agreement and a financing plan is ongoing.

In October 2008, the Authority and TxDOT agreed to a term sheet which provides for the Authority to undertake the development of the CTP, based on certain conditions. To support the delivery of the CTP, the term sheet provides that (i) TxDOT and the Authority waive the development of a market valuation for Sections 5 and 6 (Sections 1-4 being exempt from a market valuation requirement), (ii) TxDOT and the Authority combine all Sections into a single project to be undertaken by the Authority, subject to the Authority establishing feasibility and potential phasing of development, (iii) the Authority provide as the first contribution of equity to develop the CTP an amount up to $400 million less the amount the Authority committed (approximately $72.5 million) as an equity contribution to the PGBT WE (described above), (iv) TxDOT is relieved of its contingent obligation to build two interchanges under the interlocal agreement between TxDOT, the Authority, and the City of Fort Worth concerning the development of Sections 1-4, and (v) the approximately $250 million in planning funds previously identified for the CTP by the Regional Transportation Council ("*RTC*") are not affected, but such funding is subject to the continued allocation of such funds by the RTC. In addition to the above terms, the RTC has committed $116.66 million in American Recovery and Reinvestment Act funds to Section 3A of the CTP. Currently, the amount of the total estimated cost of the CTP and the Authority's potential contribution are $1.397 billion and $860 million, respectively.

On August 18, 2010, the Board exercised its option under SB 792 to develop, finance, construct and operate the CTP. The Authority and TxDOT have entered into that certain Project Agreement Southwest Parkway/Chisholm Trail Project dated October 27, 2010 (the "*CTP Project Agreement*"), which contains the representations, commitments and obligations of the Authority and TxDOT related to the development, financing, design, construction, operation and maintenance of the CTP and provides that the Authority will own the CTP in perpetuity.

On November 10, 2011, the Authority issued approximately $641 million in bonds secured by the revenues of the Special Projects System and/or amounts on deposit under the trust agreement for the Special Projects System. Such bonds are not secured by revenues of the NTTA System.

As of June 30, 2012, the Authority had spent approximately $278 million (net of reimbursements) on planning and development of the CTP.

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

General

The entire audited financial statements of the Authority's North Texas Tollway Authority System Enterprise Fund as of and for the fiscal year ended December 31, 2011 are attached hereto as **APPENDIX B-1** and include a narrative discussion and analysis by management of the results of operations for the NTTA System. The audited financial statements of the Authority's North Texas Tollway Authority System Enterprise Fund reflect the financial condition of the NTTA System, which does not include the PGBT WE and the CTP. The unaudited financial statements of the Authority's North Texas Tollway Authority System Enterprise Fund as of and for the six-month period ending June 30, 2012 are attached hereto as **APPENDIX B-2**.

Set forth below is an analysis of NTTA System's financial position for and as of the six-month periods ending June 30, 2011 and 2012.

Highlights of the NTTA System as of and for the six-month period ending June 30, 2012

- As of June 30, 2012, the NTTA System's total net assets decreased by $560.7 million from the six-month period ending June 30, 2011. The decrease was mainly due to the System contributing $508.0 million from the Capital Improvement Fund to the Special Projects System and an increase in debt service.
- Revenue Vehicle Transactions in the six-month period ending June 30, 2012 were 291.0 million, an increase of 41.65 million or 16.70% over the six-month period ending June 30, 2011.

- Approximately 2.15 million and 2.41 million TollTags were active at the end of the six-month periods ending June 30, 2011 and 2012, respectively.
- In the six-month period ending June 30, 2012, toll revenues, net of bad debt expense, of $239.1 million, increased $31.74 million or 15.31% over the six-month period ending June 30, 2011 in part, as a result of increased transactions and a toll increase that was implemented on July 1, 2011.
- The Administration and Operations expenses for the six-month period ending June 30, 2012 of $44.8 million were under budget by 23.24% and $1.4 million more than the six-month period ending June 30, 2011.

Summary of Operations

Set forth below is a summary of operations of the NTTA System for the six-month periods ending June 30, 2012 and 2011.

Table A-1

Net Assets (in millions of dollars)

	Preliminary and Unaudited As of the Six-Month Period Ending	
	June 30, 2012	June 30, 2011
Current Assets	$ 312.2	$ 283.8
Current Restricted Assets	504.7	997.6
Noncurrent Assets		
Restricted Investments	323.1	390.0
Other Assets	177.9	313.6
Capital Assets	6,309.0	6,250.7
Total Assets	7,626.9	8,235.7
Current Liabilities	59.5	58.3
Liabilities Payable from Restricted Assets	323.3	426.4
Long-Term debt	7,662.8	7,608.7
Total Liabilities	8,045.6	8,093.4
Net Assets:		
Invested in Capital Assets, net of related debt	(1210.3)	(760.6)
Restricted for Debt Service	837.6	979.8
Restricted for Retiree Health Benefits	0.4	0.4
Unrestricted	(46.3)	(77.5)
Net assets	$ (418.6)	$ 142.1

The NTTA System's net assets indicate an unrestricted current ratio of 5.25 and 4.87 as of June 30, 2012 and June 30, 2011, respectively. Working capital was $252.7 million and $225.5 million as of June 30, 2012 and June 30, 2011, respectively. Total unrestricted current assets were $312.2 million as of June 30, 2012, compared to $283.8 million as of June 30, 2011. Total unrestricted and restricted current assets were $816.9 million as of June 30, 2012. Cash and investments of $768.0 million represent the largest component of current assets. The remaining $48.9 million is comprised of accrued interest receivables of $2.0 million, accounts receivable of $34.8 million, interproject/interagency receivables of $11.8 million and inventory and prepaid expenses of $0.3 million.

Total unrestricted current liabilities for the NTTA System were $59.5 million as of June 30, 2012, including $3.3 million for accounts payable and retainage payable, $36.3 million of deferred revenue and $0.9 million for accrued liabilities, mainly accrued salaries and vacation liability, interfund payables of $18.4 million, and $0.6 million for TollTag deposits.

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

	Preliminary and Unaudited For the Six-Month Period Ending June 30, 2012	Preliminary and Unaudited For the Six-Month Period Ending June 30, 2011
REVENUES		
Operating Revenues	$ 280.7	$ 223.5
Operating Expenses before depreciation	59.4	62.4
Income from operations before depreciation	221.3	161.1
Unbudgeted Bad Debt Expense	(27.9)	-
Unallocated Infrastructure Depreciation	(32.0)	(32.0)
Depreciation	(3.1)	(2.7)
Operating Income	158.3	126.4
Net Nonoperating Revenue (Expenses):		
Interest Income	(1.6)	1.6
Interest Expense	(226.7)	(200.7)
Grant Revenue	(0.4)	9.8
BABs Subsidy	14.5	14.5
Payments to Other Governments	-	(71.3)
Other	10.8	2.3
Net Nonoperating Revenue (Expenses):	(203.4)	(243.8)
Change in Net Assets	(45.1)	(117.4)
Net Assets - Beginning of Year	(373.5)	259.5
Net Assets - Ending	$ (418.6)	$ 142.1

Total operating revenues for the NTTA System were $280.7 million for the six-month period ending June 30, 2012 and $223.5 million for the six-month period ending June 30, 2011 (See Table A-2). Toll revenues for the six-month period ending June 30, 2012 were $239.1 million (net of bad debt expense), a 15.34% increase over the toll revenues of $207.3 million for the six-month period ending June 30, 2011. Traffic on the NTTA System continues to grow, with average daily transactions of 1,598,930 and 1,383,130 for the six-month periods ending June 30, 2012 and 2011, respectively.

Total operating expenses for the NTTA System before depreciation for the six-month period ending June 30, 2012 were $59.4 million, a 4.78% decrease from the operating expenses of $62.4 million for the six-month period ending June 30, 2011 (See Table A-2). The majority of the decrease is related to a reduction in projects funded from the Capital Improvement Fund. Interest expense, inclusive of capitalized interest, for the six-month period ending June 30, 2012 was $226.7 million, a 12.96% increase from the interest expense of $200.7 million for the six-month period ending June 30, 2011. Debt service coverage for the six-month period ending June 30, 2012 and the six-month period ending June 30, 2011 for First Tier and Second Tier Bonds was 1.4 and 1.51 times, respectively. The Trust Agreement and the Authority's Debt Policy both require bond principal and interest coverage of at least 1.20 times for First Tier and Second Tier Bonds.

The NTTA System's overall financial position decreased as compared to the six-month period ending June 30, 2011, as indicated by the $560.7 million decrease in net assets.

Investments

The NTTA System's investments at June 30, 2012 and June 30, 2011 were approximately $1.599 billion and $1.066 billion, respectively.

Revenues by Type

Total gross operating revenues for the NTTA System were $280.7 million for the six-month period ending June 30, 2012. Toll revenues of $239.1 million (net of bad debt expenses of $27.9 million) account for 94.56% of total revenue. Interest income (excluding Construction Fund interest) was $4.3 million or 1.69% of total revenue. Other revenue, mostly administrative and statement fees for collection of tolls from violators and interoperability fees, was $9.5 million, representing 3.75% of the total.

Revenues Compared to Estimates

The NTTA System actual toll revenue for the six-month period ending June 30, 2012 was 6.98% over the toll revenue estimated for such period by the Authority's traffic and toll revenue engineer, CDM Smith, in September 2011.

The increases in the toll revenue were largely attributed to:

- A toll rate increase of 0.8 cents (per mile) implemented in July 2011;
- The increased growth of population in the North Texas counties (Dallas, Tarrant, Denton & Collin); and
- Completion of PGBT EE and two multi-level interchanges on SRT.

Capital Assets

The NTTA System's investment in capital assets includes land, buildings, right-of-way, roadway, bridges, equipment, and computer systems. Capital assets at June 30, 2012 were $6.309 billion, increasing from the six-month period ending June 30, 2011 by approximately $58.3 million. This is due primarily to the construction of the SRT, the DNT Extension Phase 3, the PGBT EE and the LLTB.

The Authority utilizes GASB No. 34, Modified Approach of reporting infrastructure assets. Each year a comprehensive assessment is conducted on all the Authority's infrastructure assets which affect the following fiscal year's maintenance budget. For fiscal year 2011, the Authority estimated it would spend $59.5 million for infrastructure maintenance and preservation, but actually expended $38.5 million. For fiscal year 2012, the Authority estimates it will spend $111.2 million for infrastructure maintenance and preservation. Fluctuations from year to year between the amount spent to preserve and maintain the Authority's infrastructure assets and the estimated amount result primarily from the timing of work activities. The NTTA System's Condition Index for 2011 and 2012 is 8.9, which is above the 8.0 goal established by the Authority.

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

Budgetary Highlights

For the NTTA System, the Authority adopts (on a non-GAAP basis) an annual budget in December of each year for the succeeding year for the Operations and Maintenance Fund. The budget is established in accordance with the provisions of the Trust Agreement. The budget covers the operating expenses for each fiscal year (calendar year). For the six-month period ending June 30, 2012, general operating expenses were $44.8 million, as compared to the annual operating budget of $117.4 million. The Authority expended 38.13% of the total operating budget by June 30, 2012. The primary factors in this budget are the continued restructuring of the Authority's departments; the maintenance and operations of the completed SRT; and the increased growth in the Customer Service, Maintenance, Information Technology, and Safety and Incidents Management areas. The Authority is also focusing on improvements in service delivery.

Long-Term Debt

As of June 30, 2012, the Authority's total NTTA System bonded debt outstanding was $7.483 billion (excluding accrued interest on capital appreciation bonds and convertible capital appreciation bonds) compared to approximately $7.460 billion (excluding accrued interest on capital appreciation bonds and convertible capital appreciation bonds) as of June 30, 2011. This debt represents bonds secured solely by toll revenue of the NTTA System. Additionally, part of the construction of the PGBT was funded with the proceeds from a loan in the amount of $135 million, made by TxDOT in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991. Interest accrued from 2000 to 2004 and annual payments began in fiscal year 2004. As of June 30, 2012, the outstanding principal balance on the ISTEA loan was approximately $140.6 million.

Short-Term Debt

The Authority currently maintains a $200 million commercial paper program under the Trust Agreement. As of June 30, 2012, $56.3 million of commercial paper was outstanding. Such commercial paper was primarily used to finance the feasibility study, design, engineering costs and preliminary construction costs of commercial paper eligible projects.

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 will increase approximately 2.75% per annum, and will be adjusted on July 1 of every odd-numbered year. Under the Authority's toll rate structure, there is a differential in tolls, with those not using TollTags being charged a higher toll than those using TollTags. While the Board may 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 the Authority 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 the Authority to comply with its rate covenant under the Trust Agreement. See "**THE SERIES 2012 BONDS — Rate Covenant** " in the forepart to this Official Statement. See "**THE TRAFFIC AND REVENUE STUDY**" herein and "North Texas Tollway Authority System Investment Grade Traffic and Toll Revenue Study" (defined hereinafter as the 2012 Report) 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 2002 through 2011 and for the six-month periods ending June 30, 2011 and June 30, 2012.

Year	Revenue Vehicle Transactions(1)	Toll Revenue(1)(2)	Investment and Other Earnings(1)	Current Expenses(1)	Net Revenues	Change in Net Revenues
2002	285,494,321	$ 137,945,439	$ 8,732,847	$ 37,964,567	$ 108,713,719	23%
2003	296,140,087	149,323,784	8,371,709	42,650,553	115,044,960	6%
2004[a]	315,031,754	160,695,030	10,046,907	47,680,750	123,061,187	7%
2005[b]	338,390,215	172,537,345	14,085,285	56,576,883	130,045,747	6%
2006	370,696,171	191,434,120	18,259,576	61,421,158	148,272,538	14%
2007[c]	383,481,098	202,675,564	21,307,811[d]	76,593,495	147,389,880	(0.6%)
2008[e]	412,272,003	240,776,791	20,958,496[d]	80,668,732	181,066,555	23%
2009[f]	455,546,197	290,404,547	31,253,175	90,934,772	230,722,950	27%
2010[g]	481,913,338	366,597,323	30,086,350	95,709,839	300,973,834	30%
2011[h]	513,454,344	402,569,534	41,161,515	99,324,590	344,406,459	14%
2011[i]	249,356,391	207,308,033	16,239,098	43,409,296	180,137,835	n/a
2012[j]	291,005,322	239,055,839	13,748,345	44,760,861	208,043,323	15%

(a) Sam Rayburn Tollway Interchange Extension opened in 2004.
(b) PGBT IH 35E to IH 635 opened in 2005.
(c) DNT Phase 3 opened in September 2007. Additionally, a toll rate increase occurred in September 2007.
(d) Includes balances from Feasibility Study Fund.
(e) The Authority commenced collecting tolls on its own behalf for Segments 1 and 2 of SRT on September 1, 2008.
(f) LLTB opened on August 1, 2009. Increase in speed-limits across various sections of the NTTA System was implemented starting late August 2009. System-wide increase of toll rates was implemented on September 1, 2009. SRT Segment 3 was opened in September 2009.
(g) Segment 4 of SRT near U.S. 75 opened in December 2010. Cash collection on DNT, MCLB and AATT was discontinued in December 2010.
(h) A system-wide increase of toll rates was implemented on July 1, 2011. SRT Segment 5 was substantially open by November 2011 and PGBT EE was opened in December 2011.
(i) As of June 30, 2011.
(j) As of June 30, 2012.

(1) Source – **APPENDIX B-1** – 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, 2011 and – **APPENDIX B-2** – Unaudited Financial Report of the North Texas Tollway Authority System, an Enterprise Fund of the North Texas Tollway Authority, for the six-month period ended June 30, 2012.
(2) Toll Revenue is net of allowance for uncollectable receivables.

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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 ISTEA Loan and the Subordinate Lien Bonds) of the Authority secured by revenues of the NTTA System for fiscal years 2007 through 2011 as calculated pursuant to the Trust Agreement and in accordance with generally accepted accounting principles.

Fiscal Year	Actual Coverage
2007	1.76x
2008	1.50x
2009	1.48x
2010	1.61x
2011	1.52x

Pension Plans and Other Post-Employment Benefits

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

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

The Authority requires mandatory participation in both the TCDRS and the Authority Plan by all eligible employees. For more detailed information concerning the TCDRS and the Authority Plan, see Note (6) of **APPENDIX B-1.**

The Authority's other post employment benefits ("*OPEB*") liability is required by Statement No. 45 of the Governmental Accounting Standard Board ("*GASB*") to be recorded in fiscal year 2011. In fiscal year 2010, a consulting actuary provided a baseline valuation report giving the Authority's potential reportable OPEB liability, measured as of January 1, 2010. The baseline estimated results as of January 1, 2011 showed an Actuarial Accrued Liability ("*AAL*") of $14,605,332 and an Annual Required Contribution ("*ARC*") of $3,039,930. The ARC is $2,399,177 of normal cost and $640,753 of amortization of the AAL over 30 years. The Authority has started addressing this liability by recording OPEB accrued liabilities of $11,347,154 through fiscal year 2011. See Note (8) of **APPENDIX B-1** for additional information on OPEB.

THE TRAFFIC AND REVENUE STUDY

Background

In July 2009, CDM Smith, the traffic engineers for the Authority, prepared the NTTA System Investment Grade Traffic and Toll Revenue Study report (the "*July 2009 Report*") to estimate traffic and toll revenue for the NTTA System in the Dallas-Fort Worth Metropolitan Area. In April 2010, CDM Smith provided the Authority with a letter update to the July 2009 Report (the "*April 2010 Update*") relating to the traffic and toll revenue of the NTTA System. Based upon the review of all pertinent assumptions supporting the July 2009 Report, it was concluded in the April 2010 Update that the July 2009 Report was still valid and no changes were recommended to the traffic and revenue estimates in the July 2009 Report. In October 2010, CDM Smith prepared an additional letter update to the July 2009 Report (the "*October 2010 Update*") using transaction and revenue data available through September 2010 and by incorporating changes to some of the traffic and revenue study assumptions including facility opening dates, All-ETC conversion schedule changes, TollTag/ZipCash shares and revenue recovery assumptions. The October 2010 Update recommended minor modifications to the traffic and revenue forecasts included in the July 2009 Report. A third letter update was completed in June 2011 (the "*June 2011 Update*") based on the most recent transaction and revenue data available at that time, as well as a preliminary review of the North Central Texas Council of Governments *("NCTCOG")* 2035 Mobility Plan demographics and travel demand networks which were adopted in 2011.

In October 2011, CDM Smith prepared the NTTA System Investment Grade Traffic and Toll Revenue Study report (the "*October 2011 Report*"). The October 2011 Report involved a more detailed evaluation of the Mobility 2035 Plan demographics, updated travel demand networks and other key factors influencing forecasted traffic and revenue on NTTA System facilities. This effort included an independent economic review of the 2035 Mobility Plan demographics along the NTTA System corridors, a detailed traffic count and travel time study effort along the NTTA System corridors and a comprehensive stated/revealed preference survey to evaluate values of travel time in the study area. Additionally, observed transaction and revenue trends since the completion of the June 2011 Update and updated TollTag share, and revenue recovery assumptions were incorporated into the October 2011 Report.

The study was conducted at an investment grade level and is considered suitable for use in project financing. See **"RISK FACTORS — Forward-Looking Statements"** in the forepart of the Official Statement.

The NTTA System Report

The study effort in preparing the October 2011 Report involved the following key elements:

- **Traffic Trends and Characteristics** – CDM Smith evaluated historical and recent traffic and toll revenue trends on the existing NTTA System, as detailed in Chapter 2 of the October 2011 Report. This included an analysis of annual and monthly transaction trends on NTTA facilities and TollTag utilization rates. In addition, recently collected traffic counts, travel time and travel surveys data was analyzed and incorporated into the traffic and revenue forecasting models.
- **Corridor Growth Considerations** – Using the most recently approved demographics included by NCTCOG in their latest 2035 Mobility Plan, CDM Smith evaluated the socioeconomic conditions along the NTTA System corridors as described in Chapter 4 of the October 2011 Report. 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. CDM Smith found that many of the major corporations in the Dallas/Fort-Worth area are located within a five-mile area of the NTTA System corridors. A summary of the independent economic review performed along the NTTA System corridors is also presented in Chapter 4.
- **Traffic and Toll Revenue Forecasts** – CDM Smith updated the traffic and toll revenue forecasts from 2011 until 2062 for the NTTA System, as detailed in Chapter 6 of the October 2011 Report. The traffic and toll revenue forecasts were developed using trip tables that were refined based on findings of the independent economic review conducted along the NTTA System corridors, with additional adjustments that were done as part of the model validation process.

On July 1, 2009, a new toll policy went into effect on the NTTA System. Under the new toll rate policy, the base toll rate for TollTag users on DNT, PGBT, SRT and PGBT EE was set at $0.145 per mile. Toll rates are to be adjusted every two years at an annual growth rate of 2.75 percent on DNT, PGBT, SRT, LLTB, AATT and MCLB, and 3.0 percent on PGBT EE. The first toll rate adjustment under this new policy took place on July 1, 2011, and the current per mile TollTag rate on NTTA System facilities is approximately $0.153 per mile. Vehicles without TollTags are billed using the ZipCash system and are charged the TollTag rate plus a premium (currently 50 percent with a $0.22/transaction minimum in 2011) to cover the additional costs of ZipCash processing. The October 2011 Report assumed the NTTA System toll rates to be consistent with the new toll policy adopted in July 2009. As noted later, in December 2011 the Board adopted changes to the PGBT EE toll rates to make them consistent with the toll rates on the rest of the NTTA System.

As shown in the Updated NTTA System Annual Toll Transactions and Revenue — (Feb. 2012 T&R Table) below, toll revenue on the existing NTTA System is expected to increase from about $442.7 million in 2012 to $774 million in 2020 and $1.52 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 $2 billion per year by 2042.

February 2012 Update

On February 29, 2012, CDM Smith provided a traffic and revenue letter update (the "*February 2012 Update*"). Based upon the review of all pertinent assumptions supporting the October 2011 Report, CDM Smith concluded in the February 2012 Update that the October 2011 Report was still valid.

The following new information became available to CDM Smith at the time of the February 2012 update that warranted minor changes to the NTTA System traffic and revenue forecasts:

- Changes were made to the PGBT EE Project Agreement. Subsequently, a new PGBT EE toll rate schedule was adopted by the Board in December 2011. CDM Smith updated the NTTA System T&R estimates in early December 2011 and provided a traffic engineer certificate to reflect these changes (the "*December 2011 Update*")
- PGBT EE opened on December 21, 2011, ten days earlier than what was assumed in the October 2011 Report
- CDM Smith and the Authority agreed to change the TollTag/ZipCash transaction distribution and ZipCash revenue recovery assumptions, and
- Refinements to the traffic and revenue forecasting models were made by CDM Smith to reflect the recent trends.

September 2012 Update

On September 12, 2012, CDM Smith provided an additional traffic and revenue letter update (the "*September 2012 Update*"). The October 2011 Report, the February 2012 Update, and the September 2012 Update (collectively, the "*2012 Report*") is incorporated by reference herein. See **"INCORPORATION BY REFERENCE."**

The following sets forth information from the September 2012 Update.

Underlying Demographic Forecasts

The underlying demographic forecasts remain the same as presented in the October 2011 Report and February 2012 Update. CDM Smith feels that no additional modifications are required to the revised set of demographics, and thus they are valid for continued use.

Since the completion of the February 2012 Update, there have been no changes in relation to the regional mobility plan. However, CDM Smith has become aware that an amendment to the Mobility 2035 Plan (the "*2013 Amendment*") is expected to be adopted by RTC in March 2013, and air quality conformity determination by FHWA is expected in July 2013. CDM Smith will evaluate impacts of the 2013 Amendment on the NTTA System traffic and revenue estimates once the 2013 Amendment is adopted by NCTCOG.

Underlying Economic Climate

In September, 2010 the National Bureau of Economic Research announced that the nationwide recession that began in December 2007 ended in June 2009 and that recovery began in that month. The actual annualized percentage change in the national Gross Domestic Product (the "*GDP*") has been positive through the second quarter of 2012. CDM Smith tracks the monthly Economic Forecasting Surveys published by *The Wall Street Journal* (the "*WSJ*"). It is forecasted that the national GDP will continue to show positive growth through the end of 2013. However, the latest forecasts made in August 2012 project lower GDP growth rates than the forecasts made in January 2012.

Texas continues to experience a relatively smaller impact from the recent recession and seems to be on a faster track for recovery than many other parts of the country. Economists have referred to this as the "last in-first out effect." The Dallas/Fort Worth area has been performing better than the rest of the nation in terms of unemployment rates and employment growth. However, in a report by the Federal Reserve Bank of Dallas dated August 3, 2012 it was reported that "[r]egional indicators point to a slowing in economic growth. Texas employment growth was more modest in the second quarter than in the first, although growth is still outpacing the nation due in part to strength in the energy sector. The recent slowdown appears to be related to weaknesses in the global economy and general uncertainty about the pace of the current U.S. expansion."

Gasoline prices increased steadily between December 2011 and April 2012 to more than $3.80 per gallon and then dropped to about $3.10 per gallon by July 2012. Prices have risen steadily since then and were around $3.70/gallon at the end of August 2012. Gasoline prices in August 2012 were about 4.0 percent greater than those in August 2011.

The WSJ projected in January 2012 that prices in December 2012 will be close to $100 per barrel. The latest forecasts, however, expect average crude oil prices to remain between $90 per barrel and $95 per barrel through December 2013.

Recent Traffic Patterns and Characteristics

Through August, the growth on the DNT transactions from 2011 to 2012 was 9.2%. The transaction growth on PGBT was 12.6% between 2011 and 2012 through August of each such year. SRT showed strong growth trends, with a transaction growth of 28.5% from 2009 to 2010, a growth of 11.3% from 2010 to 2011 and a growth of 13.9% through August in 2012 compared to 2011. Transactions on the NTTA System grew by 6.5% between 2010 and 2011. NTTA System transactions in 2012 (through August) were greater than the corresponding 2011 transactions by 16.1%. This can be partly attributed to the continued economic recovery in the north Texas region, the recent openings of the PGBT EE and the DNT/SRT interchange and the absence of snow/ice related weather disruptions in early 2012.

For the period between February 2012 and August 2012, the actual transactions recorded on the NTTA System were greater than the forecasts made in the February 2012 Update by 3.7%. This is largely attributable to the greater than anticipated growth in transactions on the PGBT EE, PGBT and SRT.

The TollTag penetration rate (*i.e.*, the percentage of total transactions constituting TollTag transactions) across all the Authority facilities peaked near 81% in early 2011, and has dropped to about 78% by the end of 2011 and was just below 79% in May 2012 (based on preliminary TollTag penetration rate information). The recent TollTag penetration rate is slightly better than that forecasted in the February 2012 Update. This improvement could be attributed to the continued aggressive marketing of TollTags by the Authority and the recent changes implemented by the Authority to the business rules including the assessment of the ZipCash rate for a portion of VToll transactions.

Updated Long-Term Traffic and Revenue Estimates

Based upon the review of all pertinent assumptions supporting the February 2012 Update, CDM Smith opined that the resulting NTTA System-wide traffic and revenue estimates are still valid. CDM Smith assessed the potential impacts of the various changes and information mentioned above and concluded that the net effect of these changes would not cause any material negative impacts to the NTTA System traffic and revenue estimates included in the February 2012 Update.

Therefore, CDM Smith recommended that the NTTA System traffic and revenue forecasts included in the February 2012 Update be used to support the issuance of the Series 2012 Bonds. The updated long-term traffic and revenue estimates for the NTTA System from 2012 to 2062 estimated as part of the February 2012 Update are shown in the table below *("February 2012 T&R Table")*.

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Updated NTTA System Annual Toll Transactions and Revenue – (Feb. 2012 T&R Table)

Year	Toll Transactions	Toll Revenue
2012	563,503,600	$442,688,000
2013	584,121,800	$483,799,800
2014	601,761,100	$523,299,400
2015	619,608,000	$561,533,600
2016	639,156,200	$598,431,100
2017	656,413,800	$631,291,800
2018	676,550,300	$668,641,900
2019	703,237,700	$722,430,200
2020	723,908,100	$774,056,100
2021	736,765,100	$810,681,400
2022	749,730,900	$850,410,700
2023	762,950,900	$889,024,000
2024	776,334,700	$931,248,900
2025	790,369,900	$974,641,200
2026	804,582,100	$1,021,840,100
2027	819,116,800	$1,068,524,800
2028	833,773,700	$1,119,147,300
2029	848,682,800	$1,170,218,600
2030	863,722,400	$1,223,961,700
2031	876,459,600	$1,276,124,400
2032	889,320,500	$1,332,407,900
2033	902,741,300	$1,388,926,000
2034	916,190,300	$1,449,806,700
2035	933,756,500	$1,516,676,600
2036	947,685,100	$1,585,080,500
2037	962,343,600	$1,652,547,800
2038	977,076,900	$1,725,359,500
2039	992,069,000	$1,799,685,800
2040	1,007,126,400	$1,879,144,700
2041	1,018,521,000	$1,951,681,100
2042	1,029,873,500	$2,029,084,700
2043	1,041,405,700	$2,108,158,000
2044	1,052,835,000	$2,193,075,300
2045	1,064,793,500	$2,277,311,600
2046	1,076,068,400	$2,366,968,700
2047	1,087,149,200	$2,456,770,600
2048	1,097,457,100	$2,551,276,100
2049	1,108,352,200	$2,645,842,100
2050	1,119,096,100	$2,747,684,800
2051	1,129,794,100	$2,848,654,400
2052	1,140,415,800	$2,957,273,200
2053	1,151,686,100	$3,067,705,400
2054	1,162,877,300	$3,186,214,900
2055	1,174,198,600	$3,304,638,900
2056	1,184,826,900	$3,429,656,300
2057	1,195,477,600	$3,552,938,800
2058	1,104,930,400	$3,300,949,800
2059	911,381,600	$2,626,874,600
2060	917,080,600	$2,718,556,100
2061	922,988,500	$2,809,142,300
2062	928,605,300	$2,905,801,500
Total	**46,778,873,600**	**$91,107,889,700**

Key assumptions:
(1) Background transportation networks based on the Mobility 2035 Plan.
(2) Background demographics based on Mobility 2035 Plan demographics revised by RDS in mid-2011.
(3) System-wide toll rate increases on July 1 of every odd year starting July 1, 2011 by applying an annual toll increase of 2.75 percent.
(4) Improvements on DNT between PGBT and SRT by Dec. 31, 2015.

(5) Expansion of SRT between Bus-121 and US 75 from three to four lanes per direction by Jan. 1, 2019. Congestion pricing on SRT is assumed to start with this expansion.
(6) Expansion of PGBT between IH 35E and SH 78 from three to four lanes per direction by Jan. 1, 2019.
(7) Expansion of SH 161 between Belt Line Road and SH 183 to eight lanes by January 1, 2020.
(8) DNT Extension Phase 4A open to traffic by January 1, 2020.
(9) PGBT East Branch open by January 1, 2035.
(10) 2058 is the 50th 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.
(11) TollTag share and ZipCash revenue recovery trends to not significantly deviate from the assumptions included in the February 2012 Update. The Authority would employ business rules to encourage increases in TollTag shares on its facilities and to increase the ZipCash toll revenue recovery.
(12) In accordance with the existing practice of the Authority, all NTTA System facilities will be well-maintained, efficiently operated, and effectively signed to encourage maximum usage.
(13) Growth in vehicle operating costs (which include fuel, maintenance, and tires) will not significantly deviate from the assumed inflation rate.
(14) No local, regional, or national emergency will arise which would abnormally restrict the use of motor vehicles.

INCORPORATION BY REFERENCE

For additional information, the October 2011 Report, the February 2012 Update, the September 2012 Update, the SRT Project Agreement, the First Amendment to the SRT Project Agreement, the PGBT EE Project Agreement (including the First Amendment thereto), the Second Amendment to the PGBT EE Project Agreement, the Engineering Report for the SRT and the Engineering Report for the PGBT EE have been filed with the Electronic Municipal Market Access System ("*EMMA*") maintained by the Municipal Securities Rulemaking Board (the "*MSRB*") and are incorporated by reference herein. In addition, the Authority's monthly financial statements filed with EMMA are incorporated by reference herein. The October 2011 Report, the February 2012 Update, the September 2012 Update, the SRT Project Agreement, the First Amendment to the SRT Project Agreement, the PGBT EE Project Agreement (including the First Amendment thereto), the Second Amendment to the PGBT EE Project Agreement, the Engineering Report for the SRT (and appendices) and the Engineering Report for the PGBT EE are also available upon request made to the Authority or may be accessed on the Authority's website by accessing the following respective links:

https://www.ntta.org/whatwedo/fin_invest_info/NTTAsystem/Documents/October2011%20IGTTRR.pdf

https://www.ntta.org/whatwedo/fin_invest_info/financial_Info/Documents/NTTAS%20T_R%20Update%20Letter_February%2029%202012.pdf

https://www.ntta.org/whatwedo/fin_invest_info/Documents/NTTAS_TandR_Update_Letter_September_12%202012.pdf

https://www.ntta.org/whatwedo/fin_invest_info/NTTAsystem/Documents/SH_121_Project_Agreement.pdf

https://www.ntta.org/whatwedo/fin_invest_info/NTTAsystem/Documents/First%20Amendment%20to%20SRT%20Project%20Agmt.pdf

https://www.ntta.org/whatwedo/fin_invest_info/NTTAsystem/Documents/EEProjectAgreementwithExhibitsplus1stamendment.pdf

https://www.ntta.org/whatwedo/fin_invest_info/NTTAsystem/Documents/Second%20Amendment%20to%20PGBT%20EE%20Project%20Agmt.pdf

https://www.ntta.org/roadsprojects/existroad/Documents/110107_SRTEngineeringReport_Final.pdf

https://www.ntta.org/roadsprojects/existroad/Documents/110107_SRTEngineeringReport_Appendix_Final.pdf

https://www.ntta.org/roadsprojects/existroad/Documents/082008PGBTEEEngineeringReport_Final.pdf

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ACCESSED THROUGH THE AUTHORITY'S WEBSITE. SEE "**RISK FACTORS — FORWARD LOOKING STATEMENTS**" IN THE FOREPART OF THE OFFICIAL STATEMENT.

ENGINEERING REPORTS AND PROGRESS REPORTS

The Authority has received multiple engineering reports with respect to various components of the NTTA System. The only components of the NTTA System not yet complete are Segments 4 and 5 of the SRT and the PGBT EE. As of the date hereof, the Consulting Engineer is only required, pursuant to the Trust Agreement, to submit semi-annual progress reports relating to the DNT Extension Phase 3, LLTB, SRT and the PGBT EE. The engineering reports with respect to the SRT and the PGBT EE are incorporated herein by reference. See "**INCORPORATION BY REFERENCE**" herein. The most recent semi-annual progress reports relating to the DNT Extension Phase 3, SRT, the PGBT EE and the LLTB are attached hereto as **APPENDIX D**. Copies of all engineering and semi-annual progress reports are available upon request at the offices of the Authority. Such reports reflect the facts, conditions, and estimates existing or made at the time of the report. Each such report speaks only as of its date and no effort has been made to update such reports.

OTHER AUTHORITY INFORMATION

Investments

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

The Authority is required by the Public Funds Investment Act to invest its money under written investment policies that (i) primarily emphasize safety of principal and liquidity; (ii) address investment diversification, yield, maturity, and the quality and capability of investment management; and (iii) include a list of authorized investments, maximum allowable stated maturity of any individual investment for pooled funds, the maximum dollar-weighted average maturity, methods to monitor the market price of investments, and a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis. For a discussion of the investments of the Authority, see "**APPENDIX B-1**."

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

Additionally, (1) the Board must review annually its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) 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 the Authority; (4) require the qualified representative of firms offering to engage in an investment transaction with the Authority to: (a) receive and review the Authority's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the Authority 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 the Authority's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the Authority and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the Authority's investment policy; (6) provide specific investment training for the treasurer, chief financial officer and investment officers; (7) 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; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the Authority's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Authority.

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

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APPENDIX B-1

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, 2011

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NTTA
NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2011

Gerald Carrigan
Executive Director

Janice D. Davis
Chief Financial Officer

NTTA
NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011

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NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY AUTHORITY

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

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June 4, 2012

Chairman Kenneth Barr,
And the Board of Directors
North Texas Tollway Authority

The Finance Department of the North Texas Tollway Authority (the Authority or NTTA) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2011 in compliance with Section 711 of the Amended and Restated Trust Agreement. The CAFR is intended to provide detailed information on the financial condition of the North Texas Tollway System (the System), an enterprise fund of the Authority, at December 31, 2011, including the North Texas Tollway System, the Feasibility Study Fund and DFW Turnpike Transition Trust Fund. The System consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT), Sam Rayburn Tollway, Previously State Highway 121, (SRT), the Mountain Creek Lake Bridge (MCLB), the Addison Airport Toll Tunnel (AATT) and the Lewisville Lake Toll Bridge (LLTB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Crowe Horwath LLP, Certified Public Accountants, has issued an unqualified opinion on the North Texas Tollway Authority's System financial statements for the year ended December 31, 2011. This independent auditors' report is located at the front of the financial section of this report.

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

Profile of the North Texas Tollway Authority

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

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

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

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

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

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

The Authority experienced continued growth and transformation during 2011 with the completion of the President George Bush Turnpike Eastern Extension (PGBT-EE) and two multi-level interchanges on the Sam Rayburn Tollway (SRT) - one with the Dallas North Tollway and the other with U.S. 75. The interchanges completed the 26.2-mile corridor through fast-growing communities in Collin, Dallas and Denton counties. Toll revenues in 2011 were $402.5 million, representing an increase of 9.8% over 2010 revenues of $366.6 million. This increased revenue will allow the Authority to preserve current assets, fund capital improvement projects and invest in safety and technology to provide to our patrons world-class service.

The operations of the System are accounted for as an enterprise fund in accordance with United States generally accepted accounting principles (GAAP). Management takes responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. In keeping with that responsibility, these statements are presented on a consolidated basis and include the NTTA System, the Feasibility Study Fund, a revolving fund of the System, and the DFW Turnpike Transition Trust Fund. In prior years, separate, non-GAAP financial statements were prepared and audited for the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund. Management confirms that the financial statements are presented fairly and in all material respects, represent the financial position of the NTTA as of December 31, 2011. Please refer to the Management's Discussion and Analysis (MD&A) on pages 9-18 of this report for a detailed discussion of the NTTA's financial performance.

Economic Development

The Dallas-Fort Worth area ranks among the top 3 U.S. metropolitan areas for business expansions, relocations and employment growth. The projected five year growth rate of 4.1% for this area will outpace the United States and many major metropolitan areas. Our region produces thirty percent of all the goods and services in Texas while encompassing over thirty percent of all the residents. The region is projected to capture thirty-six percent of population and growth in Texas over the next five years. Dallas-Fort Worth continues to shine as one of the best places to do business. The Fortune 500 list shows 20 firms headquartered in our region. The regions diverse base of employers drives the region's economic strength, pulling from a variety of industries so that growth is possible even during the current economic conditions.

Relevant Financial Policies

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

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

(2) 1.20 times the scheduled debt service requirements on all outstanding First Tier Bonds and all outstanding Second Tier Bonds for the fiscal year; or

(3) 1.00 times the scheduled debt service requirements on all outstanding First Tier Bonds, all outstanding Second Tier Bonds, all outstanding Third Tier Bonds and all other outstanding obligations of the Authority secured by net revenues for the fiscal year.

Coverage for all debt for 2011 was 1.77 times, well above the required levels.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Texas Tollway Authority for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010.

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

Respectfully submitted,

Janice D. Davis
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

North Texas Tollway Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

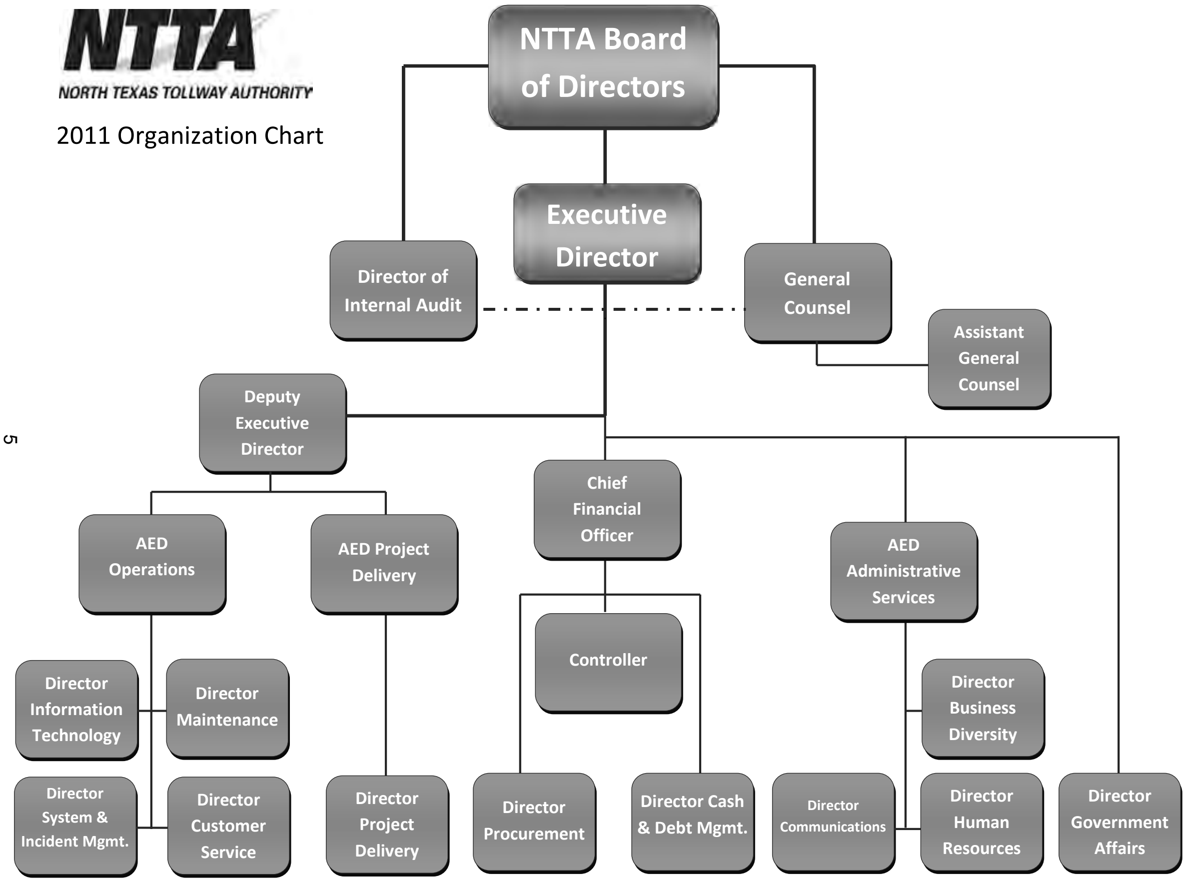
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

2011 Organization Chart



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North Texas Tollway Authority
List of Officials
December 31, 2011

Board of Directors

Kenneth Barr	Chair
William Moore	Vice-Chair
Matrice Ellis-Kirk	Director
David R. Denison	Director
Michael R. Nowels	Director
George Quesada	Director
William D. Elliott	Director
Victor Vandergriff	Director
Jane Willard	Director

Officials

Gerald Carrigan	Executive Director
Magdalena Kovats	Director, Internal Audit
Thomas Bamonte	Assistant Executive Director General Counsel
Janice D. Davis	Chief Financial Officer
Elizabeth Mow	Interim, Assistant Executive Director Project Delivery
Clayton Howe	Assistant Executive Director Operations
Kim Tolbert	Assistant Executive Director Administration
Nina Arias	Director, Human Resources
Kiven Williams	Director, Customer Service
Anthony Coleman	Director, Business Diversity
Kim Jackson	Director, Communications
Marty Lege	Director, Systems and Incident Management
Dave Pounds	Director, Information Technology
Carrie Rogers	Director, Government Affairs
Eric Hemphill	Interim Director, Maintenance

Crowe Horwath

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North Texas Tollway Authority

We have audited the accompanying financial statements of the North Texas Tollway System (the System), an enterprise fund of the North Texas Tollway Authority (the Authority), as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in note 1(a), the financial statements present only the System, an enterprise fund of the Authority and do not purport to, and do not, present fairly the financial position of the Authority as of December 31, 2011, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Texas Tollway System, an enterprise fund of the Authority, as of December 31, 2011, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 9, Modified Approach – Infrastructure on page 59 and schedules of funding progress on page 61, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the North Texas Tollway System's financial statements. The introductory section, supplementary schedules 1 through 10 and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Schedule 1 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule 1 is fairly stated in all material respects in relation to the financial statements as a whole. The items listed in the introductory section, schedules 2 through 10 and the statistical section have not been subjected to the audit procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Crowe Horwath LLP

Crowe Horwath LLP

Irving, Texas
June 4, 2012

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Management's Discussion and Analysis
December 31, 2011

As Management of the North Texas Tollway Authority (Authority), we offer readers the statements for the North Texas Tollway System (System), which consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT), Sam Rayburn Tollway (SRT), the Mountain Creek Lake Bridge (MCLB), the Addison Airport Toll Tunnel (AATT), and the Lewisville Lake Toll Bridge (LLTB), which make up an enterprise fund of the Authority, as well as, the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund. The Authority also includes the Special Projects System (SPS), another enterprise fund of the Authority, that is not included in these financial statements.

We offer readers of these financial statements a narrative overview and analysis of the financial activities of the System for the year ended December 31, 2011. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read it in conjunction with the financial statements, which immediately follow this section.

Using This Annual Report

Overview of the Financial Statements

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

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

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

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

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

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

Financial Results and Analysis

2011 Highlights

- The System's total net assets decreased by $633 million over FY 2010, mainly due to the System contributing $508 million from the Capital Improvement Fund to the Special Projects System and an increase in debt service.

- Total traffic transactions for FY 2011 were 515,373,594, an increase of 31,303,493 or 6.5% over FY 2010 transactions.
- Approximately 2,250,888 and 2,022,643 Toll Tags were active at the end of FY 2011 and FY 2010, respectively.
- The System received a toll equity grant in the amount of $160.3 million from the Texas Department of Transportation (TxDOT) for Right of Way acquisition and other costs related to the PGBT Eastern Extension (PGBT EE) in 2007. An additional $5.7 million of the grant has been recognized as grant revenue for FY 2011 with the remaining $43.9 million shown as deferred revenue.
- Toll revenues, net of bad debt expense of $12.5 million, increased $35.9 million or 9.8% over FY 2010 in part, as a result of a toll rate increase that went into effect in July 2011. In addition, traffic volumes of the Authority continue to increase with the expansion of President George Bush Eastern Extension and ten months of full operations for the Sam Rayburn Tollway.
- The Administration and Operations expenses of $99.3 million were under budget by 10.6% in FY 2011.

Summary of Operations

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

	2011	2010
Current assets	$ 286.4	$ 303.9
Current restricted assets	582.4	1,081.4
Noncurrent assets		
Restricted investments	326.9	412.6
Other assets	177.1	391.4
Capital assets	6,328.3	6,213.2
Total assets	7,701.1	8,402.5
Current liabilities	93.3	121.4
Liabilities payable from restricted assets	327.5	409.5
Long-term liabilities	7,653.8	7,612.1
Total liabilities	8,074.6	8,143.0
Net assets:		
Invested in capital assets, net of related debt	(1,178.5)	(831.8)
Restricted for construction	-	179.3
Restricted for debt service	916.9	1,031.4
Restricted for retiree health benefits	0.4	0.4
Unrestricted	(112.3)	(119.8)
Net assets	$ (373.5)	$ 259.5

The System's net assets indicate an unrestricted current ratio of 3.06 and 2.5 for FY 2011 and FY 2010, respectively. Working capital was $193.1 million and $182.5 million in FY 2011 and FY 2010, respectively. Total unrestricted current assets were $286.4 million in FY 2011, compared to $303.9 million in FY 2010. Total unrestricted and restricted current assets were $868.8 million at the end of FY 2011. Cash and investments of $822.9 million represent the largest component of current assets. The remaining $45.9 million is comprised of accrued interest receivable of $1.1 million, accounts receivable of $28.4 million, interproject/interagency receivables of $14.9, inventory and prepaid expenses of $1.4 million.

Total unrestricted current liabilities were $93.3 million at the end of FY 2011, including $2.9 million for accounts payable and retainage payable, $32.6 million of deferred revenue and $46.0 million for accrued liabilities, mainly accrued salaries and vacation liability, $11.2 million of interfund payables and $.6 million for Tolltag deposits.

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

		2011		2010
Revenues				
Tolls	$	415.0	$	366.6
Other revenues		28.4		17.3
Operating Revenues		443.4		383.9
Operating expenses before depreciation		152.4		125.7
Income from operations before depreciation		291.0		258.2
Bad debt expense		(12.5)		-
Unallocated infrastructure depreciation		(63.9)		(63.8)
Depreciation		(5.7)		(4.8)
Operating income		208.9		189.6
Net nonoperating revenue (expenses):				
Interest income		14.1		25.7
Interest expense		(402.9)		(377.5)
Other		1.2		(6.5)
Net nonoperating revenue (expenses):		(387.6)		(358.3)
Capital grant contributions		25.7		31.5
Contributions to Special Project System		(508.9)		(0.3)
BAB's subsidy		28.9		26.3
Change in net assets		(633.0)		(111.2)
Net assets - beginning of year		259.5		370.7
Net assets - ending	$	(373.5)	$	259.5

Total operating revenues were $443.4 million for FY 2011 and $383.9 million for FY 2010 (see Table A-2). Toll revenues were $402.5 million (net of bad debt expense), a 9.8% increase over FY 2010 toll revenues of $366.6 million. Traffic on the System continues to grow, with average daily transactions of 1,411,982 and 1,326,220 in FY 2011 and FY 2010, respectively.

Total operating expenses, including the Reserve Maintenance Fund and the Capital Improvement Fund, before depreciation for FY 2011 were $152.4 million, representing an 21.2% increase from FY 2010 operating expenses of $125.7 million (See Table A-2). Interest expense, inclusive of capitalized interest, for 2011 was $402.9 million, a 6.7% increase from FY 2010 interest expense of $377.4 million. Debt service coverage for FY 2011 and FY 2010 were 1.77 and 1.83 times, respectively. The Trust Agreement and the Authority's Debt Policy both require bond principal and interest coverage of 1.35.

The System's overall financial position decreased in FY 2011, as indicated by the $633 million decrease in net assets.

Investments: The System's investments at December 31, 2011 and 2010 were approximately $1.13 billion and $1.55 billion, respectively. Table A-3 chart below shows the types of authorized investments in the December 31, 2011 portfolio.

Table A-3

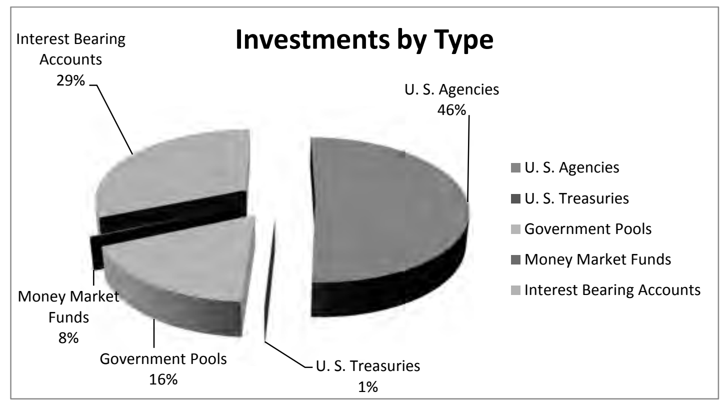

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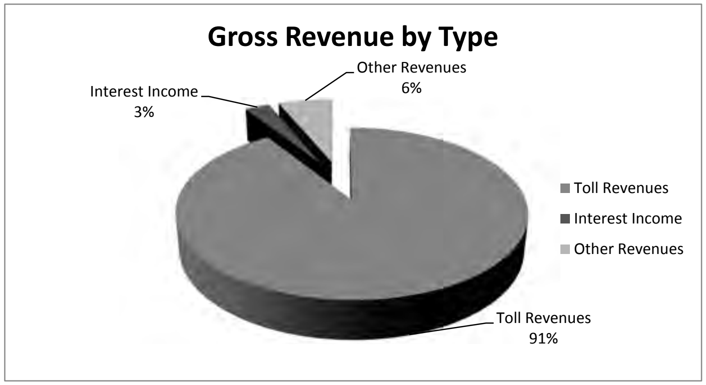
Table A-4 below shows the System's revenue in FY 2011 by revenue source type.

Table A-4

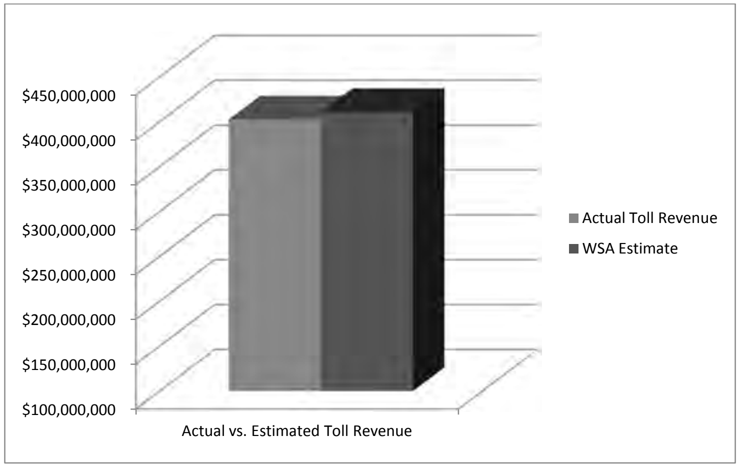


Gross revenues, excluding grant revenue of $25.7 million for FY 2011 were $443.7 million, an 11.7% increase over FY 2010 gross revenues of $396.6 million. Toll revenues of $402.5 million (net of bad debt expenses) account for 91.0% of total revenue. Interest income (excluding Construction Fund interest) was $12.8 million or 3%. Other revenue, mostly administrative and statement fees for collection of tolls from violators and interoperability fees, was $28.4 million, representing 6.0% of the total.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Management's Discussion and Analysis
December 31, 2011

Table A-5 below shows the System's actual toll revenue for FY 2011 compared to the estimated toll revenue of the Authority's traffic and toll revenue engineer, Wilbur Smith Associates (WSA). Toll revenue was under WSA's estimates by 2.0%.

Table A-5



Traffic on the System continues to grow with approximately 1,411,982 average daily transactions in 2011, up 6.4% from the 1,326,220 daily averages in 2010.

The increases in the toll revenue were largely attributed to:

- A toll rate increase of 0.8 cents (cent per mile) implemented in July 2011.
- The increased growth of population in the North Texas counties (Dallas, Tarrant, Denton & Collin).
- Completion of the President George Bush Turnpike Eastern Extension (PGBT-EE) and two multi-level interchanges on the Sam Rayburn Tollway (SRT) - one with the Dallas North Tollway and the other with U.S. 75.

Engineering Estimates

The annual estimates by the System's traffic and revenue engineer, Wilbur Smith & Associates (WSA), are displayed in comparison to the actual revenue for the years of 2002 through 2011 in Table A-6 below:

Table A-6
Actual vs. Estimated Revenue

Year	Actual	Estimate	Variance
2011	$ 402,569,534(*)	$ 410,749,700	$ (8,180,166)
2010	366,597,323	377,132,800	(10,535,477)
2009	290,404,547	265,051,729	25,352,818
2008	240,776,791	262,346,900	(21,570,109)
2007	202,675,564	204,491,800	(1,816,236)
2006	191,434,120	197,052,500	(5,618,380)
2005	172,537,345	167,457,300	5,080,045
2004	160,695,030	151,482,500	9,212,530
2003	149,323,784	144,975,000	4,348,784
2002	137,945,439	126,955,000	10,990,439

* For consistency with prior years, 2011 Actual Revenues are shown

The FY 2011 toll revenue of $402.5 million increased by 9.8% over FY 2010 actual toll revenue of $366.6 million. The System total revenues produced 1.77x debt coverage for 2011. Please see Table A-8 on page 18 on the Historical Debt Coverage.

Capital Assets – The Authority's investment in capital assets includes land, buildings, right-of-way, roadway, bridges, equipment, and computer systems. Capital assets at December 31, 2011 were $6.3 billion, increasing from FY 2010 by approximately $0.1 billion. This is due primarily to the construction of Sam Rayburn Tollway, the DNT Extension Phase 3, President George Bush Turnpike Eastern Extension, and Lewisville Lake Toll Bridge. For additional information on capital assets see Note (1) (f) and Note (4).

The Authority utilizes GASB No. 34, Modified Approach of reporting infrastructure assets. Each year a comprehensive assessment is conducted on all the Authority's infrastructure assets which affect the following fiscal year's maintenance budget. For fiscal year 2011, the Authority estimated it would need to spend $59.5 million for infrastructure maintenance and preservation, but actually expended $38.5 million. Fluctuations from year to year between the amount spent to preserve and maintain the Authority's infrastructure assets and the estimated amount result from the timing of work activities. For additional information and results of the 2010 assessment, please see the Required Supplementary Information on pages 59 and 60 of this report. The Authority's Condition Index for 2011 is 8.9 versus the 8.0 goal.

The Sam Rayburn Tollway (SRT) will revert to Texas Department of Transportation after the expiration of the 50 year period commencing when the Authority began collecting tolls on the project on its own behalf (September 2008).

The Authority will depreciate the cost of the acquisition and the construction costs of the SRT over the term of the project agreement pursuant to which the Authority acquired the project utilizing the straight-line basis. The effect of depreciating the cost of the acquisition and the construction costs of the SRT will reduce the Authority's net revenues as reported on the general accepted accounting principles (GAAP) basis. Since the depreciation will be a non-cash item, it will not impact the Authority's calculation of net revenues available per the Trust Agreement.

Long-Term Debt – At the end of FY 2011, the Authority's total bonded debt outstanding was $7.55 billion compared to approximately $7.54 billion in 2010 (See Table A-7). This debt represents bonds secured solely by toll revenue. For detailed information see Note (5) and schedule of revenue bonds outstanding as of December 31, 2011, on page 43.

Table A-7
Revenue Bonds Outstanding
As of FY 2011 and FY 2010

Series	Amount Outstanding 2011	Amount Outstanding 2010
Series 1997A	$ -	$ 43,345,000
Series 1998	26,855,000	78,145,000
Series 2003A	225,000,000	225,000,000
Series 2005C	178,310,000	178,310,000
Series 2008A	1,747,210,000	1,759,705,000
Series 2008B	226,930,000	229,960,000
Series 2008D	498,066,589	469,739,859
Series 2008E	215,000,000	390,000,000
Series 2008F	1,000,000,000	1,000,000,000
Series 2008H	209,040,000	209,040,000
Series 2008I	245,005,325	230,256,699
Series 2008J	-	100,000,000
Series 2008K	205,000,000	205,000,000
Series 2008L	100,000,000	100,000,000
Series 2009A	404,005,000	418,165,000
Series 2009B	825,000,000	825,000,000
Series 2009C	170,730,000	170,730,000
Series 2009D	178,400,000	178,400,000
Series 2010A *	90,000,000	90,000,000
Series 2010B *	310,000,000	310,000,000
Series 2010 Rev Refund	332,225,000	332,225,000
Series 2011A	100,000,000	-
Series 2011B	268,625,000	-
Revenue Bonds Outstanding	$ 7,555,401,914	$ 7,543,021,558

* Issued out of the Capital Improvement Fund. This debt is supported solely out of excess revenues flowing into the Capital Improvement Fund.

Table A-8 sets forth debt service coverage for all Revenue Bonds outstanding for the years 2002 through 2011.

Table A-8
Historical Debt Coverage

Year	Coverage
2011	1.77x
2010	1.83x
2009	1.56x
2008	1.60x
2007	1.96x
2006	1.98x
2005	1.80x
2004	2.00x
2003	2.09x
2002	2.08x

Additionally, part of the construction of the PGBT was funded with the proceeds from a loan in the amount of $135 million, made by the Texas Department of Transportation in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991. Interest has been accruing since 2000 and annual payment began in FY2004. The FY 2011 payment was $8.250 million with a due date of January 1, 2011. The amortization schedule for this loan can be found in Note (5) page 50.

On September 1, 2009, the Series 2005C bonds were converted to fixed rate bonds. The outstanding swaps remain legally tied to the Series 2005C Bonds, which have been remarketed to fixed rate. However, the Authority recognized the need for the swaps to be economically tied to variable rate bonds so that the swaps could function properly and generate a reasonable synthetic fixed rate. To that end, the Authority negotiated a letter of credit with JPMorgan and issued $178,400,000 Series 2009D variable rate bonds on November 5, 2009.

Short-Term Debt -The Authority maintains an approximately $200 million commercial paper program. $20 million of commercial paper was issued in 2011 to finance the design, engineering and other preliminary construction costs of Southwest Parkway/Chisholm Trail, Phase 4 of the Dallas North Tollway, the conversion of PGBT to all-electronic toll collection and other capital improvements and feasibility study costs of the NTTA System. Approximately $82.9 million was retired during 2011. As of December 31, 2011 there was $56.3 million of outstanding notes under the commercial paper program.

Contacting the NTTA's Financial Management

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

NTTA
NORTH TEXAS TOLLWAY AUTHORITY

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NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Net Assets
December 31, 2011

Assets

Current assets:		
Cash and cash equivalents (note 3)	$	18,936,322
Investments (note 3)		227,469,674
Accrued interest receivable		62,510
Interproject/agency receivables (note 4)		14,887,361
Accounts receivable (net of allowance for uncollectibles) (note 9)		21,277,571
Unbilled Accounts receivable (net of allowance for uncollectibles) (note 9)		2,349,788
Prepaid expenses		1,391,601
Total current unrestricted assets		286,374,827
Current restricted assets:		
Restricted assets:		
Restricted for construction:		
Cash and cash equivalents (notes 3 and 5)		1,093,787
Investments (notes 3 and 10)		150,043,943
Accrued interest receivable		167,927
Restricted for debt service:		
Investments (notes 3 and 5)		425,032,709
Accrued interest receivable		905,548
Accounts receivable		4,789,925
Restricted for pension benefits and other purposes:		
Investments (notes 3 and 5)		412,180
Accrued interest receivable		29
Total current restricted assets		582,446,048
Total current assets		868,820,875
Noncurrent assets:		
Investments restricted for operations (note 3)		5,500,000
Investments restricted for debt service (note 3)		321,450,673
Deferred outflow of resources		41,678,925
Deferred financing costs		81,706,412
Deferred feasibility study costs		53,640,281
Capital assets (net of accumulated depreciation) (note 4)		6,328,295,476
Total noncurrent assets		6,832,271,767
Total assets		**7,701,092,642**

See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Net Assets
December 31, 2011

Liabilities

Current liabilities:		
Accounts and retainage payable	$	2,866,649
Accrued liabilities		45,953,277
Interproject/agency payables		11,230,757
Deferred revenue		32,669,403
Tolltag deposits		614,483
Total current unrestricted liabilities		93,334,569
Payable from restricted assets:		
Construction-related payables:		
Accounts payable (note 10)		70,047
Retainage payable (note 10)		9,875,936
Deferred grant revenue		43,895,491
Debt service-related payables:		
Accrued interest payable		188,902,046
Accrued arbitrage rebate payable		432,470
Commercial paper payable (note 5)		56,300,000
Revenue bonds payable (note 5)		27,980,000
Pension benefits and other related payables		
Accounts payable (note 10)		1,598
Total current liabilities payable from restricted assets		327,457,588
Total current liabilities		420,792,157
Noncurrent liabilities:		
Other post-employment benefits (note 8)		11,413,085
Deferred inflow of resources		41,678,925
Texas Department of Transportation ISTEA loan payable (note 5)		140,607,305
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of $30,803,105 and bond discount (premium) costs of $36,512,143 (note 5)		7,460,106,666
Total noncurrent liabilities		7,653,805,981
Total liabilities		**8,074,598,138**
Net Assets		
Invested in capital assets, net of related debt		(1,178,473,954)
Restricted:		
Restricted for debt service		916,915,549
Restricted for pension benefits and other purposes		409,734
Unrestricted		(112,356,823)
Total net assets	**$**	**(373,505,494)**

See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended December 31, 2011

Operating revenues:		
Tolls	$	415,033,242
Other		28,372,616
Total operating revenues		443,405,858
Operating expenses:		
General		
Administration		22,159,182
Operations		77,165,408
Preservation		
Reserve maintenance		16,540,873
Capital improvement		36,535,270
Total operating expenses before depreciation		152,400,733
Operating income before depreciation		291,005,125
Bad debt expense		(12,463,708)
Unallocated infrastructure depreciation		(63,947,216)
Depreciation		(5,690,160)
Operating income		208,904,041
Nonoperating revenues (expenses):		
Interest earned on investments		17,672,334
Net decrease in the fair value of investments		(3,659,548)
Interest expense on revenue bonds		(343,422,746)
Interest expense on short term notes (net of capitalized interest)		(269,399)
Interest expense on loan		(6,000,006)
Bond premium/discount amortization		(43,237,386)
Bond issuance cost amortization		(4,173,546)
Deferred amount on refunding amortization		(5,829,048)
Contributions to Special Projects System		(508,991,349)
Other		1,284,373
Net nonoperating revenues (expenses)		(896,626,321)
Income (loss) before capital contributions		(687,722,280)
Capital Grant Contributions		25,712,730
Build America Bonds Subsidy (BAB's)		28,978,075
Change in net assets		(633,031,475)
Beginning net assets		259,525,981
Ending net assets	**$**	**(373,505,494)**

See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Cash Flows
Year ended December 31, 2011

Cash flows from operating activities:		
Receipts from customers and users	$	445,079,043
Payments to contractors and suppliers		(163,609,461)
Payments to employees		(31,519,668)
Net cash provided by (used in) operating activities		249,949,914
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets (including capitalized interest costs)		(217,888,540)
Issuance of revenue bonds		100,000,000
Grant proceeds		5,673,277
Purchase of commercial paper		20,000,000
Defeased commercial paper		(82,900,000)
Principal paid on revenue bonds		(100,000,000)
Interest paid on revenue bonds and other debt		(362,905,041)
Net cash provided by (used in) capital and related financing activities		(638,020,304)
Cash flows from investing activities:		
Purchase of investments		(614,128,226)
Proceeds from sales and maturities of investments		964,181,743
BABS Subsidy		28,978,075
Interest received		14,617,689
Net cash provided by (used in) investing activities		393,649,281
Net increase (decrease) in cash and cash equivalents		5,578,891
Cash and cash equivalents, beginning of the year		14,451,218
Cash and cash equivalents, end of the year	$	20,030,109
Classified as:		
Current assets	$	18,936,322
Restricted assets		1,093,787
Total	$	20,030,109
Noncash financing, capital, and investing activities:		
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	208,904,041
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		5,690,160
Unallocated Depreciation		63,947,216
Bad Debt Expense		12,463,708
Changes in assets and liabilities:		
Increase in accounts receivable		(3,382,930)
Decrease in inventories		2,148,580
Increase in prepaid expenses and other assets		(325,027)
Increase in deferred revenue		1,298,531
Decrease in accounts, retainage payable & unalloc Receipts		(22,248,543)
Increase in accrued liabilities		(18,545,822)
Total adjustments		41,045,873
Net cash provided by operating activities	$	249,949,914
Noncash financing activities:		
Decrease in fair value of investments		(3,659,548)
Capital Grant Contributions		25,712,730
Build America Bonds Subsidy (BAB's)		28,978,075

See accompanying notes to basic financial statements.

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NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

NOTE CONTENTS

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

(a) Reporting Entity

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

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

The North Texas Tollway Authority System (the System) is an enterprise fund and does not purport to be the entire activities of the Authority. The System is a turnpike project of the Authority and consists of the Dallas North Tollway (the DNT), the Addison Airport Toll Tunnel (the AATT), the President George Bush Turnpike (the PGBT), the Mountain Creek Lake Bridge (the MCLB), Sam Rayburn Tollway (SRT), and the Lewisville Lake Toll Bridge (the LLTB).

In April 2011, the Authority entered into a trust agreement authorizing the Authority to own, design, construct, operate, maintain and finance a turnpike project known as the Special Projects System (SPS). The SPS consists of the President George Bush Turnpike-Western Extension (the PGBT-WE) and the Southwest Parkway/Chisholm Trail Project (CTP). The SPS is a separate enterprise fund of the Authority and are not included in the financial statements herein.

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

1) The preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority;

2) The financing of the improvement, extension or expansion of an existing turnpike or Authority;

3) Private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.

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

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

(b) Basis of Accounting

The operations of the Authority, including the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund, are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned,

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the Authority are included in the Statement of Net Assets. The assets of the Authority are stated at cost with the exception of certain investments and interest rate swap derivatives, which are stated at fair value.

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

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

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

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

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

(c) Budget

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

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

(d) Restricted Assets

Certain proceeds of the Revenue Bonds are restricted by applicable bond covenants for construction or restricted as reserves to ensure repayment of the bonds. In 2011, the System made an equity contribution from the Capital Improvement Fund of $508 million ($400 million in subordinate debt and $108 million for preliminary costs) to the Special Projects System. Also, certain other assets are accumulated and restricted on a monthly basis in accordance with the Trust Agreement for the purpose of paying interest and principal payments that are due on a semiannual and annual basis, respectively, and for the purpose of maintaining the reserve funds at the required levels. Payments from these restricted accounts are strictly governed by the Trust Agreement and can only be made in compliance with the Trust Agreement. Limited types of expenses may be funded from these accounts. Expenses that do not meet these requirements are funded from unrestricted accounts. The funds and accounts that have been established in accordance with the Trust Agreement are as follows:

- **Construction and Property Fund** – The Construction and Property Fund was created to account for that portion of the proceeds from the sale of the Authority Revenue Bonds, which were required to be deposited with the trustee in order to pay all costs of construction. There also may be deposited in the Construction and Property Fund any monies received from any other source for paying the cost of the Authority.
- **Revenue Fund** – The Revenue Fund was created to account for all revenues (all tolls, other revenues, and income) arising or derived by the Authority from the operation and ownership of the Authority. All revenues of this fund are distributed to other funds in accordance with the Trust Agreement.
- **Operation and Maintenance Fund** – The Operation and Maintenance Fund was created to account for and pay current operating expenses of the Authority.
- **Reserve Maintenance Fund** – The Reserve Maintenance Fund was created to account for those expenses of maintaining the Authority that do not recur on an annual or shorter basis. As defined in the Trust Agreement, such items include repairs, painting, renewals, and replacements necessary for safe or efficient operation of the Authority or to prevent loss of revenues, engineering expenses relating to the functions of the Authority, equipment, maintenance expenses, and operating expenses not occurring at annual or shorter periods.
- **Capital Improvement Fund** – The Capital Improvement Fund (CIF) was created to account for the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, reconstruction and replacements, capital expenditures, engineering, and other expenses relating to the powers or functions of the Authority in connection with the Authority, or for any other purpose now or hereafter authorized by law. This CIF fund will also be combined with a revolving fund, called the Feasibility Study Fund to use only to pay the expenses of studying the cost and feasibility and any other expenses relating to; (1) the preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority; (2) the financing of the improvement, extension or expansion of an existing turnpike or Authority; (3) private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.
- **Bond Interest Account** – The Bond Interest Account was created to account for the payment of the semiannual interest requirements of the revenue bonds.
- **Reserve Account** – The Reserve Account was created for the purpose of paying interest and principal of the bonds whenever and to the extent that the monies held for the credit of the Bond Interest Account and the Redemption Account shall be insufficient for such purpose. The required reserve is an amount equal to the average annual debt service requirements of all bonds outstanding. At December 31, 2011, according to staff calculations the Authority was in compliance with this requirement.
- **Redemption Account** – The Redemption Account was created to account for the payment of the annual principal requirements of the revenue bonds.
- **DFW Turnpike Transition Trust Fund –** The Trust Fund is used to fund post-employment healthcare benefits for retire employees of the Dallas-Fort Worth Turnpike. Currently, there are two (2) employees that meet these requirements.

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NORTH TEXAS TOLLWAY SYSTEM
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NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

(e) Cash, Cash Equivalents and Investments

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

(f) Capital Assets

All capital assets are stated at historical cost, except for donated assets, which are valued at the estimated fair value of the item at the date of its donation. This includes costs for infrastructure assets (right-of-way, highways, bridges, and highways and bridges substructures), toll equipment, buildings, land, toll facilities; other related costs, including property and equipment with a value greater than $5,000 and software with a value greater than $1,000,000. Highways and bridges substructure includes road sub-base, grading, land clearing, embankments, and other related costs. Also included in capital assets are the costs of certain real estate for right-of-way requirements and administrative and legal expenses incurred during the construction period.

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

Depreciation is computed using a straight-line method over the following estimated useful lives:

Machinery and Equipment	3-10 years
Buildings	20-50 years
Roadways	50-60 years
Infrastructure	25-50 years
Intangibles	5-15 years

(g) Compensated Absences

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

(h) Retainage Payable

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

(i) Deferred Amount on Refunding of Revenue Bonds

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

(j) Bond Discounts, Premiums, and Bond Issuance Costs

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

(k) Arbitrage Rebate Payable

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements, and arbitrage rebate liability on issuers of tax-exempt debt. This represents interest earnings on bond proceeds in excess of amounts allowed under the Act. This Act requires the remittance to the Internal Revenue Service (IRS) of 90% of the cumulative arbitrage rebate within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The Authority's cumulative arbitrage rebate liabilities for the year ended December 31, 2011 are $432,470.

(l) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(m) New Accounting Pronouncements

GASB Statement No. 61, The Financial Reporting Entity Omnibus ("GASB 61") modifies certain requirements for inclusion of component units in the financial reporting entity. This statement is effective for financial statements for periods beginning after June 15, 2012. This statement will have no effect on the Authority.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements ("GASB 62") incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance included in various pronouncements issued on or before November 30, 1989. The purpose of this statement is to codify all sources of GAAP for state and local governments so that they derive from a single source. This statement is effective for financial statements for periods beginning after December 15, 2011. This statement has been adopted as of January 1, 2012.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources Deferred Inflows of Resources, and Net Position standardizes the presentation of deferred outflows and deferred inflows of resources and their effects on a government's net position. This statement is effective for financial statements beginning after December 15, 2011. This statement has been adopted and will be reflected in the financial statements for the year ending December 31, 2012.

GASB Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions ("GASB 64") clarifies the circumstances in which hedge accounting should continue when a swap counterparty or a swap counterparty's credit support provider is replaced. This statement is effective for financial statements for periods beginning after June 15, 2011. This statement has been adopted as of January 1, 2012.

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities ("GASB 65") establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as

outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The impact of this statement on the financial statements has not yet been determined.

GASB Statement No. 66, Technical Corrections -2012- an amendment of GASB Statements No. 10 and No. 62 is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases,* and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,* respectively. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The impact of this statement on the financial statements has not yet been determined.

(2) Legal Compliance – Budgets

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

The Authority may not expend any amount or incur any obligations for maintenance, repairs, and operations in excess of the total amount of the budgeted expenses in the Annual Budget unless the funding source is other than revenues received from the Authority. The Authority may expend additional monies from the Reserve Maintenance Fund in excess of the annual deposits. Budget amendments must be approved by the Board Members of the Authority in a manner similar to the adoption of the annual budget. There were no occurrences of budget noncompliance in 2011.

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

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

2) 1.20 times the scheduled debt service requirements on all outstanding First Tier Bonds and Second Tier Bonds for the fiscal year; or

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

The Authority was in compliance in 2011.

	2011 (unaudited)
GAAP basis operating income	$ 208,904,041
Non-construction fund interest income	12,788,898
Gross Income	221,692,939
Add:	
Depreciation	5,690,160
Unallocated infrastructure depreciation	63,947,216
Capital improvement fund expenses	36,535,270
Reserve maintenance fund expenses	16,540,873
Net revenues available for debt service	344,406,458
Bond interest expense, net of amounts capitalized	167,041,599
Scheduled principal amount due	27,980,000
Calculated debt service requirement	$ 195,021,599
Coverage ratio	1.77

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(3) Deposits and Investments

The Authority's investment policy is in accordance with the laws of the State of Texas. The Authority may purchase investments as authorized by the Trust Agreement and as further authorized by the revised investment policy and strategy approved by the Board of Directors in December 2011. These investments include obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities; obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; certificates of deposit issued by a state or national bank; fully collateralized repurchase agreements; commercial paper with a stated maturity of 270 days or fewer from the date of its issuance; no load money market mutual funds that have a dollar-weighted average stated maturity of 90 days or fewer and includes in its investment objectives the maintenance of a stable net asset value of $1 for each share; and State & Local Government Investment Pools.

The Authority does not invest in financial instruments other than those authorized by the investment policy.

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

(a) Deposits

The Authority's deposits were fully insured or collateralized at December 31, 2011. The carrying amount of the Authority's deposits was $20,030,109 and the respective bank balances totaled $22,695,950. As of December 31, 2011 the total bank balances were covered under the Temporary Liquidity Guarantee Program created by the Federal Depository Insurance Corporation (FDIC). The program provides full coverage of non-interest bearing deposit transaction accounts regardless of dollar amount.

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(b) Investments

As of December 31, 2011 the maturity values are as follows:

Description	2011 Maturity Value (in Yrs) Fair Value	Less Than 1 Yr	1 Yr or More	WAM(*)
Government Sponsored Entities (GSE):				
Federal Home Loan Bank	$ 95,400,754	$ 51,921,769	$ 43,478,985	
Federal National Mortgage Association	223,989,197	133,998,075	89,991,122	
Federal Agricultural Mortgage Corporation	26,016,070	-	26,016,070	
Federal Farm Credit Bank	91,491,475	6,849,398	84,642,077	
Federal Home Loan Mortgage Corporation	85,893,016	3,070,597	82,822,419	
Total GSE	522,790,512	195,839,839	326,950,673	394
Cash	101,796,570	101,796,570	-	-
Money Market Funds	2,881,217	2,881,217	-	-
U.S. Treasuries	545,000	545,000	-	-
Government Pool	180,549,246	180,549,246	-	-
Interest Bearing Account	321,346,634	321,346,634	-	-
Total Investments	**$ 1,129,909,179**	**$ 802,958,506**	**$ 326,950,673**	**394**

*WAM = Weighted Average Maturity (in days)

(c) Interest Rate Risk

The Authority does not have a formal policy on Interest Rate Risk. Investment portfolios are designed with the objective of attaining the best possible rate of return commensurate with the Authority's investment risk constraints and the cash flow characteristics of the portfolio. Return on investments, although important, is subordinate to the safety and liquidity objectives. In reflection with the Authority's investment report, the portfolio reflects the overall summary of the Authority's investment position. The weighted average yield-to-maturity of the portfolio for December 31, 2011 was 1.149%, in comparison to 1.287% in 2010. The weighted average maturity in days was 394 days for 2011, compared to 382 days in 2010. Market value fluctuation of the overall portfolio is minimized by keeping the weighted average maturity low. Approximately 71% of the investment are maturing within one year and 29% are maturing one year or greater.

(d) Credit Risk

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

As of December 31, 2011, the Authority holdings allocation was: 9% in cash, 16% in State and Local Government Pools, 29% in Interest Bearing Accounts and 46% in Agencies backed by the full faith and credit of the U.S. Government. Agencies are Aaa rated by Moody's.

(e) Concentration of Credit Risk

It is the policy of the Authority to diversify its investment portfolios. Assets held in the particular funds shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of December 31, 2011, TexPool, Regions Bank, and Bank of America, exceeded 5% of the total portfolio. More than 5% of the Authority's investments are in Federal Home Loan Banking, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation.

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

Construction and Property Account	$ 221,937,340
Revenue Account	97,381,119
Operations and Maintenance Account	3,053
Reserve Maintenance Account	36,327,301
Consolidated Capital Improvement Account	139,584,840
Bond Interest Account	191,554,314
Bond Reserve Account	414,727,009
Bond Redemption Account	27,982,023
DFW Turnpike Transition Trust Fund	412,180
Total investments	$ 1,129,909,179

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(4) Capital Assets

Capital assets are summarized as follows:

	January 1, 2011	Additions	Disposal /Transfers	December 31, 2011
Infrastructure network:				
Non-depreciable				
Right-of-way	$ 252,008,746	$ -	$ -	$ 252,008,746
CIP	1,728,413,501	106,430,444	(58,596,982)	1,776,246,963
Infrastructure - Other *	495,454,813	34,130,139	(4,278,340)	525,306,612
Total non-depreciable infrastructure	**2,475,877,060**	**140,560,583**	**(62,875,322)**	**2,553,562,321**
Depreciable				
CIP *	647,227,380	94,132,575	-	741,359,955
Roadway	3,197,211,448	-	-	3,197,211,448
Less accumulated depreciation	(149,242,863)	(63,945,581)	-	(213,188,444)
Total depreciable infrastructure	**3,695,195,965**	**30,186,994**	**-**	**3,725,382,959**
Total Infrastructure network	**6,171,073,025**	**170,747,577**	**(62,875,322)**	**6,278,945,280**
Property and Equipment				
Land	7,293,755	-	-	7,293,755
Buildings	17,434,998	-	-	17,434,998
Machinery and Equipment	34,454,266	6,251,501	-	40,705,767
Less accumulated depreciation				
Buildings	(3,486,247)	(581,161)	-	(4,067,408)
Equipment	(19,833,046)	(4,983,479)	-	(24,816,525)
	(23,319,293)	(5,564,640)	-	(28,883,933)
Total property and equipment	35,863,726	686,861	-	36,550,587
Total Capital Assets	**6,206,936,751**	**171,434,438**	**(62,875,322)**	**6,315,495,867**
Intangibles				
Intangibles	6,640,390	6,726,953	-	13,367,343
Less Amortization	(440,580)	(127,154)	-	(567,734)
Total Intangible Assets	**6,199,810**	**6,599,799**	**-**	**12,799,609**
Total Capital & Intangible Assets	**$6,213,136,561**	**$ 178,034,237**	**$ (62,875,322)**	**$ 6,328,295,476**

*Includes capitalized interest net of interest earnings. Total bond interest cost incurred amounted to $397,957,245 during the year ended December 31, 2011, of which $54,142,889 was capitalized. The $62,875,322 relates to transfers from the System enterprise fund to the Special Projects System enterprise fund.

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

Revenue Bonds

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

The following are descriptions of Revenue Bond Series currently outstanding as of December 31, 2011.

Series 1998:

The Authority issued $100,660,000 North Texas Tollway Authority Dallas North Tollway Authority Revenue Bonds, Series 1998 on October 29, 1998. The bonds are insured by FGIC and were issued for the purpose of financing Segment V of the PGBT. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1 commencing January 1, 2008. The issue included $22,515,000 of serial bonds maturing from 2008-2018 with interest rates ranging from 4.10%-4.75%, $22,065,000 term bonds due January 1, 2022 with an interest rate of 4.75%, and $56,080,000 term bonds due January 1, 2029 with an interest rate of 4.75%. The Series 2009A Bonds refunded the maturities dated January 1, 2011 through January 1, 2018 of the Series 1998 Bonds. The Series 2011B Bonds refunded the maturities dated January 1, 2019 through January 1, 2026 of the Series 1998 Bonds.

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Series 2003A:

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

Series 2005C:

The $341,670,000 North Texas Tollway Authority Dallas North Tollway Authority Variable Rate Revenue Bonds, Series 2005C, insured by FGIC, were issued December 15, 2005 for the purpose of refunding $332,425,000 Series 1995 Bonds. Interest initially accrues from the date of delivery at a Weekly Rate, but may be subsequently converted to bear interest at a Daily Rate, Flexible Rate, Monthly Rate, Quarterly Rate, Semi-Annual Rate, Multi-Annual Rate, or Fixed Rate. While bearing interest at a Weekly Rate, interest is payable on the first business day of each calendar month, and is calculated on the basis of actual days elapsed in a 365-day or 366-day year, as applicable. Upon a change to any of the other interest modes, the bonds will be subject to mandatory tender for purchase and remarketing with a maximum rate of twelve (12%) per annum. The bonds consisted of $341,670,000 term bonds due January 1, 2025. The bonds are subject to mandatory sinking fund redemption prior to maturity on January 1 of the years 2008-2025. In 2008, FGIC was downgraded below investment grade and remarketing of the bonds was not completely successful.

The Series 2005C Bonds were remarketed on September 1, 2009 to a fixed rate series of bonds. $161,110,000 of Series 2005C Bonds were refunded by Series 2009A Bonds. The remaining amount of Series 2005C Bonds is $178,310,000 which consists of $109,515,000 serial bonds maturing on January 1, 2019 through January 1, 2023 that bear interest rates ranging from 5% to 6.25% and $68,795,000 term bonds due January 1, 2025 with an interest rate of 6%.

The refunding resulted in a decrease of $85,851,214 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the Series 1995 Bonds ($14,207,535) was deferred and is being amortized over the stated term of the Series 2005C Refunding Bonds. This amount was adjusted due to the remarketing. The Authority obtained a present value loss of $13,637,745 in conjunction with the remarketing. The new difference between the reacquisition price and the net carrying amount on the 2005C bonds that were remarketed is ($8,025,086). This amount was deferred and is being amortized over the stated term of the Series 2005C Bonds. Amortization of the deferred amount on the refunding was $581,259 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($6,668,815).

Series 2008A:

The $1,770,285,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008A were issued on April 3, 2008 for the purpose of refunding $58,760,000 of Series 2003C Tender Bonds, $71,000,000 of Series 2005B Bonds and $1,203,405,000 of the Bond Anticipation Notes that were issued in November 2007. Interest is payable January 1 and July 1, and principal is payable on January 1 of each year. The issue included $483,665,000 of serial bonds, which began maturing January 1, 2009 and bear interest rates ranging from 4.0% to 6.0%; $373,810,000 of 5.125% term bonds due January 1, 2028, which are insured by MBIA Insurance Corporation; $207,910,000 of 5.625% term bonds due January 1, 2033; $404,900,000 of 5.75% term bonds due January 1, 2040; and $300,000,000 5.75% term bonds due January 1, 2048.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (40 years). The difference between the reacquisition price and the net carrying amount of the Series 2003C Bonds and the Series 2005B ($6,964,108) was deferred and is being amortized over the stated term of the Series 2003C Bonds. Amortization of the deferred amount on the refunding was $873,586 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($2,735,144).

Series 2008B:

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

The refunding resulted in an increase of $105,552,916 in the aggregate debt service between the refunding debt and the refunded debt. This was not an economic refunding but rather a restructuring refunding. The difference between the reacquisition price and the net carrying amount of the Series 2005A Bonds ($10,487,892) was deferred and is being amortized over the stated term of the Series 2005A Bonds. Amortization of the deferred amount on the refunding was $410,945 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($8,806,716). Outstanding principal on the Series 2005A Bonds in escrow is $210,060,000 on December 31, 2011.

Series 2008D:

The $399,999,394 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008D were issued on April 3, 2008 for the purpose of refunding $353,730,000 of the Bond Anticipation Notes that were issued in November 2007. These bonds were issued as Capital Appreciation Bonds, and the sum of the principal and accreted/compounded interest is payable only at maturity. The approximate Yield to Maturity is 5.90% to 5.97%. The maturity dates of the 2008D bonds are January 1, 2028 through January 1, 2038. These bonds are insured by the Assured Guaranty Corp.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years).

Series 2008E:

The $600,000,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008E Put Bonds with an Initial Multiannual period, were issued on April 3, 2008 for the purpose of refunding $12,970,000 of Series 1997 Bonds and $465,755,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the Series 2008E Bonds at the Initial Interest Rate, ranging from 5.0% to 5.75% and is payable January 1 and July 1. The Series 2008E Bonds were issued in subseries. These bonds are subject to mandatory tender on the following Mandatory Tender Dates: Subseries 2008E-1 on January 1, 2010, Subseries E-2 on January 1, 2012, and Subseries E-3 on January 1, 2016. On the Mandatory Tender Dates, the Series will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender Date at which they can be sold in any interest rate mode and at a rate not exceeding 12.00% per annum. In the event they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Series 2008E Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing. The Series 2009C and Series 2009D Bonds refunded the Subseries 2008E-1 prior to the Mandatory Tender Date.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years). The difference between the reacquisition price and the net carrying amount of the Series 1997 Bonds ($1,214,490) was deferred and is being amortized over the stated term of the Series 1997 Bonds. Amortization of the deferred amount on the refunding was $118,777 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($168,374).

Series 2008F:

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

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years).

Series 2008H:

On September 24, 2008, the Authority issued $409,040,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2008H Put Bonds with an Initial Multiannual period for the purpose of refunding $324,870,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the bonds at the Initial Interest Rate of 5% and is payable January 1 and July 1 of each year, commencing January 1, 2009. The Series 2008H Bonds were issued in subseries. Subseries 2008H-1 was subject to a mandatory tender on January 1, 2011. The Authority refunded the 2008H-1 Bonds on December 8, 2010 with proceeds from the 2010 Revenue Refunding Series. The remaining Subseries 2008H-2 are subject to mandatory tender on January 1, 2013. On the Mandatory Tender Date, the bonds will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender Date at which they can be sold in any interest rate mode and at a rate not exceeding 12.00% per annum. In the event they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Subseries 2008H-2 Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

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The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (35 years).

Series 2008I:

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

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (35 years).

Series 2008K:

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

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes and Commercial Paper Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years).

Series 2008L:

On November 4, 2008 the Authority issued $220,000,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series L Put Bonds with an Initial Multiannual period, for the purpose of refunding $168,225,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the bonds at the Initial Interest Rate of 5.5% and 6.0% and is payable January 1 and July 1 of each year, commencing January 1, 2009. The bonds were issued in two subseries. Subseries 2008L-1 was subject to a mandatory tender on January 1, 2011. The Authority refunded the 2008L-1 Bonds on December 8, 2010 with proceeds from the 2010 Revenue Refunding Series. The remaining Subseries 2008L-2 are subject to mandatory tender on January 1, 2013. On the Mandatory Tender Date, the Series will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender Date at which they can be sold in any interest rate mode and at a rate not exceeding 12.00% per annum. In the event they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Subseries 2008L-2 Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years).

Series 2009A:

The $418,165,000 North Texas Tollway Authority System Revenue Bonds, Series 2009A were issued on August 12, 2009 for the purpose of refunding $48,655,000 of Series 1997 bonds; refunding $59,105,000 of Series 1997A Bonds; refunding $21,210,000 of Series 1998 Bonds; refunding $161,110,000 of Series 2005C Bonds; and refunding $90,950,000 of Commercial Paper notes. Additionally, a deposit of $18,500,000 was made for Capital Improvement Projects from the Series 2009A proceeds. Interest is payable on January 1 and July 1, commencing January 1, 2010.

The total consists of $44,740,000 Serial Bonds with maturities of January 1, 2011 through January 1, 2013 with interest rates ranging from 3% to 5%, and $373,425,000 Term Bonds with maturities on January 1, 2024, January 1, 2028 and January 1, 2039 and interest rates ranging from 6% to 6.25%.

Net proceeds of $292,507,177 were deposited into an irrevocable trust with an escrow agent to provide for future debt service payment on the refunded Series 1997 bonds, Series 1997A bonds, Series 1998 Bonds and Commercial Paper Notes. As a result, the Series 1997 bonds, a portion of the Series 1997A bonds, a portion of the Series 1998 Bonds, a portion of the Series 2005C bonds and the Commercial Paper notes then outstanding are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of $16,920,933.

The refunding resulted in an increase of $132,339,031 in the aggregate debt service between the refunding debt and the refunded debt. This was not an economic refunding but rather a restructuring refunding. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2009A of ($12,613,456) was deferred and is being amortized over the stated term of the Series 1997 Bonds. Amortization of the deferred amount on the refunding was $2,968,537 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($4,208,094).

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Series 2009B:

The $825,000,000 North Texas Tollway Authority System Revenue Bonds, Series 2009B were issued on August 12, 2009 as Taxable Build America Bonds, ("BABs") for the purpose of funding construction for the Sam Rayburn Tollway project, the Lewisville Lake Toll Bridge project and the President George Bush Turnpike Eastern Extension project. Interest is payable on January 1 and July 1, commencing January 1, 2010. These bonds are entitled to a direct payment subsidy from the United States Treasury in an amount equal to 35% of the interest due on each payment date. The Authority must request this subsidy prior to each interest payment date. The Series 2009B Bonds were issued as one term bond with a maturity of January 1, 2049 and an interest rate of 6.718%.

Series 2009C:

On November 5, 2009, the Authority issued $170,730,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2009C, for the purpose of refunding a portion of Series 2008E-1 and Series 2008G Bonds. Interest is payable on January 1 and July 1, commencing July 1, 2010. The bonds were issued as one Term Bond due January 1, 2044 at an interest rate of 5.25%.

Net proceeds of $166,408,750 were deposited into an irrevocable trust with an escrow agent to provide for future debt service payment on the refunded Series 2008E-1 bonds and the Series 2008G bonds. As a result, a portion of the Series 2008E-1 bonds and the Series 2008G bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value gain of $11,969,757.

The refunding resulted in an increase of $37,268,508 in aggregate debt service between the refunding debt and the refunded debt. This was not an economic refunding but rather a restructuring refunding. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2009C of $3,984,364 was deferred and is being amortized over the stated term of the Series 2008E-1 and Series 20008G Bonds. Amortization of the deferred amount on the refunding was ($163,281) for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($3,630,589).

Series 2009D:

On November 5, 2009, the Authority issued $178,400,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2009D, for the purpose of refunding a portion of Series 2008E-1 Bonds. The bonds were issued in variable rate mode, with interest payable on the first Business Day of each month, commencing December 1, 2009, and interest rates are reset weekly. The remarketing agent is J.P. Morgan Securities Inc. The stated maturity for this bond is January 1, 2049.

Net proceeds of $176,710,000 were deposited into an irrevocable trust with an escrow agent to provide for future debt service payment on the refunded Series 2008E-1 bonds. As a result, a portion of the Series 2008E-1 bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value gain of $11,463,491.

The refunding resulted in an increase of $94,234,282 in aggregate debt service between the refunding debt and the refunded debt. This was not an economic refunding but rather a restructuring refunding. The difference between the reacquisition price and the net carrying amount of the 2008E-1 Bonds refunded by 2009D of ($11,881,769) was deferred and is being amortized over the stated term of the Series 2008E-1 Bonds. Amortization of the deferred amount on the refunding was $826,526 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($9,840,303).

Series 2010A:

On May 13, 2010, the Authority issued $90,000,000 of North Texas Tollway Authority System Revenue Bonds, Series 2010A, for the purpose of being a contribution to the Special Project System for construction of the PGBT WE (SH 161) project and other projects deemed necessary by the Authority. The bonds were issued as Subordinate Lien Obligations and are to be repaid from net revenues available after the payment of First Tier Bonds, Second Tier Bonds and Third Tier Bonds, the deposit of funds in all reserve funds, to the extent necessary, the deposit of funds into the Reserve Maintenance Fund of the Authority, and the payment of the ISTEA Loan. Interest is payable on February 1 and August 1, commencing Feb 1, 2010. The bonds were issued as one Term Bond due February 1, 2023 at an interest rate of 6.25%

Series 2010B:

On May 13, 2010, the Authority issued $310,000,000 of North Texas Tollway Authority System Revenue Bonds as Taxable Build America Bonds, ("BABs"), Series 2010B, for the purpose of being a contribution to the Special Project System for construction of the PGBT WE (SH161) project and other projects deemed necessary by the Authority. The bonds were issued as Subordinated Lien Obligations and are to be repaid from net revenues available after the payment of First Tier Bonds, Second Tier Bonds and Third Tier Bonds, the deposit of funds in all reserve funds, to the extent necessary, the deposit of funds into the Reserve Maintenance Fund of the Authority, and the payment of the ISTEA Loan. Interest is payable on February 1 and August 1, commencing Feb 1, 2010

These bonds were issued as Taxable Build America Bonds, ("BABs") and were issued in two Subseries, 2010B-1 and 2010B-2. These bonds are entitled to a direct payment subsidy from the United States Treasury in an amount equal to 35% of the interest due on each payment date. The Authority must request this subsidy prior to each interest payment date. The 2010B-1 Subseries consist of one Term Bond due February 1, 2030 at an interest rate of 8.41%. The 2010B-2 Subseries consist of one Term Bond due February 1, 2030 at an interest rate of 8.91%.

Series 2010:

On December 8, 2010, the Authority issued $332,225,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2010 for the purpose of refunding the $200,000,000 of 2008H-1 and $120,000,000 of 2008L-1 bonds which had a mandatory tender of January 1, 2011. Interest is payable January 1 and July 1, commencing July 1, 2011. These bonds were issued as three Term Bonds due January 1, 2034, January 1, 2038 and January 1, 2043. All three term bonds have an interest rate of 6.00%.

The refunding resulted in a decrease of $562,190,215 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2010 Revenue Refunding Bonds of ($861,951) was deferred and is being amortized over the stated term of the Series 2008L-1 Bonds. Amortization of the deferred amount on the refunding was $35,023 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($824,690).

Series 2011A:

On July 7, 2011, the Authority issued $100,000,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2011A for the purpose of refunding the $100,000,000 of 2008J. The 2008J bonds were a direct placement with Bank of America and had a Bank Mandatory Tender date of November 1, 2011. The 2011A bonds were issued in variable rate mode, with interest payable on the first Business Day of each month, commencing August 1, 2011, and interest rates are reset weekly. The remarketing agent is Morgan Stanley Bank, N.A. The stated maturity for this bond is January 1, 2050.

The aggregate difference in debt service between the refunding bonds and the refunded bonds is immeasurable due to the fact that both series were issued in a variable rate mode. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2011A Revenue Refunding Bonds of ($452,540) was deferred and is being amortized over the stated term of the Series 2008J Bonds. Amortization of the deferred amount on the refunding was $14,218 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($438,321).

Series 2011B:

On November 29, 2011, the Authority issued $268,625,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2011B for the purpose of refunding $43,345,000 of Series 1997A Bonds; refunding $51,290,000 of Series 1998 Bonds; and refunding $175,000,000 of Series 2008E-2 Bonds. The 1997A and 1998 Bonds were refunded for economic savings. The 2008E-2 Bonds had a mandatory tender date of January 1, 2012. Interest is payable January 1 and July 1, commencing January 1, 2012. These bonds were issued as serial bonds maturing January 1, 2019 through January 1, 2026 and one Term Bonds due January 1, 2038. The bonds have an interest rate of 5.00%

The refunding resulted in a decrease of $45,413,311 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2011B Revenue Refunding Bonds of $400,780 was deferred and is being amortized over the stated term of the Series 1997A Bonds. Amortization of the deferred amount on the refunding was ($4,525) for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was $396,255.

The 1997A Bonds previously refunded the 1989 and 1994 Bonds and the difference between the reacquisition price and the net carrying amount of the Bonds refunded by the 1997A Bonds was deferred and was being amortized over the term of the 1997A Bonds. The remaining deferred amount from the 1989 and 1994 Bonds refunding will be combined with the amounts deferred from the 2011B Revenue Refunding and amortized over the original life of the 1997A Bonds, which had the shortest remaining term. Amortization of the deferred amount on the prior refunding was $167,983 for the year ended December 31, 2011. The deferred amount ending balance for the year ended December 31, 2011 was ($1,139,492). The total deferred amount ending balance is ($743,237).

Outstanding principal on the portion of the Series 1997A Bonds in escrow is $43,345,000 at December 31, 2011. Outstanding Principal on the portion of the Series 1998 Bonds in escrow is $51,290,000 at December 31, 2011. Outstanding Principal on the portion of the Series 2008E-2 Bonds in escrow is $175,000,000 at December 31, 2011.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

The following schedule summarizes the revenue bonds outstanding as of December 31, 2011:

Description of Issue	Beginning Balance	Additions	Matured or Retired	Ending Balance	Due within one year
Series '97A	$ 43,345,000	$ -	$ (43,345,000)	$ -	$ -
Series '98	78,145,000	-	(51,290,000)	26,855,000	-
Series '03A	225,000,000	-	-	225,000,000	-
Series '05C	178,310,000	-	-	178,310,000	-
Series '08A	1,759,705,000	-	(12,495,000)	1,747,210,000	13,080,000
Series '08B	229,960,000	-	(3,030,000)	226,930,000	-
Series '08D	469,739,859	28,326,730	-	498,066,589	-
Series '08E	390,000,000	-	(175,000,000)	215,000,000	-
Series '08F	1,000,000,000	-	-	1,000,000,000	-
Series '08H	209,040,000	-	-	209,040,000	-
Series '08I	230,256,699	14,748,626	-	245,005,325	-
Series '08J	100,000,000	-	(100,000,000)	-	-
Series '08K	205,000,000	-	-	205,000,000	-
Series '08L	100,000,000	-	-	100,000,000	-
Series '09A	418,165,000	-	(14,160,000)	404,005,000	14,900,000
Series '09B	825,000,000	-	-	825,000,000	-
Series '09C	170,730,000	-	-	170,730,000	-
Series '09D	178,400,000	-	-	178,400,000	-
Series '10A	90,000,000		-	90,000,000	-
Series '10B	310,000,000		-	310,000,000	-
Series '10	332,225,000		-	332,225,000	-
Series '11A	-	100,000,000	-	100,000,000	-
Series '11B	-	268,625,000	-	268,625,000	-
	7,543,021,558	411,700,356	(399,320,000)	7,555,401,914	27,980,000
Less:					
Unamortized deferred amount on refunding of revenue bonds	36,580,394	51,759	(5,829,048)	30,803,105	-
Bond discount/premium	40,916,302	(5,733,849)	1,329,690	36,512,143	-
Totals	**$ 7,465,524,862**	**$ 417,382,446**	**$ (394,820,642)**	**$ 7,488,086,666**	**$ 27,980,000**

Deferred Amount on Refunding/Premium/Discounts

Expenses related to the issuance of the bonds and other loans are being amortized using the bonds outstanding method that factors in the maturities of the various serial bonds, over the term of the bonds and loan. The deferred amount of refunding for the year ended on December 31, 2011 was $30,803,105. The discount (premium) costs for the year ended on December 31, 2011 was $36,512,143.

The revenue bond debt service requirements below are prepared as of December 31, 2011:

	Total Revenue Bonds				
Year	Principal amount	Interest amount	Capitalized Interest	BAB Subsidy	Total
Due January 1					
2012	$ 27,980,000	$ 396,225,395	$ (129,407,315)	$ (28,978,075)	$ 265,820,005
2013	16,605,000	401,924,796	(39,791,383)	(28,978,075)	349,760,339
2014	-	402,652,961	-	(28,978,075)	373,674,886
2015	965,000	411,939,200	-	(28,978,075)	383,926,125
2016	1,370,000	421,463,364	-	(28,978,075)	393,855,289
2017 - 2021	327,465,000	2,077,577,556	-	(144,890,375)	2,260,152,181
2022 - 2026	972,195,000	1,879,079,881	-	(138,891,527)	2,712,383,354
2027 - 2031	1,199,981,437	1,551,755,845	-	(108,960,680)	2,642,776,602
2032 - 2036	1,472,083,719	1,220,180,825	-	(96,991,125)	2,595,273,419
2037 - 2041	1,632,634,660	783,888,081	-	(93,778,661)	2,322,744,080
2042 - 2046	1,129,262,944	333,078,089	-	(57,959,427)	1,404,381,606
2047 - 2049	631,785,000	60,979,717	-	(10,256,723)	682,507,994
Interest Accretion	143,074,154	(143,074,154)		-	-
	$ 7,555,401,914	$ 9,797,671,557	$ (169,198,697)	$ (796,618,893)	$ 16,387,255,880

The Interest and Sinking and Reserve Accounts required by the Trust Agreement have been established with the Trustee. The balances as of December 31, 2011 were:

	Cash and Investment Balance	Trust Requirement
Bond Interest account*	$ 191,554,314	$ 175,145,677
Debt service reserve account**	414,727,009	406,082,262
Redemption account***	27,982,023	27,980,000
Total	$ 634,263,346	$ 609,207,939

Bond interest account – Interest payment due at next due date
Debt service reserve account – Average annual debt service payment
Redemption account – Principal payment due at next due date

* Difference of $16,408,637 – NTTA Prefunded $16,400,000 of 2013 Debt Service from the Capital Improvement Fund during 2011

** Debt Service Reserve account per the trust agreement is not valued at market price, but amortized value. The amortized value at 12/31/11 was $408,366,840.

*** Difference of $2,023 – Trustee transfer error reversed in January 2012.

SWAP Transactions

History. In 2004, the Authority entered into multiple interest rate swap transactions in the collective notional amount of $202,720,000 pursuant to ISDA Master Agreements dated and effective as of August 20, 2004 (the "2004 ISDA Master Agreements") with Citibank N.A., New York, Bear Stearns Financial Products Inc. and Lehman Brothers Special Financing Inc. (the "Swap Providers") in connection with the then proposed refunding of a portion of the Dallas North Tollway System Revenue Bonds, Series 1995 (the "Series 1995 Bonds") and the issuance of the Variable Rate Revenue Bonds, Series 2005C (the "Series 2005C Bonds"), (the "2004 Swap Transactions").

Concurrently with the issuance of the Series 2005C Bonds in December 2005, the Authority and the Swap Providers also entered into multiple interest rate swap transactions in the collective nominal amount of $138,950,000, effective as of December 15, 2005, pursuant to the 2004 ISDA Master Agreements relating to the portion of the Series 2005C Bonds issued to refund the remaining Series 1995 Bonds (the "2005 Swap Transactions" and together with the 2004 Swap Transactions, the "Swap Transactions").

On May 15, 2009, Bear Stearns Financial Products merged with JPMorgan Chase Bank N.A. and all derivative transactions were transferred from Bear Stearns Financial Products to JPMorgan Chase Bank N.A.

On August 14, 2009, $5,375,000 for the 2004 Swap and $706,700 for the 2005 Swap was paid to the swap counterparties to terminate a portion of each respective swap. Currently, the notional amount for the 2004 Swap and the 2005 Swap is $84,060,000 and $94,230,000 respectively. The swap counterparties are currently Citibank N.A. and JPMorgan Chase Bank N.A.

On September 1, 2009, the Series 2005C bonds were converted to fixed rate bonds. The outstanding swaps remain *legally* tied to the Series 2005C Bonds, which have been remarketed to fixed rate. However, the Authority recognized the need for the swaps to be *economically* tied to variable rate bonds so that the swaps could function properly and generate a reasonable synthetic fixed rate. To that end, the Authority negotiated a letter of credit with JPMorgan, and issued $178,400,000 Series 2009D variable rate bonds on November 5, 2009.

Objective of the interest rate swap

The intention of the Swap Transactions was to produce an overall fixed rate cost of funds related to refunding of the Series 1995 Bonds. The Swap Transactions were structured to lock in low rates, minimize the negative arbitrage in escrow, achieve higher present value savings than traditional fixed rate bond alternatives and increase future debt capacity. Total present value savings from these transactions were originally estimated at $41.8 million.

Terms – 2004 Swap Transactions

Under the 2004 Swap Transactions, the Authority is obligated to make payments to the Swap Providers calculated at a fixed rate of 3.673% per annum and the Swap Providers are obligated to make floating rate payments to the Authority calculated at a rate equal to 67% of the one-month London Interbank Offered Rate ("LIBOR") for U.S. deposits. The 2004 Swap Transactions have a stated final maturity date of January 1, 2023.

Terms – 2005 Swap Transactions

Under the 2005 Swap Transactions, the Authority is obligated to make payments to the Swap Providers calculated at a fixed rate of 3.533% per annum and the Swap Providers are obligated to make floating rate payments to the Authority calculated at a rate equal to 67% of the one-month LIBOR for U.S. deposits. The Series 2005C Bonds and the 2005 Swap Transactions have a stated final maturity date of January 1, 2025.

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As of December 31, 2011, rates were as follows: (see example in table below)

Interest rate swap:	Terms	2004 Swap Rates December 31, 2011	2005 Swap Rates December 31, 2011
Fixed payment to counterparties	Fixed	3.673%	3.533%
Variable payment from counterparties	67% of 1-Month LIBOR	0.174%	0.174%
Net interest rate swap payments		3.499%	3.359%
2009D Variable-rate bond coupon payments	SIFMA + 185*	2.150%	2.150%
Synthetic interest rate on bonds		5.649%	5.509%

*175bps LOC fee & 10bps remarketing fee

Period Ended December 31, 2011

Derivative Instrument	Hedge Type	Effectiveness Test Method	Result	Classification	Amount
Combined 2004 Swaps	Cash flow hedges	Regression Analysis	**Effective**	Deferred Outflow	$ (18,733,975)
Combined 2005 Swaps	Cash flow hedges	Regression Analysis	**Effective**	Deferred Outflow	$ (22,944,950)

Fair value. As of December 31, 2011, the 2004 Swap Transactions had a negative fair value of $18,733,975 and the 2005 Swap Transactions had a negative fair value of $22,944,951. The negative fair value signifies the amount that the Authority would owe to the Swap Providers upon the termination of all the Swap Transactions as of that date. The fair value were calculated using FAIRVALUE ADVISOR, First Southwest's online swap valuation system. The system is Statement on Standards for Attestation Engagements No.16 ("SSAE 16") certified. First Southwest is an independent third party provider of swap valuations.

Credit risk. As of December 31, 2011 the Authority was not exposed to counterparty credit risk because the Swap Transactions had a negative fair value. However, should interest rates change and the fair value of the Swap Transactions become positive, the Authority would be exposed to credit risk in the amount of the derivative's fair value.

If the respective Swap Provider's credit rating is reduced below A2 by Moody's or A by S&P, in the case of Citibank N.A., New York, or Aa3 by Moody's or AA- by S&P in the case of JPMorgan Chase Bank N.A., it is required to post collateral to the Authority's credit.

As of December 31, 2011, the Swap Providers' respective ratings by Moody's Investors Service ("Moody's") and by Standard and Poor's Corporation ("S&P") are as follows: Citibank N.A., New York A1/A+ and JPMorgan Chase Bank N.A. Aa1/AA-. Each party's portion of the 2004 Forward Swap and 2005 Current Swap agreement is 2/3 & 1/3 and 1/3 & 2/3 respectively.

Interest Rate Risk. Interest rate risk is the risk that changes in the interest rates will adversely affect the fair values of the Authority's hedging instruments or its cash flows. The Authority is exposed to interest rate risk on its derivatives.

The underlying Bonds (Series 2009D) have variable rate coupon payments which are tied to the SIFMA Index. The Swap Payments paid to the Authority by the Counterparties are also variable, tied to 2/3rds of one month Libor. A decrease in Libor Rates would increase the net swap payments for the Authority but would be offset by a likely decrease in SIFMA and a lower corresponding coupon payment. An increase in SIFMA Rates would increase the corresponding coupon payment but would be offset by a likely increase in Libor Rates and a lower corresponding net swap payment.

Rollover Risk. Rollover risk is the risk that a hedging instrument associated with hedgeable item does not extend to the maturity of that hedgeable item. The Authority is not exposed to rollover risks because the hedging derivative instruments associated with the hedgeable debt items extends beyond the maturity of the hedgeable debt items.

Basis risk. The Authority is exposed to basis risk under the swap agreements as the variable rate received from the counterparties will not perfectly match the rate paid on the bonds and the expected cost savings may not be realized.

Liquidity risk. Risk relating to the swap termination insured by FGIC, the Authority may be required to post collateral if FGIC is downgraded to below "A-" by S&P or "A3" by Moody's. If FGIC is so downgraded, and the Authority is downgraded to below A3 by Moody's or A- by S&P, the Authority will be obligated to post collateral in an amount equal to the swap termination payment amount owed by the Authority to JPMorgan Chase Bank N.A. FGIC was downgraded but the Authority has maintained its ratings above the referenced levels and no collateral is required to be posted. The Authority is currently rated A2 by Moody's and A- by S&P.

Market Access Risk. The Authority is not directly exposed to market access risk on the swaps. It is however indirectly exposed to market access risk through the underlying bond issue (Series 2009D) that the swaps are economically tied to. The 2009D bonds are a variable rate obligation that is backed by a letter of credit. Letters of credit typically have a 2 or 3 year term and at the end of the term the Authority would need to refinance the debt or secure either a new letter of credit. In March 2011, the LOC was extended to June 30, 2014. The risk is that the Authority may not be able to access the markets to obtain a new letter of credit.

Foreign Currency Risk. The Authority is not exposed to Foreign Currency Risk as both the fixed and variable payment portion are in the same currency. (US Dollars)

Counterparty Risk. Counterparty risk exists if the counterparty cannot make future payments or cannot make a termination payment due to NTTA. Risk is reduced by ISDA (International Swaps and Derivatives Association) contract terms addressing collateral limits and credit ratings. Additionally, selection of more than one highly-rated counterparty diversifies risk.

Termination risk. Termination risk exists if (i) the Authority opts to terminate the Swap Transactions prior to maturity and the Swap Providers do not have sufficient funds owed to the Authority, (ii) the Authority is downgraded to below A3 by Moody's or A- by S&P and the Authority is unable to post sufficient collateral, or (iii) the Authority's credit rating is reduced below investment grade by Moody's or S&P. If at the termination the swap has a negative fair value, the Authority would be liable to the Swap Providers for a payment equal to the Swap's fair value.

The Swap Transactions are subject to optional termination by the Authority at any time over the term of the Swap Transactions at the then prevailing market value. The Swap Providers do not have the elective right to optionally terminate the Swap Transactions. Each of the swap agreements may be terminated by the respective counterparty if the Authority does not maintain a credit rating of least Baa3 by Moody's or BBB- by S&P. The Authority's current ratings are A2 by Moody's and A- by S&P.

Swap payments and associated debt. Using rates as of December 31, 2011, debt service requirements of the variable-rate and net swap payments, assuming current interest rates remain the same for the term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary. *Includes interest rates for both swap payments, plus the assumed variable rate amount.

	2009D Bonds Associated with Swaps		
Fiscal Year	Principal amount	Interest amount*	Total
2012	$ -	$ 8,762,561	$ 8,762,561
2013	-	8,738,620	8,738,620
2014	-	8,738,620	8,738,620
2015	-	8,738,620	8,738,620
2016	-	8,762,561	8,762,561
2017	-	8,738,620	8,738,620
2018	-	8,738,620	8,738,620
2019	-	8,600,690	8,600,690
2020	-	8,478,595	8,478,595
2021	-	8,144,094	8,144,094
2022	-	7,811,665	7,811,665
2023	-	7,489,801	7,489,801
2024	-	7,164,224	7,164,224
2025	-	6,779,200	6,779,200
2026	-	6,779,200	6,779,200
2027	-	6,779,200	6,779,200
2028	-	6,797,773	6,797,773
2029	-	6,779,200	6,779,200
2030	-	6,779,200	6,779,200
2031	-	6,779,200	6,779,200
2032	-	6,797,773	6,797,773
2033	-	6,779,200	6,779,200
2034	-	6,779,200	6,779,200
2035	-	6,779,200	6,779,200
2036	-	6,797,773	6,797,773
2037	-	6,779,200	6,779,200
2038	-	6,779,200	6,779,200
2039	-	6,779,200	6,779,200
2040	-	6,797,773	6,797,773
2041	-	6,779,200	6,779,200
2042	-	6,779,200	6,779,200
2043	-	6,779,200	6,779,200
2044	32,000,000	6,797,773	38,797,773
2045	33,800,000	5,563,200	39,363,200
2046	35,600,000	4,278,800	39,878,800
2047	37,500,000	2,926,000	40,426,000
2048	39,500,000	1,505,112	41,005,112
TOTAL	**$ 178,400,000**	**$ 258,857,267**	**$ 437,257,267**

* Includes interest rates for both swap payments, plus the assumed variable rate amount.

Commercial Paper

On April 18, 2001, the Authority's Board of Directors authorized the $200,000,000 Dallas North Tollway Authority Tax-Exempt Commercial Paper program. The commercial paper issued must mature not more than 270 days from date of issue. The Authority may retire commercial paper at any time.

Commercial paper notes are supported by a letter of credit with Bank of America in excess of $200,000,000 and constitute a Third Tier obligation under the Amended and Restated Trust Agreement. Any advances for payments of commercial paper under the letter of credit are secured by a Third Tier lien on Authority revenues. No such advances have occurred. The credit agreement was renewed on October 16, 2009 and was scheduled to expire on January 2, 2011. On December 16, 2010 the Authority retired the Third Tier Commercial Paper Program and supporting letter of credit. In conjunction with the retirement of the old program the Authority established a new Commercial Paper Program supported by a new letter of credit with Bank of America in excess of $200,000,000 constituting a Second Tier obligation under the Amended and Restated Trust Agreement. Any advances for payments of commercial paper under the new letter of credit are secured by a Second Tier lien on Authority revenues. No such advances have occurred. The credit agreement expires on December 16, 2013.

Commercial Paper may be issued to provide interim financing for new projects and other capital improvements and to finance equipment purchases for projects of the Authority. In January and March 2011, prior to the establishment of the Special Projects System, the Authority issued $20,000,000 of commercial paper to: finance the design, engineering and other preliminary construction costs for the Southwest Parkway/Chisholm Trail project, Phase 4 of the Dallas North Tollway, the conversion of PGBT to all-electronic toll collection and other capital improvements and feasibility study costs of the NTTA System. As of December 31, 2011, $56,300,000 was outstanding with an average interest rate of 0.22%.

Short-term debt activities for the year ended December 31, 2011 were as follows:

	Balance at December 31, 2010	Additions	Reductions	Balance at December 31, 2011
Commercial Paper Notes	$ 119,200,000	$ 20,000,000	$ 82,900,000	$ 56,300,000

Loans Payable

Additionally, the Authority funded, in part, costs of the construction of the PGBT with proceeds from a loan, which totaled $135,000,000, made by TxDOT in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). Interest at the rate of 4.2% began to accrue on October 1, 2000, compounding annually on January 1, with the first payment made in October 2004, and annual payments on January 1 thereafter until final payment in 2029, which resulted in a new loan amount at October 1, 2004 of $154,338,133 Repayment of the loan to TxDOT is to be made from amounts on deposit in the Capital Improvement Fund with payments subordinate to bonds or other obligations of the Authority issued or entered into and secured by the tolls and revenues of the Authority. The ISTEA loan payment of $8,250,000 was made on December 31, 2011 for the fiscal year of 2011. The loan payable was $140,607,305 as of December 31, 2011.

Debt service requirements on the TxDOT ISTEA loan payable subsequent to December 31, 2011 are as follows:

Fiscal years	TxDOT ISTEA Loan payable Principal	Interest
2012(*)	$ -	$ -
2013	2,344,493	5,905,507
2014	2,192,962	5,807,038
2015	2,285,066	5,714,934
2016	2,381,039	5,618,961
2017 - 2021	29,088,617	25,983,780
2022 - 2026	59,954,975	16,657,007
2027 - 2029	42,360,152	3,607,037
Total principal and interest	$ 140,607,305	$ 69,294,263

*Note 1/1/2012 payment was made December 2011.

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(6) Employees' Retirement Plan

As discussed in Note 1, effective September 1, 1997, the Authority, a regional tollway authority under Chapter 366, Transportation Code, became the successor agency to the Texas Turnpike Authority. In connection with this transition, the Authority changed from being a participant in the plans administered by the Employees Retirement System of Texas (ERS), which are considered single employer defined benefit pension plans, to being a participant in the Texas County and District Retirement System (TCDRS), which is a nonprofit public trust fund that provides pension, disability, and death benefits to eligible employees of the counties and districts that participate in TCDRS. Information related to the TCDRS, the Authority's 401(k) plan, and its refrain from participation in Social Security is included herein. A separate audited GAAP-basis pension plan report for ERS is available at www.ers.state.tx.us/Publications/FinancialReports.

Texas County and District Retirement System

TCDRS, an agent multiple-employer public employee retirement system, was established by legislative act in 1967 as a nontraditional, joint contributory, defined benefit plan. Individuals are required to become a TCDRS member at the time of their employment regardless of their age, unless the individual is ineligible for one of the reasons specified by the TCDRS (e.g., part time, temporary employee).

The governing body of the political subdivision determines the percentage of salary that both the individual and employer contribute toward retirement. The employee and employer contribution rate established was 6% and 9.04% of wages up to a maximum of $245,000, respectively, at December 31, 2011.

Once an individual reaches vested status, he or she may end employment with a TCDRS subdivision and retain his or her right to future benefits as long as the individual does not die or withdraw personal contributions. Once a vested employee has satisfied both the service and age requirements for retirement, he or she is considered retirement eligible. Employees are eligible to receive lifetime monthly pension payments following the termination of their employment if the individual has 10 or more years of service credit at age 60 or older or the individual has 30 or more years of service credit at any age.

An individual is also eligible to receive lifetime monthly pension payments after his or her termination of employment if his or her political subdivision has authorized, and the individual has satisfied 10 years of service credit at age 60 or older or the individual's combined age and total service is 75 years or more.

If an individual is eligible for service or disability retirement pension payments, the amount of the lifetime monthly pension to be received after retirement is determined by dividing the total dollars of accumulated retirement credit earned at retirement by the appropriate annuity purchase rate used to convert dollars of retirement credit to a lifetime monthly pension payment.

If an individual has at least ten years of service credit and becomes disabled for any reason, the individual may be approved for disability retirement benefits if the TCDRS Medical Board finds that the individual is mentally or physically incapacitated for any gainful occupation and the incapacity is considered permanent.

Total pension expense allocated to the System by the Authority for the year ended December 31, 2011, was $2,899,763 based on a covered payroll of $32,276,976. The Authority made the actuarially required contribution. Employee contributions to the plan for the year ended December 31, 2011 were $1,923,878.

A separate audited GAAP-basis pension plan report for TCDRS is available at www.tcdrs.org/docs.

Actuarial valuation information (unaudited)

Actuarial valuation date	December 31, 2008	December 31, 2009	December 31, 2010
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level % of payroll, closed	Level % of payroll, closed	Level % of payroll, closed
Amortization period	15.0	20.0	20.0
Asset valuation method	SAF: 10-yr smooth value ESP: Fund value	SAF: 10-yr smooth value ESP: Fund value	SAF: 10-yr smooth value ESP: Fund value
Actuarial assumptions:			
Investment return**	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

**Includes inflation at the stated rates.

<u>Source reference</u>: Texas County and District Retirement System (GASB Compliance Data) For Employer's Accounting Year ending in 2011

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 94.91% funded. The actuarial accrued liability for benefits was $49,418,747, and the actuarial value of assets was $46,901,374, resulting in an unfunded actuarial accrued liability (UAAL) of $2,517,373. The covered payroll was $36,065,565, and the ratio of the UAAL to the covered payroll was 6.98%.

The schedule of funding progress presented as Required Supplementary Information, following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Trend Information for the retirement plan for the employees of the Authority

Accounting year ended	Annual pension cost (APC)	Percentage of APC contributed	Net Pension obligation
December 31, 2009	$ 2,119,141	100%	$ -
December 31, 2010	$ 2,130,462	100%	$ -
December 31, 2011	$ 1,923,878	100%	$ -

401(k) Plan

As a state agency of the State of Texas, the Texas Turnpike Authority was a participating employer in the State of Texas Texa$aver 401(k) Profit Sharing Plan sponsored by the Employees Retirement System of Texas. The Texas Turnpike Authority, as a state agency, was permitted to participate in the Employees Retirement System of Texas under Section 812.003 of the Texas Government Code.

Because the Act established the Authority as a political subdivision of the State of Texas instead of a state agency, it is no longer eligible to participate in the Texa$aver 401(k) Plan maintained by the Employees Retirement Authority of Texas. As a successor of the Texas Turnpike Authority, however, the Authority is eligible under current IRS rules and regulations to adopt the North Texas Tollway Authority 401(k) Plan as a successor qualified cash or deferred arrangement to the Texa$aver 401(k) Plan.

Prior to 1986, the IRC of 1986 permitted state or local governments and tax-exempt organizations to maintain qualified cash or deferred arrangement. The Tax Reform Act (TRA) of 1986 amended IRC to provide that a cash or deferred arrangement shall not be treated as a "qualified cash or deferred arrangement" if it is part of a retirement plan maintained by a governmental unit. However, TRA 1986 provides specific exception for cash or deferred arrangements adopted by a governmental unit prior to 1986 "Grandfather Employer". The Authority, a government entity is eligible to adopt the 401(k) plan because it is a successor entity to the Texas Turnpike Authority, a Grandfathered Employer, and is adopting a cash or deferred arrangement substantially similar to the Texas Turnpike Authority's cash or deferred arrangement.

Effective September 1, 1997, each Authority employee became eligible to participate in the North Texas Tollway Authority 401(k) plan, a defined contribution plan. The plan requires that each employee be required to make a mandatory employee contribution, deposited by the Authority towards the cost of the 401(k) plan, in an amount equal to 4% of total wages. All mandatory employee contributions to the 401(k) plan for payroll periods following September 1, 1997 shall be made on a pretax basis, provided they are subject to the Hospital Insurance portion of the Federal Insurance Contributions Act and the Federal Unemployment Tax Act and the withholding of those Acts. Employee contributions and plan earnings are vested at all times and a terminating employee shall be paid all mandatory contributions and plan earnings pursuant to the plan's terms. The Authority is authorized to make discretionary employer matching contributions in such amounts as may be determined by the board, and Authority employees are vested in employer contributions at 100% after five years services. Former Texas Turnpike Authority employees employed by the Authority on or before October 31, 1997 shall receive past service credit for service with the Texas Turnpike Authority for purposes of determining the vested percentage and the Authority's Board of Directors is allowed to further amend or terminate the plan at any time.

Total 401(k) contributions allocated to the System by the Authority for the year ended December 31, 2011 were $1,067,730 based on a covered payroll of $30,668,028.

Social Security

Effective September 1, 1997, the Authority elected to refrain from participation in Social Security and instead participated in both the TCDRS and the Authority 401(k) plan. The Authority requires mandatory employee participation in both of these plans.

(7) Risk Management

The Texas Municipal League (TML) Intergovernmental Risk Pool insures the Authority for workers' compensation. The Authority purchases insurance policies for all major areas of operation including buildings and contents, bridges, general liability, commercial umbrella, crime, directors and officers liability, and boiler and machinery coverage. There have not been any settlements exceeding insurance coverage in the years 2006-2011. There has not been any significant reduction of coverage.

The Authority self-insures health benefits utilizing a third-party benefit administrator. The Authority pays claims based on actual claims reported. Funds are available to pay claims and administrative costs associated with the program. Reserves for these liabilities are included in current liabilities in the Statement of Net Assets.

	Balance at Beginning of Fiscal Year	Current-year claims and changes in estimates	Claim payments	Balance at End of Fiscal Year
2010	$ 3,186,807	$ 8,910,947	$11,573,214	$ 524,540
2011	$ 524,540	$ 8,291,582	$ 8,190,223	$ 625,899

(8) Other Post Employment Benefits

Plan Descriptions – The Authority provides post employment defined benefit health care to all eligible retired employees through contributions to either the Employee Retirement System of Texas (ERS) Group Benefit Program (GBP) or the Authority's Health Benefits plan. The Authority also has an OPEB trust, the Dallas-Fort Worth Transition Trust established in 1997 as part of the legislative action which created the Authority.

Employees Retirement System of Texas Group Benefit Program

The Authority contributes to the Employees Retirement System of Texas Group Benefits Program, a cost sharing multiple employer defined benefit OPEB plan. GBP provides health benefits to eligible retired employees of participating entities. Chapter 1551, Texas Insurance Code assigns authority to establish and amend benefit provisions to the ERS Board Trustees. The ERS issues a publically available GASB Statement 43 report. The report can be obtained from the ERS website.

Funding Policy – Chapter 1551, Texas Insurance Code provided that the contribution requirements under the GBP be established and amended by the ERS Board Trustees. Plan members receiving benefits and the Authority contribute $413.3 per month for retiree only coverage $649.6 for retiree and spouse, $571.5 for retiree and children, and $807.9 for family.

Contribution rates are determined annually by the trustees based on recommendations of the ERS staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred and (i) the funds appropriated and (ii) the funding policy established by the Texas Legislature in connection with the benefits provided through GBP. The trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The Authority has 54 plan members receiving benefits from GBP. An additional 41 active employees have the option of retiring under the ERS GBP or the Authority's plan. The OPEB liability for these 41 employees is calculated under the Authority's plan. The Authority's contributions to the GBP for the fiscal years ended December 31, 2011, 2010 and 2009 was $312,673, $293,509 and $279,226, respectively; which was 100% of the required contribution for those periods.

Authority Plan Administered through PEBC

The Authority's Benefits plan is affiliated with the Public Employees Benefits Cooperative (PEBC), an agent multiple-employer postemployment healthcare plan administrator.

The plan does not issue a publicly available report. There are currently 3 individuals receiving benefits and 6 employees fully eligible to receive benefits under the Authority's Benefits plan. No separate financial statements are issued for the Authority's plan.

Funding Policy – The contribution requirements under the Authority's Benefits plan for the plan members and the Authority are established and may be amended by the Board of Directors. Authority members receiving benefits contribute the following amounts annually depending on plan, age and coverage:

	Under Age 65		Age 65 and Older	
Plan				
EPO	$ 4,236	$ 4,488	$ -	$ -
PPO	3,864	4,092	-	-
PSS	-	-	1,992	1,992
PMA	-	-	744	744

The required contribution is based on the projected pay-as-you-go financing requirements. For fiscal year 2011 expenses of $ 24,529 were recognized for the post employment health care premiums paid. This represents 45.4% of the total premiums.

Annual OPEB Cost and Net OPEB Obligation – The Authority's annual other postemployment benefit (OPEB) cost is calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the elements of the Authority's OPEB cost for the year, the amount actually contributed on behalf of the Plan, and changes in the Authority's net OPEB obligation for the year ended December 31, 2011:

	2009	2010	2011
Annual Required Contribution	$ 899,228	$ 2,073,600	$ 2,073,600
Interest on Net OPEB Obligation	223,511	211,923	325,577
Adjustment to Annual Required Contribution	248,001	640,753	711,672
Annual OPEB Cost (expense)	1,370,740	2,926,276	3,110,849
Payments Made	14,553	19,541	24,529
Increase in Net OPEB Obligation	1,356,187	2,906,735	3,086,320
Net OPEB Obligation - Beginning of Year	4,063,843	5,420,030	8,326,765
Net OPEB Obligation - End of Year	$ 5,420,030	$ 8,326,765	$ 11,413,085

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the years ended December 31, 2009-2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
12/31/2009	$ 1,370,740	1.06%	$ 5,420,030
12/31/2010	$ 2,926,276	0.67%	$ 8,326,765
12/31/2011	$ 3,110,849	0.79%	$ 11,413,085

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

Funded Status and Funding Progress – The actuarial information presented in the notes and in the Required Supplementary Information represents the January 1, 2010 actuarial date. The funded status of the plan as of January 1, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	$14,605,332
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$14,605,332
Funded ratio (actuarial value Of plan assets/AAL)	0%
Covered payroll (active plan members)	$34,392,153
UAAL as a percentage of covered payroll	43%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about and the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspectives of the calculations.

In the January 1, 2011, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a discount rate of 3.91% and an annual healthcare cost trend rate of 8.5% for 2011, 8.0% for 2012 reduced by decrements of .5% percent to an ultimate rate in 2017 of 5.5%. The actuarial assumptions include an investment rate of return at 3.91% and projected salary increases at 2.0%. Both rates include a 3% inflation assumption. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. At January 1, 2011 the remaining amortization period was 27 years.

Dallas- Fort Worth Turnpike Transition Trust Fund

As part of the 1997 legislation creating the North Texas Tollway Authority under Chapter 366, Texas Transportation Code, the Dallas-Fort Worth Turnpike Transition Trust Fund was established to account for the payment of transition costs and other liabilities payable from funds of the Dallas-Fort Worth Turnpike at December 1977, such as post employment benefits. There are only two remaining retired employees receiving benefits from ERS GBP. Payments during fiscal year were $10,068; which was 100% of the required contribution for the period. The trust currently has $419,418 in net assets. Due the limited number of participants no valuation was done.

(9) Disaggregation of Receivable Balances

The Authority has unrestricted accounts receivable balances of $21,277,571, unbilled accounts receivable of $2,349,788 and a restricted accounts receivable balance of $4,789,925. The restricted balance of $4,789,925 is due from Series 2010B bond rebates; the unrestricted balance consists of $21,141,112 for billed video tolls (net of the allowance for doubtful accounts of $35,839,991), $136,459 for fees related to maintenance of equipment and $2,349,788 for unbilled video tolls (net of the allowance for doubtful accounts of $13,315,468). Additionally, the System has unrecorded video toll transactions of $5,617,891 (**)(matched no current address) and $50,457,169 of unmatched video toll transactions as of December 31, 2011.

The System's allowance for doubtful accounts for invoices less than 70 days old is 25% and 85% for invoices older than 70 days. The unbilled video tolls-matched with current address that have not met the System's business rule, which is that a customer has to drive through five gantries to generate an invoice, has an allowance rate of 85%.

Recorded Video Toll Transactions	2011
Billed video tolls	$ 56,981,103
Net of allowance for uncollectibles	(35,839,991)
	$ 21,141,112
Unbilled video tolls (Matched current address) (*)	$ 15,665,256
Net of allowance for uncollectibles	(13,315,468)
	$ 2,349,788
Unrecorded Video Toll Transactions	
Matched no current address video toll transactions (**)	$ 5,617,891
Unmatched video toll transactions (***)	$ 50,457,169

(*) Matched current address video toll transactions-ready to bill once the Authority's business rules are met.

(**) Matched no current address video toll transactions – Vehicle located in Texas Department of Motor Vehicle (DMV) database with no current address on file. (Example: Vehicle has been sold but the transfer of the title has not been updated in the DMV database)

(***) Unmatched video toll transactions– Unable to locate in DMV database, possibly due to temporary tags or out-of-state license plates.

(10) Commitments and Contingencies

The Authority currently has $1,149,939,288 in cash and investments with approximately $746,483,382 restricted for debt service, $5,500,000 restricted for operations and $151,137,730 restricted for construction. The Authority has $2,866,649 in current liabilities that are comprised primarily of construction-related payables at December 31, 2011. Additionally the Authority has contract and purchase order commitments at December 31, 2011 aggregating $862.6 million. This amount mainly consists of $861.9 million of construction contracts payable from restricted funds and the issuance of debt.

The Authority is currently evaluating several Authority maintenance, rehabilitation, and capital improvement projects with an estimated cost of approximately $1.1 billion, which may be funded from the Authority's Reserve Maintenance Fund, the Construction Fund, or the Capital Improvement Fund over the next six years.

The Authority entered into a property management agreement on February 12, 2007 and ending February 28, 2011, to manage existing leases of the Gleneagles buildings. An operating account funded with operating lease payments was established for the Manager to handle all expenses.

As of December 31, 2011 this account had a balance of $197,087. The building complex encompasses 163,380 square feet of which 61,662 is occupied by the Authority, 52,887 is leased, and 48,831 is vacant.

The leased space is divided into two leases; one for 22,369 sq. ft. beginning July 1, 2005 and expired March 31, 2010, one for 30,518 sq. ft. beginning July 1, 2005 and expiring December 31, 2010. The term of both leases was extended to June 30, 2013. The following represents minimum future rentals on non-cancelable operating lease agreements:

2012	$	564,293
2013		296,259
Gleneagles Offices Complex	$	860,552

The Authority has entered into a building lease agreement for the rental of one of the Frisco Center Properties in the City of Frisco. The term of the lease was extended through December 15, 2013. The building complex encompasses 146,800 square feet of which 36,960 are occupied by the Authority. The lease agreement indicated that the Authority will pay $19,250 per month for the first 18 months and $20,020 the remaining 18 months of the lease. Lease expenses for the year ended on December 31, 2011 totaled $301,476, under this lease. The following represents the required remaining payments under the terms of the building lease agreement:

2012	$	306,866
2013		310,716
Frisco Center Properties (lease)	$	617,582

The Authority has an operating lease agreement for the rental of copy machines from January 1, 2011 through December 31, 2013. The following represents the required payments under the terms of the lease agreement:

2012	$	68,436
2013		68,436
Copy Machine (lease)	$	136,872

(11) Subsequent Events

- In November 2011, Standard and Poors (S&P) downgraded the long term ratings of all 3 of NTTA's credit providers. S&P also downgraded the short term ratings of one of NTTA's credit providers. Per the terms of the Remarketing Agreements the Authority sent written notice of the rating change to the remarketing agents.
- In February 2012, Moody's Investors Service announced its intentions to review 17 banks and securities firms with global market operations. Included in the list of firms under review are all 3 of NTTA's credit providers. Indicative guidance provided by Moody's implies downgrades of the long term ratings on all 3 of NTTA's credit providers. Several of the short term ratings are also under review.

  The impact to the NTTA as a result of any downgrades will depend on the severity of the downgrades.

2012 Revenue Refunding Bonds

- On April 18, 2012, the Board of Directors approved a Bond refunding in an aggregate amount not to exceed $600 million. In the current market, certain 1998 and 2003A bonds can be refunded for savings while the 2008H-2 and L-2 Put bonds have a mandatory tender date of January 1, 2013. The current plan of finance consists of the following product mix, subject to market conditions:
  - Current Refunding of Series 1998 Bonds
  - Advance Refunding of Series 2003A Bonds
  - Advance or Forward Refunding of Series 2008H-2 Bonds
  - Remarketing of 2008L-2 in new 5-year Put Period

The Authority anticipates pricing the transaction in May 2012 with a financial close in June 2012.

$178,400,000 NTTA Variable Rate Revenue Refunding Bonds, Series 2009D

- On May 16, 2012 the Board of Directors approved an amendment to the JPMorgan Letter of Credit (LOC) which supports the Series 2009D bonds. The amendment converts the LOC to a callable commercial paper mode, reduces the facility fee from 1.20% per annum to .90% per annum, and extends the term from June 30, 2014 to June 30, 2015. The amendment will be effective July 2, 2012.

- In April 2012, Gerald Carrigan was named Executive Director of the North Texas Tollway Authority.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Required Supplementary Information
December 31, 2011

Modified Approach - Infrastructure

The Authority has elected to use the Modified Approach to account for maintenance of the Authority's infrastructure assets. As required by the Trust Agreement, an annual inspection of the Authority's roadways has occurred, conducted by the Authority's General Engineering Consultant, HNTB Corporation. This inspection provides an overall rating, indicating the average condition of all of the Authority's infrastructure assets (roadways, bridges, and facilities). The assessment of conditions is made by visual and mechanical tests designed to reveal any condition that would reduce user benefits below the maximum level of service. The Authority's goal is to maintain the Authority's infrastructure assets at a rating of 8 or better (1 to 10 scale), and has established a minimum level for GASB No. 34 purposes of a condition level of 6 or greater. These condition levels were adopted by the Board of Directors for the North Texas Tollway Authority (NTTA) by Resolution No. 02-31 on June 19, 2002 and further clarified by Resolution No. 07-169 on December 19, 2008. In accordance with GASB 34 the Capital Assessment and Inspection Report is due every three years. The last Capital Assessment and Inspection Report for the North Texas Tollway Authority was completed in 2010.

The infrastructure assets include the President George Bush Turnpike (PGBT), the Dallas North Tollway (DNT), the Addison Airport Toll Tunnel (AATT), the Mountain Creek Lake Bridge (MCLB), Sam Rayburn Tollway (SRT), Lewisville Lake Toll Bridge (LLTB), Main Lane Plazas, Ramp Plazas, maintenance shops, administration buildings, and IT lane equipment. The roadways are a major transportation network consisting of 100.52 centerline miles of high-speed roadways, 104 interchanges, 15 main lane toll plazas, 108 ramp toll plazas, 400 bridges, one tunnel, and other structures and appurtenances. All assets combined totaled approximately $1.76 billion in current replacement value for FYE 2011.

Condition Index

A Condition Index is a measure of the "intrinsic value" of the asset as opposed to the book value. A Condition Index with a value of 10.0 is considered "like new"; on the contrary, a Condition Index with a value of 0.0 is considered "unusable." Evaluations were performed on all of the infrastructure assets under Authority jurisdiction. The evaluation resulted in an average Condition Index of 8.9 for all of the assets combined. The following table shows the Condition Index for the years 2006 through 2011.

Condition Index Table

	Condition Index	
Fiscal Year	Current	Goal
2011	8.9	8.0
2010	8.9	8.0
2009	9.0	8.0
2008	9.0	8.0
2007	8.9	8.0
2006	8.9	8.0

Condition Assessment and Inventory

A comprehensive condition assessment on all the Authority's infrastructure assets was conducted from spring of 2007 to May 2011. The Authority's Maintenance Management Consultant performed condition assessments of the Authority's roadways including pavement, bridges, and facilities. Assessment procedures and representative work samples were reviewed by NTTA's General Engineering Consultants, HNTB Corporation.

Bridges

A condition assessment was performed on the Authority's bridges using the *Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges,* published by the Federal Highway Administration (FHWA). To do this, a Sufficiency Rating was determined by totaling four separate factors using the sufficiency rating formula. The Sufficiency Rating Formula is a method of evaluating highway bridge data by calculating the four factors to obtain a numeric value, which is indicative of bridge sufficiency.

The four factors are structural adequacy and safety (55% of the total rating), serviceability and functional obsolescence (30% of the total rating), essentiality for public use (15% of the total rating), and special reductions (total can be reduced by up to 13%).

Roadways

A condition assessment was performed on the Authority's roadways using the *Highway Maintenance Condition Assessment Program* (HMCAP) developed by Roy Jorgensen Associates, Inc., the pavement Condition Rating Authority (CRS) developed by Applied Research Associates, Inc., and the Pavement Condition Index (PCI) procedure as outlined in ASTM D5340. To do this, a Maintenance Rating Program (MRP) Index was determined by visual inspection of the Authority's roadways, appurtenances, and edge conditions. Additionally, a baseline PCI and a baseline ride ability survey were conducted on the roadway surface and incorporated into the MRP Index. Although the PCI and ride ability survey were conducted on the entire Authority, it would have been impractical to perform a MRP evaluation over the same length; therefore, 10% of the Authority's total roadways were randomly selected for MRP evaluation. These values were then weighted and totaled to determine an overall MRP Index. Of this total MRP Index, travel lanes and shoulders account for 70% (of which the PCI accounts for 80%), roadside components accounted for 15%, and other items account for 15%.

The Roadway Index (RI) is a measure of the overall health of the roadway Authority that takes into account the current condition of the roadway, how well it is being maintained, and its projected future performance. It is calculated using the results of the annual MRP and pavement condition surveys. In 2006 the RI was revised to use CRS pavement condition ratings in place of the PCI ratings and incorporates remaining pavement service life (RSL). RI is equal to the values of 50% of CRS, 30% RSL, 10% MRP of travel lane element, 5% MRP of roadside element, and 5% MRP of other element.

Currently, the 100.52 centerline miles (approximately 744.36 main lane miles) of main lane roadways have a Roadway Index of 8.9.

The budget-to-actual expenditures for preservation and other infrastructure maintenance costs were as follows for the years 2004 through 2011.

Fiscal year	Budget	Actual
2011	$ 59,503,102	$ 37,557,688
2010	36,316,377	28,475,554
2009	40,239,320	30,745,545
2008	69,532,303	51,747,814
2007	51,283,652	31,818,863
2006	34,574,405	29,186,456
2005	20,552,627	13,704,971
2004	25,518,270	15,319,100
2003	15,005,598	12,422,078

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Required Supplementary Information
December 31, 2011

Funding Progress

Schedule of Funding Progress
Texas County and District Retirement System
Employee Retirement Plan
Last three calendar years
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/11	$ 46,901,374	$ 49,418,747	$ 2,517,373	94.91%	$ 36,065,565	6.98%
12/31/10	40,717,240	43,020,466	2,303,226	94.65%	36,609,412	6.29%
12/31/08	33,209,419	35,480,892	2,271,473	93.60%	32,589,789	6.97%

Schedule of Funding Progress
Other Post Employment Benefits
Last two calendar years
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2010	—	$ 14,605,332	$ 14,605,332	0%	$ 34,392,153	43.00%
01/01/08	—	6,004,945	6,004,945	0%	28,746,776	20.89%

An actuarial valuation was not performed as of 1/01/2011.

NTTA
NORTH TEXAS TOLLWAY AUTHORITY

OTHER SUPPLEMENTARY INFORMATION

Schedule 1

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Net Assets by Trust Accounts

December 31, 2011

									Debt service accounts		
Assets	**Total**	**Interfund eliminations/ reclassifications**	**Construction and property account**	**Revenue account**	**Operation and maintenance account**	**Reserve maintenance account**	**Consolidated Capital improvement Fund**	**DFW Turnpike Transition Trust Fund**	**Bond interest account**	**Reserve account**	**Redemption account**
Current assets:											
Cash and cash equivalents (note 3)	$ 18,936,322	-	-	6,258,732	13,056,428	13,041	(391,879)	-	-	-	-
Investments (note 3)	227,469,674	-	-	97,381,119	3,053	36,327,301	93,758,201	-	-	-	-
Accrued interest receivable	62,510	-	-	19,010	-	-	43,500	-	-	-	-
Interfund receivable	-	(824,306,238)	(12,820,786)	18,156,377	43,899,277	25,535,945	398,191,896	-	340,286,411	11,057,118	-
Interproject/agency receivables (Note 4)	14,887,361	-	638,391	2,421,353	6,185,846	-	5,641,771	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note 9)	21,277,571	-	-	21,141,112	1,972	18,967	115,520	-	-	-	-
Unbilled Accounts receivable (net of allowance for uncollectibles) (note 9)	2,349,788	-	-	2,349,788	-	-	-	-	-	-	-
Prepaid expenses	1,391,601	-	-	-	1,391,601	-	-	-	-	-	-
Total current unrestricted assets	286,374,827	(824,306,238)	(12,182,395)	147,727,491	64,538,177	61,895,254	497,359,009	-	340,286,411	11,057,118	-
Current restricted assets:											
Restricted assets:											
Restricted for construction:											
Cash and cash equivalents (notes 3 and 10)	1,094,664	-	1,067,376	-	-	-	27,288	-	-	-	-
Investments (notes 3 and 10)	150,043,943	(94,303,886)	221,937,340	-	-	-	22,410,489	-	-	-	-
Accrued interest receivable	167,927	-	167,927	-	-	-	-	-	-	-	-
Restricted for debt service:											
Investments (notes 3 and 5)	425,032,709	(232,646,787)	-	-	-	-	23,416,150	-	191,554,314	414,727,009	27,982,023
Accrued interest receivable	905,548	-	-	-	-	-	-	-	7,221	896,723	1,604
Accounts receivable	4,789,925	-	-	-	-	-	-	-	4,789,925	-	-
Restricted for pension benefits and other purposes:											
Cash and cash equivalents (notes 3 and 5)	(877)	-	-	-	-	-	-	(877)	-	-	-
Investments (notes 3 and 5)	412,180	-	-	-	-	-	-	412,180	-	-	-
Accrued interest receivable	29	-	-	-	-	-	-	29	-	-	-
Total current restricted assets	582,446,048	(326,950,673)	223,172,643	-	-	-	45,853,927	411,332	196,351,460	415,623,732	27,983,627
Total current assets	868,820,875	(1,151,256,911)	210,990,248	147,727,491	64,538,177	61,895,254	543,212,936	411,332	536,637,871	426,680,850	27,983,627
Noncurrent assets:											
Investments restricted for debt service (note 3)	326,950,673	326,950,673	-	-	-	-	-	-	-	-	-
Deferred outflow of resources	41,678,925	-	41,678,925	-	-	-	-	-	-	-	-
Deferred financing costs	81,706,412	-	74,587,067	-	-	-	7,119,345	-	-	-	-
Deferred feasibility study costs	53,640,281	-	-	-	113	-	53,640,168	-	-	-	-
Deferred amount on refunding	-	(30,803,106)	30,803,106	-	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation) (note 4)	6,328,295,476	(36,512,142)	6,367,711,167	-	(62)	4,950	(2,908,437)	-	-	-	-
Total noncurrent assets	6,832,271,767	259,635,425	6,514,780,265	-	51	4,950	57,851,076	-	-	-	-
Total assets	**7,701,092,642**	**(891,621,486)**	**6,725,770,513**	**147,727,491**	**64,538,228**	**61,900,204**	**601,064,012**	**411,332**	**536,637,871**	**426,680,850**	**27,983,627**
Liabilities											
Current liabilities:											
Accounts and retainage payable	2,866,649	-	-	-	60,569	305,166	2,500,914	-	-	-	-
Accrued liabilities	45,953,277	-	25,546,089	(3,506,341)	8,440,151	2,051,099	13,422,279	-	-	-	-
Interfund payable	77	(824,306,236)	192,839,981	283,588,092	26,888,425	1,935,032	284,412,419	-	-	-	34,642,364
Interproject/agency payables	11,230,680	-	532,669	9,376,808	873,067	-	448,136	-		-	-
Deferred revenue	32,669,403	-	-	32,669,403	-	-	-	-	-	-	-
Tolltag deposits	614,483	-	-	614,483	-	-	-	-	-	-	-
Total current unrestricted liabilities	93,334,569	(824,306,236)	218,918,739	322,742,445	36,262,212	4,291,297	300,783,748	-	-	-	34,642,364
Payable from restricted assets:											
Construction-related payables:											
Accounts payable (note 10)	70,047	-	70,047	-	-	-	-	-	-	-	-
Retainage payable (note 10)	9,875,936	-	9,875,936	-	-	-	-	-	-	-	-
Deferred grant revenue	43,895,491	-	43,895,491	-	-	-	-	-	-	-	-
Debt service-related payables:											
Accrued interest payable	188,902,046	-	-	-	-	-	13,748,333	-	175,153,713	-	-
Accrued arbitrage rebate payable	432,470	-	432,470	-	-	-	-	-	-	-	-
Commercial paper payable (note 5)	56,300,000	-	-	-	-	-	56,300,000	-	-	-	-
Revenue bonds payable (note 5)	27,980,000	-	27,980,000	-	-	-	-	-	-	-	-
Pension benefits and other related payables											
Accounts payable (note 10)	1,598	-	-	-	-	-	-	1,598	-	-	-
Total current liabilities payable from restricted assets	327,457,588	-	82,253,944	-	-	-	70,048,333	1,598	175,153,713	-	-
Total current liabilities	420,792,157	(824,306,236)	301,172,683	322,742,445	36,262,212	4,291,297	370,832,081	1,598	175,153,713	-	34,642,364
Noncurrent liabilities:											
Other Post Employment Benefits	11,413,085	-	-	-	11,413,085	-	-	-	-	-	-
Deferred outflow of resources	41,678,925	-	41,678,925	-	-	-	-	-	-	-	-
Texas Department of Transportation ISTEA loan payable (note 5)	140,607,305	-	140,607,305	-	-	-	-	-	-	-	-
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred amount on refundings of $30,803,105 and bond discount (premium) costs of $36,512,143 (note 5)	7,460,106,666	(67,315,248)	7,127,421,914	-	-	-	400,000,000	-	-	-	-
Total noncurrent liabilities	7,653,805,981	(67,315,248)	7,309,708,144	-	11,413,085	-	400,000,000	-	-	-	-
Total liabilities	**8,074,598,138**	**(891,621,484)**	**7,610,880,827**	**322,742,445**	**47,675,297**	**4,291,297**	**770,832,081**	**1,598**	**175,153,713**	**-**	**34,642,364**
Net Assets											
Invested in capital assets, net of related debt	(1,178,473,954)	(27,356,651)	(885,110,314)	-	-	-	(266,006,989)	-	-	-	-
Restricted:											
Restricted for debt service	916,915,549	296,015,495	-	(175,014,954)	-	-	7,750,000	-	361,484,158	426,680,850	-
Restricted for pension benefits and other purposes	409,734	-	-	-	-	-	-	409,734	-	-	-
Unrestricted	(112,356,823)	(268,658,844)	-	-	16,862,931	57,608,907	88,488,920	-	-	-	(6,658,737)
Total net assets	**$ (373,505,494)**	**-**	**(885,110,314)**	**(175,014,954)**	**16,862,931**	**57,608,907**	**(169,768,069)**	**409,734**	**361,484,158**	**426,680,850**	**(6,658,737)**

See accompanying independent auditors' report.

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Schedule 2

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Consolidating Schedule for Capital Improvement Fund
December 31, 2011
(Unaudited)

Assets		Consolidated Capital Improvement Fund	Capital Improvement Fund	Feasibility Study Fund
Current assets:				
Cash and cash equivalents (note 3)	$	(391,879)	38,890	(430,769)
Investments (note 3)		93,758,201	93,758,201	-
Accrued interest receivable		43,500	43,500	-
Interfund receivable		398,191,896	379,988,511	18,203,385
Interproject/agency receivables (Note 4)		5,641,771	5,616,132	25,639
Accounts receivable (note 9)		115,520	115,520	-
Total current unrestricted assets		497,359,009	479,560,754	17,798,255
Current restricted assets:				
Restricted assets:				
Restricted for construction:				
Cash and cash equivalents (notes 3 and 10)		27,288	33,443,770	(33,416,482)
Investments (notes 3 and 10)		22,410,489	22,410,489	-
Restricted for debt service:				
Investments (notes 3 and 5)		23,416,150	23,416,150	-
Total current restricted assets		45,853,927	79,270,409	(33,416,482)
Total current assets		543,212,936	558,831,163	(15,618,227)
Noncurrent assets:				
Deferred financing costs		7,119,345	7,119,345	-
Deferred feasibility study costs		53,640,168	-	53,640,168
Capital assets net of amortization and depreciation (note 4)		(2,908,437)	(2,908,437)	-
Total noncurrent assets		57,851,076	4,210,908	53,640,168
Total assets		**601,064,012**	**563,042,071**	**38,021,941**
Liabilities				
Current liabilities:				
Accounts and retainage payable		2,500,914	1,272,716	1,228,198
Accrued liabilities		13,422,279	6,348,655	7,073,624
Interfund payable		284,412,419	(10,866,553)	295,278,972
Interproject/agency payables		448,136	-	448,136
Total current unrestricted liabilities		300,783,748	(3,245,182)	304,028,930
Payable from restricted assets:				
Debt service-related payables:				
Accrued interest payable		13,748,333	13,748,333	-
Commercial paper payable (note 5)		56,300,000	56,300,000	-
Total current liabilities payable from restricted assets		70,048,333	70,048,333	-
Total current liabilities		370,832,081	66,803,151	304,028,930
Noncurrent liabilities:				
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred amount on refundings of $0 and bond discount (premium) costs of $3,124,771) (note 5)		400,000,000	400,000,000	-
Total noncurrent liabilities		400,000,000	400,000,000	-
Total liabilities		**770,832,081**	**466,803,151**	**304,028,930**
Net Assets				
Invested in capital assets, net of related debt		(266,006,989)	-	(266,006,989)
Restricted:				
Restricted for debt service		7,750,000	7,750,000	-
Unrestricted		88,488,920	88,488,920	-
Total net assets	**$**	**(169,768,069)**	**96,238,920**	**(266,006,989)**

See accompanying independent auditors' report.

Schedule 3

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Budget and Actual Revenues and Expenses on Trust Agreement Basis
Year ended December 31, 2011
(Unaudited)

		Budget	Actual	Variance
Revenues:				
Toll revenues	$	410,749,700	415,033,242	4,283,542
Interest income		9,753,600	12,788,898	3,035,298
Other revenue		23,764,000	28,372,616	4,608,616
Gross revenues		444,267,300	456,194,756	11,927,456
Operating expenses:				
Administration:				
Administration		1,490,194	852,568	637,626
Board		303,454	267,574	35,880
Business diversity		545,097	438,012	107,085
Communications		3,330,459	2,567,636	762,823
Finance		16,736,133	13,251,305	3,484,828
Government affairs		498,671	427,469	71,202
Human resources		1,586,315	1,359,505	226,810
Internal audit		912,639	584,811	327,828
Legal		3,720,514	2,410,302	1,310,212
Total administration		29,123,476	22,159,182	6,964,294
Operations:				
Customer service center		31,835,048	31,281,972	553,076
Information technologies		13,822,894	12,095,346	1,727,548
Operations		1,027,086	921,466	105,620
Project delivery		1,956,011	1,570,825	385,186
Maintenance		25,251,000	24,252,346	998,654
System & incident management		8,041,187	7,043,453	997,734
Total operations		81,933,226	77,165,408	4,767,818
Total operating expenses		111,056,702	99,324,590	11,732,112
Non-Departmental expenses:				
Bad Debt		-	12,463,708	(12,463,708)
Total Non-Departmental expenses		-	12,463,708	(12,463,708)
Net revenues available for debt service	$	333,210,598	344,406,458	11,195,860

See accompanying independent auditors' report.

Schedule 4

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Changes in Net Assets by Trust Account
December 31, 2011
(Unaudited)

	Total	Construction and property account	Revenue account	Operation and maintenance account	Reserve maintenance account	Consolidated Capital Improvement account	DFW Turnpike Transition Trust fund	Debt service accounts: Bond interest account	Debt service accounts: Reserve account	Debt service accounts: Redemption account
Net assets, beginning of year	**$ 259,525,981**	**(608,831,310)**	**(144,705,745)**	**(2,089,684)**	**33,353,963**	**228,902,311**	**419,418**	**334,012,425**	**425,875,938**	**(7,411,335)**
Gross revenues	456,194,756	9,653,197	431,811,972	459,633	91,805	3,582,162	434	554,855	10,029,556	11,142
Grant revenues	25,712,730	5,673,277	-	-	-	20,039,453	-	-	-	-
Net increase (decrease) in the fair value of investments	(3,659,548)	(2,854,993)	-	-	-	32,148	-	(10,265)	(826,438)	-
Interest earned on investments	4,864,117	4,864,117	-	-	-	-	-	-	-	-
Gain (loss) on sale of investments	19,319	-	-	-	-	-	-	(41,437)	60,756	-
Administration and operations expenses	(99,334,709)	-	-	(99,324,591)	-	-	(10,118)	-	-	-
Depreciation on property and equipment	(5,690,160)	(5,690,160)	-	-	-	-	-	-	-	-
Bond interest expense	(343,422,746)	(178,521,420)	-	-	-	(32,873,789)	-	(132,027,537)	-	-
BAB's Subsidy	28,978,075	-	-	-	-	-	-	28,978,075	-	-
Other nonoperating costs	(11,169,216)	1,510,807	(12,463,709)	(221,264)	4,950	-	-	-	-	-
Bond discount/premium amortization	(43,237,386)	(444,865)	-	-	-	282,835	-	(43,075,356)	-	-
Interest on short term notes (net of capitalized interest)	(269,399)	-	-	-	-	-	-	(269,399)	-	-
Interest on loan	(6,000,006)	(6,000,006)	-	-	-	-	-	-	-	-
Amortization of deferred amount on refunding (note 5)	(5,829,048)	(5,829,048)	-	-	-	-	-	-	-	-
Amortization of bond issuance costs	(4,173,546)	(3,653,627)	-	-	-	(519,919)	-	-	-	-
Unallocated infrastructure depreciation	(63,947,216)	(63,947,216)			-	-	-	-	-	-
Reserve maintenance fund expenses	(16,540,873)	-	-	-	(16,540,873)	-	-	-	-	-
Consolidated capital improvement fund expenses	(36,535,270)	-	-	-	-	(36,535,270)	-	-	-	-
Net revenues	(124,040,126)	(245,239,937)	419,348,263	(99,086,222)	(16,444,118)	(45,992,380)	(9,684)	(145,891,064)	9,263,874	11,142
Interfund transactions:										
Distribution from revenue fund	-	-	(315,952,576)	90,772,667	17,087,195	44,585,389	-	140,190,659	-	23,316,666
Revenue bonds retired	-	29,685,000	-	-	-	-	-	-	-	(29,685,000)
Transfer to/from debt service fund	-	(17,677,718)	(123,638,591)	26,617,603	23,611,867	102,339,229		(9,903,218)	(8,458,962)	7,109,790
Transfer of interest accretion	-	(43,075,356)	-	-	-	-	-	43,075,356	-	-
Contribution to Special Projects System	(508,991,349)	29,007	(10,066,305)	648,567	-	(499,602,618)	-	-	-	-
Net changes during the year	(633,031,475)	(276,279,004)	(30,309,209)	18,952,615	24,254,944	(398,670,380)	(9,684)	27,471,733	804,912	752,598
Net assets, end of year	**$ (373,505,494)**	**(885,110,314)**	**(175,014,954)**	**16,862,931**	**57,608,907**	**(169,768,069)**	**409,734**	**361,484,158**	**426,680,850**	**(6,658,737)**

See accompanying independent auditors' report.

Schedule 5

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Cash Receipts and Disbursements by Trust Account

Year ended December 31, 2011

(Unaudited)

	Total (memorandum only)	Construction and property account	Revenue account	Operation and maintenance account	Reserve maintenance account	Consolidated Capital Improvement account	DFW Turnpike Transition Trust fund	Debt service accounts: Bond interest account	Debt service accounts: Reserve account	Debt service accounts: Redemption account
Balance of cash, December 31, 2010	**$ 14,451,218**	**(932,106)**	**2,658,387**	**12,923,054**	**(268,935)**	**77,096**	**(6,278)**	**-**	**-**	**-**
Receipts:										
Toll revenues	87,412,347	-	87,412,347	-	-	-	-	-	-	-
Issuance of bonds	100,000,000	-	-	-	-	-	-	-	-	100,000,000
Investments	988,208,204	-	23,897,287	8,367,319	18,400,175	533,016,734	-	374,100,233	-	30,426,457
Earnings received from investments	14,074,841	4,818,065	207,675	4	43,455	771,715	466	123,017	8,097,321	13,123
Gain/loss from sale of investments	5,809,310	2,079,389	-	-	-	32,148	-	(10,660)	3,708,433	-
Prepaid customers' accounts	375,989,178	-	376,145,120	(155,942)	-	-	-	-	-	-
Miscellaneous revenue	2,630,159	348,157	653,525	1,571,481	16,384	40,612	-	-	-	-
Reimbursable receipts	65,080,149	9,321,661	23,674,270	21,556,379	-	10,527,839	-	-	-	-
Rental fee	200,478	-	200,478	-	-	-	-	-	-	-
	1,639,404,666	16,567,272	512,190,702	31,339,240	18,460,014	544,389,048	466	374,212,590	11,805,754	130,439,580
Disbursements:										
Revenue bonds retired	(100,000,000)	-	-	-	-	-	-	-	-	(100,000,000)
Commercial paper retired	(34,300,000)	-	-	-	-	(34,300,000)	-	-	-	-
Interest on bonded debt	(359,431,068)	-	(3,065,394)	(6,961,409)	-	-	-	(349,404,265)	-	-
Interest on other debt	(233,063)	-	-	-	-	-	-	(233,063)	-	-
Investments	(614,128,226)	(6,897,456)	(21,039,568)	(1,405,913)	(18,443,630)	(499,520,597)	(466)	(24,575,262)	(11,805,754)	(30,439,580)
Operating expenses	(203,341,716)	(27,218,591)	(3,250,018)	(124,391,536)	-	(48,470,676)	(10,895)	-	-	-
Reserve maintenance fund expenses	(15,340,529)	-	-	-	(15,340,529)	-	-	-	-	-
Capital improvement fund expenses	(36,605,738)	-	-	-	-	(36,605,738)	-	-	-	-
	(1,363,380,341)	(34,116,047)	(27,354,980)	(132,758,858)	(33,784,159)	(618,897,011)	(11,361)	(374,212,590)	(11,805,754)	(130,439,580)
Interfund and interproject transactions:										
Transfer of deferred revenue	(315,573,097)	-	(315,573,097)		-	-	-	-	-	-
Distribution from revenue fund	(73,271,304)	-	(174,824,296)	101,552,992	-	-	-	-	-	-
Other interfund transactions – net	118,382,671	19,548,257	9,162,017	-	15,606,121	74,066,276	-	-	-	-
Feasibility study fund – net	16,296	-	-	-	-	-	16,296	-	-	-
	(270,445,434)	19,548,257	(481,235,376)	101,552,992	15,606,121	74,066,276	16,296	-	-	-
Receipts over (under) disbursements and interfund and interproject transactions for the year ended December 31, 2010	5,578,891	1,999,482	3,600,345	133,374	281,976	(441,687)	5,401	-	-	-
Balance of cash, December 31, 2011	**$ 20,030,109**	**1,067,376**	**6,258,732**	**13,056,428**	**13,041**	**(364,591)**	**(877)**	**-**	**-**	**-**

See accompanying independent auditors' report.

Schedule 6

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Toll Revenue and Traffic Analysis

Year ended December 31, 2011

(Unaudited)

Toll revenue:		
Two-axle vehicles	$	490,399,454
Multiaxle vehicles		29,528,914
Revenue adjustments		(104,895,126)
Total	$	415,033,242
Vehicle transactions (unaudited):		
Two-axle vehicle transactions		505,107,743
Multiaxle vehicle transactions		8,346,601
Nonrevenue vehicle transactions		1,909,250
Total		515,363,594
Toll revenue – average per day:		
Two-axle vehicles	$	1,343,560
Multiaxle vehicles		80,901
Revenue adjustments		(287,384)
Average	$	1,137,077
Vehicle transactions – average per day (unaudited):		
Two-axle vehicle transactions		1,383,857
Multiaxle vehicle transactions		22,867
Nonrevenue vehicle transactions		5,231
Average		1,411,955

Toll Revenue and Traffic by Class of Vehicle

Year ended December 31, 2011

(Unaudited)

Class of vehicle		Revenue	Vehicle transactions
Two-axle vehicles	$	490,399,454	505,107,743
Three-axle vehicles and combinations		6,040,073	2,899,143
Four-axle vehicles and combinations		7,331,030	2,281,792
Five-axle vehicles and combinations		15,226,034	3,005,626
Six or more axle vehicles and special permits		931,777	170,040
		29,528,914	8,356,601
Toll revenue		519,928,368	513,464,344
Revenue adjustments		(104,895,126)	-
Nonrevenue vehicles		-	1,909,250
Toll revenue and traffic	$	415,033,242	515,373,594

See accompanying independent auditors' report.

Schedule 7

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Toll Rates

As of December 31, 2011

(Unaudited)

	Two-axle passenger cars and trucks		Three-axle vehicles and vehicle combinations		Four-axle vehicles and vehicle combinations		Five-axle vehicles and vehicle combinations		Six or more axle vehicles and special permits	
	Zip Cash	TollTag	Zip Cash	TollTag	Zip Cash	TollTag	Zip Cash	TollTag	Zip Cash	TollTag
Dallas North Tollway:										
Wycliff Main Lane Gantry (MLP1)	$ 2.00	$ 1.33	$ 4.00	$ 2.66	$ 6.00	$ 3.99	$ 8.00	$ 5.32	$ 10.00	$ 6.65
Mockingbird Lane (MOCLN)	1.46	0.97	2.92	1.94	4.38	2.91	5.84	3.88	7.30	4.85
Northwest Highway (NORHY)	0.99	0.66	1.98	1.32	2.97	1.98	3.96	2.64	4.95	3.30
Royal Lane (ROYLN)	0.57	0.35	1.14	0.70	1.71	1.05	2.28	1.40	2.85	1.75
Spring Valley Road (SPVRD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Belt Line Road (BELRD)	0.53	0.31	1.06	0.62	1.59	0.93	2.12	1.24	2.65	1.55
Keller Springs Road (KESRD)	0.69	0.46	1.38	0.92	2.07	1.38	2.76	1.84	3.45	2.30
Trinity Mills Main Lane Gantry (MLP2)	1.43	0.95	2.86	1.90	4.29	2.85	5.72	3.80	7.15	4.75
Frankford Road (FRARD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Park Boulevard (PARBD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Parker Main Lane Gantry (MLP3)	1.28	0.85	2.56	1.70	3.84	2.55	5.12	3.40	6.40	4.25
Parker Road (PARRD)	0.77	0.51	1.54	1.02	2.31	1.53	3.08	2.04	3.85	2.55
Spring Creek Parkway (SPCPY)	0.50	0.28	1.00	0.56	1.50	0.84	2.00	1.12	2.50	1.40
Legacy Drive (LEGDR)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Headquarters Drive (HEADR)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Gaylord Parkway (GAYPY)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Lebanon Road (LEBRD)	0.57	0.35	1.14	0.70	1.71	1.05	2.28	1.40	2.85	1.75
Stone Brook Parkway (STOPY)	0.66	0.44	1.32	0.88	1.98	1.32	2.64	1.76	3.30	2.20
Main Street (MAIST)	1.08	0.72	2.16	1.44	3.24	2.16	4.32	2.88	5.40	3.60
Eldorado Main Lane Gantry (MLP4)	2.24	1.49	4.48	2.98	6.72	4.47	8.96	5.96	11.20	7.45
Eldorado Parkway (ELDPY)	0.81	0.54	1.62	1.08	2.43	1.62	3.24	2.16	4.05	2.70
Addison Airport Toll Tunnel:	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**
Mainlane Gantry (AATT)	0.80	0.53	1.60	1.06	2.40	1.59	3.20	2.12	4.00	2.65
President George Bush Turnpike:	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**
North Garland Avenue (GARRD)	0.49	0.27	0.98	0.54	1.47	0.81	1.96	1.08	2.45	1.35
Campbell Road (CAMRD)	0.65	0.43	1.30	0.86	1.95	1.29	2.60	1.72	3.25	2.15
East Renner Road (ERERD)	1.05	0.70	2.10	1.40	3.15	2.10	4.20	2.80	5.25	3.50
Shiloh Main Lane Gantry (MLP6)	1.58	1.05	3.16	2.10	4.74	3.15	6.32	4.20	7.90	5.25
Shiloh Road (SHIRD)	0.81	0.54	1.62	1.08	2.43	1.62	3.24	2.16	4.05	2.70
West Renner Road (WRERD)	0.58	0.36	1.16	0.72	1.74	1.08	2.32	1.44	2.90	1.80
Independence Parkway (INDPY)	0.58	0.36	1.16	0.72	1.74	1.08	2.32	1.44	2.90	1.80
Coit Road (COIRD)	0.81	0.54	1.62	1.08	2.43	1.62	3.24	2.16	4.05	2.70
Coit Main Lane Gantry (MLP7)	1.71	1.14	3.42	2.28	5.13	3.42	6.84	4.56	8.55	5.70
Preston Road (PRERD)	0.52	0.30	1.04	0.60	1.56	0.90	2.08	1.20	2.60	1.50
Midway Road (MIDRD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Marsh Lane (MARLN)	0.53	0.31	1.06	0.62	1.59	0.93	2.12	1.24	2.65	1.55
Frankford Main Lane Gantry (MLP8)	1.59	1.06	3.18	2.12	4.77	3.18	6.36	4.24	7.95	5.30
Kelly Boulevard (KELBD)	0.84	0.56	1.68	1.12	2.52	1.68	3.36	2.24	4.20	2.80
Josey Lane (JOSLN)	0.58	0.36	1.16	0.72	1.74	1.08	2.32	1.44	2.90	1.80
Sandy Lake Main Lane Gantry (MLP9)	1.26	0.84	2.52	1.68	3.78	2.52	5.04	3.36	6.30	4.20
Belt Line - Luna Road (NBERD)	0.75	0.50	1.50	1.00	2.25	1.50	3.00	2.00	3.75	2.50
Royal Lane (ROYLN)	0.47	0.25	0.94	0.50	1.41	0.75	1.88	1.00	2.35	1.25
Belt Line Road (SBERD)	0.74	0.49	1.48	0.98	2.22	1.47	2.96	1.96	3.70	2.45
Belt Line Main Lane Ganrty (MLP10)	0.74	0.49	1.48	0.98	2.22	1.47	2.96	1.96	3.70	2.45
Mountain Creek Lake Bridge:	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**
Mainlane Gantry (MCLB)	0.80	0.53	1.60	1.06	2.40	1.59	3.20	2.12	4.00	2.65
Lewisville Lake Toll Bridge:	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**
Mainlane Gantry (LLTB)	1.59	1.06	3.18	2.12	4.77	3.18	6.36	4.24	7.95	5.30
Sam Rayburn Tollway (1)	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**
Denton Tap Main Lane Gantry (MLG1)	0.75	0.50	1.50	1.00	2.25	1.50	3.00	2.00	3.75	2.50
MacArthur Blvd (MACBD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Carrollton Parkway (CARPY)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Parker Road (PARRD)	0.55	0.33	1.10	0.66	1.65	0.99	2.20	1.32	2.75	1.65
Old Denton Road (OLDRD)	0.60	0.38	1.20	0.76	1.80	1.14	2.40	1.52	3.00	1.90
Standridge Drive - South (SSTDR)	0.86	0.57	1.72	1.14	2.58	1.71	3.44	2.28	4.30	2.85
Josey Lane - South (SJOLN)	1.05	0.70	2.10	1.40	3.15	2.10	4.20	2.80	5.25	3.50
Josey Main Lane Gantry (MLG2)	1.95	1.30	3.90	2.60	5.85	3.90	7.80	5.20	9.75	6.50
Standridge Drive - North (NSTDR)	1.11	0.74	2.22	1.48	3.33	2.22	4.44	2.96	5.55	3.70
Josey Lane - North (NJOLN)	0.92	0.61	1.84	1.22	2.76	1.83	3.68	2.44	4.60	3.05
Plano Parkway (PLAPY)	0.72	0.48	1.44	0.96	2.16	1.44	2.88	1.92	3.60	2.40
Spring Creek Parkway (SPCPY)	0.46	0.24	0.92	0.48	1.38	0.72	1.84	0.96	2.30	1.20
Preston Road (PRERD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Hillcrest Road (HILRD)	0.46	0.24	0.92	0.48	1.38	0.72	1.84	0.96	2.30	1.20
Coit Road (COIRD)	0.80	0.53	1.60	1.06	2.40	1.59	3.20	2.12	4.00	2.65
Independence Parkway (INDPY)	1.05	0.70	2.10	1.40	3.15	2.10	4.20	2.80	5.25	3.50
Custer Road - South (CUSRD)	1.31	0.87	2.62	1.74	3.93	2.61	5.24	3.48	6.55	4.35
Custer Main Lane Gantry (MLG3)	2.70	1.80	5.40	3.60	8.10	5.40	10.80	7.20	13.50	9.00
Exchange Parkway (SALDR)	1.41	0.94	2.82	1.88	4.23	2.82	5.64	3.76	7.05	4.70
Alma Drive (NALDR)	1.04	0.69	2.08	1.38	3.12	2.07	4.16	2.76	5.20	3.45
Stacy Road (STARD)	0.81	0.54	1.62	1.08	2.43	1.62	3.24	2.16	4.05	2.70
Lake Forest Drive (LAFDR)	0.64	0.42	1.28	0.84	1.92	1.26	2.56	1.68	3.20	2.10
Hardin Boulevard (HARBD)	0.49	0.27	0.98	0.54	1.47	0.81	1.96	1.08	2.45	1.35
PGBT WE (2)	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**
Conflans Road (CONRD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Shady Grove Road (SHGRD)	0.62	0.40	1.24	0.80	1.86	1.20	2.48	1.60	3.10	2.00
Lower Tarrant Road - North (NLTRD)	0.63	0.41	1.26	0.82	1.89	1.23	2.52	1.64	3.15	2.05
Lower Tarrant Main Lane Gantry (MLG11)	1.25	0.83	2.50	1.66	3.75	2.49	5.00	3.32	6.25	4.15
Lower Tarrant Road - South (SLTRD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
PGBT EE (3)	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**	**Zip Cash**	**TollTag**
Miller Road (MLRRD)	0.60	0.38	1.20	0.76	1.80	1.14	2.40	1.52	3.00	1.90
Main Street/Lakeview Parkway (LAKPY)	0.77	0.51	1.54	1.02	2.31	1.53	3.08	2.04	3.85	2.55
Merritt - Liberty Grove Road (MERLG)	1.22	0.81	2.44	1.62	3.66	2.43	4.88	3.24	6.10	4.05
Merritt Main Lane Gantry (MLG5)	2.28	1.52	4.56	3.04	6.84	4.56	9.12	6.08	11.40	7.60
Miles Road (MLSRD)	0.55	0.33	1.10	0.66	1.65	0.99	2.20	1.32	2.75	1.65
Firewheel Parkway (FIRPY)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Crist Road (CRIRD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15

(1) NTTA began collecting revenues on Sam Rayburn Tollway on its own behalf on September 1, 2008
(2) PGBT WE Phase 2 from SH 183 to Egyptian Way opened in August 2009. PGBT WE Phase 3 opened in April 2010
(3) PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011

Footnote: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC). All customers will either have a TollTag or they will be billed according to business rules currently in place. Cash will not be accepted.

See accompanying independent auditors' report.

Schedule 8

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Historical Traffic, Toll Revenues and Net Revenues

Year Ended December 31, 2011

(Unaudited)

Historical Traffic and Toll Revenue

The table below sets forth the annual revenue vehicle transactions and gross toll revenue with respect to the Dallas North Tollway System for the ten calendar years 2002 through 2011:

Year	Annual revenue vehicle transactions (unaudited)	Annual toll revenue
2002 (1)	285,494,321	$ 137,945,439
2003	296,140,087	149,323,784
2004 (2)	315,031,754	160,695,030
2005 (3)	338,390,215	172,537,345
2006	370,696,171	191,434,120
2007 (4)	383,481,098	202,675,564
2008 (5)	412,272,003	240,776,791
2009 (6)	455,546,197	290,404,547
2010 (7)	481,913,338	366,597,323
2011 (8)	513,454,344	402,569,534

(1) Toll rate increase for the President George Bush Turnpike went into effect in January 2002
(2) Reflects the completion of DNT and State Highway 121 interchange on April 2004.
(3) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
(4) Reflects the opening of DNT Phase 3 and toll rate increase in late September 2007.
(5) Reflects the opening of Sam Rayburn Tollway (121 Tollway) in September 2008.
(6) Reflects the opening of Lake Lewisville August 2009.
(7) Four major direct connectors at SRT/US75 interchange were opened during 2010.
(8) PGBT-EE opened during 2011.

Historical Net Revenues

The table set forth below shows the Net Revenues for debt service (as defined by Trust Agreement) of the Dallas North Tollway System for the ten calendar years 2002 through 2011:

Year	Toll revenue	Current expenses	Investment and other earnings	Net revenues	Coverage
2002	$ 137,945,439	$ 37,964,567	$ 8,732,847	$ 108,713,719	2.08
2003	149,323,784	42,650,533	8,371,709	115,044,960	2.09
2004	160,695,030	47,680,750	10,046,907	123,061,187	2.00
2005	172,537,345	56,576,883	14,085,285	130,045,747	1.80
2006	191,434,120	61,421,158	18,259,576	148,272,538	1.98
2007	202,675,564	76,593,495	21,307,811	147,389,880	1.96
2008	240,776,791	80,668,732	20,958,496	181,066,555	1.60
2009	290,404,547	90,934,772	31,253,174	230,722,950	1.56
2010	366,597,323	95,709,839	30,086,350	300,973,834	1.61
2011	402,569,534	99,324,590	41,161,515	344,406,459	1.77

See accompanying independent auditors' report.

Schedule 9

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Capitalized Costs by Project

As of December 31, 2011

(Unaudited)

	Cumulative Total Through December 31, 2011
Dallas North Tollway - 3711	
Preliminary costs	$ 17,863,848
Construction	156,009,815
Right-of-way	49,536,424
Engineering	22,056,064
Administration	3,334,250
Buildings	5,580,003
Land	1,781,434
Equipment	771,382
Subtotal	256,933,220
Financing costs	56,568,228
Total capitalized costs – Dallas North Tollway	313,501,448
Dallas North Tollway Extension - 3712	
Preliminary costs	6,619,071
Construction	208,257,599
Right-of-way	8,499,710
Engineering	22,252,104
Administration	1,413,506
Equipment	35,684
Subtotal	247,077,673
Financing costs	(3,329,736)
Total capitalized costs – Dallas North Tollway Extension	243,747,938
Addison Airport Toll Tunnel - 3741	
Preliminary costs	1,244,081
Construction	18,204,644
Right-of-way	617,278
Engineering	4,895,696
Administration	295,964
Subtotal	25,257,663
Financing costs	(1,015,147)
Total capitalized cost – Addison Airport Toll Tunnel	24,242,516
President George Bush Turnpike - Segments I - IV - 3721	
Preliminary costs	18,040,104
Construction	632,343,639
Right-of-way	76,906,305
Engineering	114,239,013
Administration	25,252,891
Buildings	11,854,994
Land	5,512,321
Equipment	39,898,701
Accumulated Depreciation on Equipment	(28,883,934)
Subtotal	895,164,032
Financing costs	56,228,431
Total capitalized cost – President George Bush Turnpike - Segments I - IV	951,392,463
President George Bush Turnpike - Segment V - 3723	
Preliminary costs	1,596,208
Construction	68,433,928
Right-of-way	16,460
Engineering	8,981,476
Administration	235,829
Subtotal	79,263,901
Financing costs	9,980,227
Total capitalized cost – President George Bush Turnpike - Segment V	89,244,128

(continued)

Schedule 9

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Capitalized Costs by Project
As of December 31, 2011
(Unaudited)

		Cumulative Total Through December 31, 2011
Dallas North Tollway Phase 3 - 3713		
Preliminary costs	$	5,118,815
Construction		229,837,506
Right-of-way		569,830
Engineering		33,061,961
Administration		2,688,283
Subtotal		271,276,395
Financing costs		(20,316,333)
Total capitalized cost – Dallas North Tollway Phase 3		250,960,062
Lewisville Lake Toll Bridge - 3761		
Preliminary costs		9,875
Construction		99,115,372
Right-of-way		13,177
Engineering		14,195,510
Administration		249,624
Subtotal		113,583,558
Financing costs		(405,373)
Total capitalized cost – Lewisville Lake Toll Bridge		113,178,185
Sam Rayburn Tollway (121 Tollway) - 3751		
Preliminary costs		1,142,464
Construction		489,711,969
Right-of-way		15,103,568
Engineering		86,740,606
Administration		21,219,782
Roadways		3,197,211,448
Accumulated depreciation on infrastructure		(213,188,443)
Subtotal		3,597,941,395
Financing costs		180,928,463
Total capitalized cost – Sam Rayburn Tollway (121 Tollway)		3,778,869,858
President George Bush Turnpike - Eastern Extension - 3722		
Infrastructure (Other)		30,192
Construction		364,049,431
Right-of-way		104,950,310
Engineering		69,509,790
Administration		4,850,424
Subtotal		543,390,147
Financing costs		51,010,193
Total capitalized cost – President George Bush Turnpike - Eastern Extension		594,400,340
Totals by Category		
Infrastructure (Other)		30,192
Preliminary costs		51,634,466
Construction		2,265,963,903
Right-of-way		256,213,062
Engineering		375,932,219
Administration		59,540,553
Buildings		17,434,997
Land		7,293,755
Roadways		3,197,211,448
Equipment		40,705,767
Accumulated depreciation Equipment		(28,883,934)
Accumulated depreciation on infrastructure		(213,188,443)
Subtotal		6,029,887,985
Financing costs		285,607,883
Total Capitalized Cost as of December 31, 2011	$	6,315,495,867

(concluded)

(1) Total capitalized cost includes bond discount/(premiums), which have been capitalized in accordance with the Trust Agreement. These costs are netted against revenue bonds within the statement of net assets.

See accompanying independent auditors' report.

Schedule 10

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Deferred Study Costs - Feasibility Study Fund
Year ended December 31, 2011
(Unaudited)

The table below sets forth the accumulated deferred study costs, by project, through December 31, 2011 that have not been transferred out of the Feasibility Study Fund into a construction project.

Projects		**Accumulated December 31, 2011**
Trinity Tollway	$	374,328
Dallas North Tollway:		
380 Interchange		285,767
Extension Phase 4		3,674,285
Extension Phase 4B/5A		3,484,790
President George Bush Turnpike - East Branch		121,178
State Highway 360		5,546,573
Trinity Parkway		33,154,169
North Central Texas Council of Governments		848,892
State Highway 170 - Alliance Gateway		4,267,990
Capital Planning Model		364,329
Collin/Grayson Corridor		175,712
Future Bond Issue Planning		336,519
State Highway 183 Managed Lanes		901,486
Collin County Outer Loop		3,152
Denton County Corridor		7,857
Loop 9		32,649
IH35 E Managed Lanes		60,494
	$	53,640,170

See accompanying independent auditor's report

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NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
INTRODUCTION TO STATISTICAL SECTION
(Unaudited)

INTRODUCTION

Governmental Accounting Standards Board (GASB) Statement 44 "Economic Condition Reporting": The Statistical Section requires that certain detailed statistical information be presented in this section, typically in ten year trends, to assist users in utilizing the basic financial statements, notes to the financial statements and required supplementary information in order to assess the economic condition of the System.

FINANCIAL TRENDS

These tables contain information to help the reader understand how the Authority's financial performance and well being have changed over time.

REVENUE CAPACITY

These tables contain information to help the reader assess the Authority's most significant revenue sources.

DEBT CAPACITY

These tables present information to help the reader assess the affordability of the Authority's current current level of outstanding debt and the Authority's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These tables offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

OPERATING INFORMATION

These tables contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Sources: Unless other noted, the information in the following tables is derived from the annual financial reports for the relevant years.

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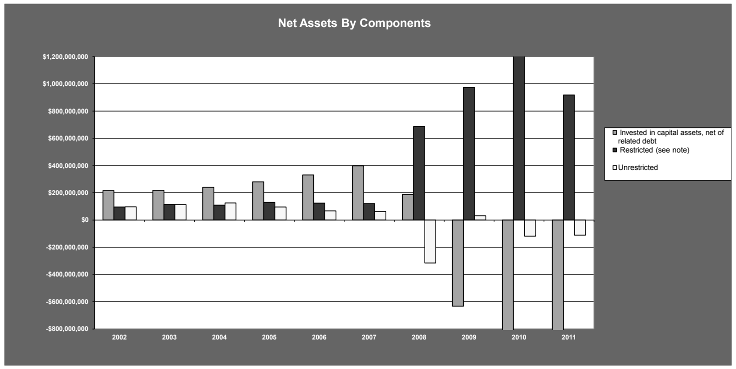
NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Net Assets by Components
Last Ten Fiscal Years
(Unaudited)

Business-Type Activities

Components	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Invested in capital assets, net of related debt	$215,719,725	$217,181,585	$239,205,057	$280,156,648	$330,841,254	$398,078,219	$187,921,483	$ (633,265,931)	$ (831,801,669)	$ (1,178,473,954)
Restricted (see note)	95,605,206	114,952,691	108,079,819	129,195,493	123,194,488	120,495,644	686,236,650	972,154,312	1,211,161,929	917,325,283
Unrestricted	97,103,496	113,345,843	124,451,990	95,696,520	67,332,901	62,928,573	(316,228,982)	31,783,352	(119,834,279)	(112,356,823)
Total net assets	**$ 408,428,427**	**445,480,119**	**471,736,866**	**505,048,661**	**521,368,643**	**581,502,436**	**557,929,151**	**370,671,733**	**259,525,981**	**-373,505,494**

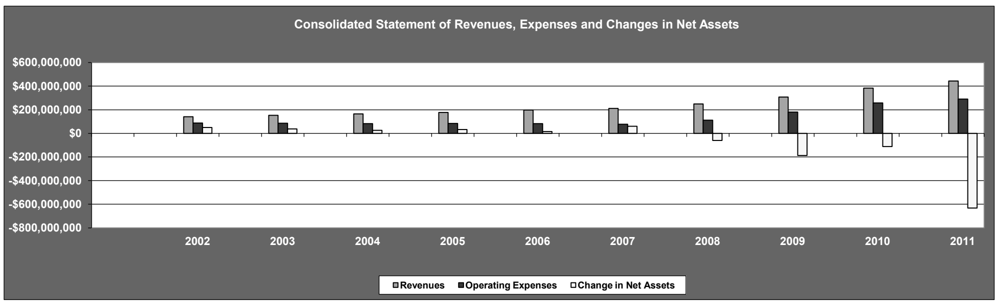
NOTE----Information prior to implementation of GASB 34 in FY 2002 is not available.



NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statements of Revenues, Expenses, and Changes in Net Assets
Last Ten Fiscal Years
(Unaudited)

Business-Type Activities	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Tolls	$ 137,945,439	$ 149,323,784	$ 160,695,030	$ 172,537,345	$ 191,434,120	$ 202,675,564	$ 240,776,791	$ 290,404,547	$ 366,597,323	$ 415,033,242
Other (1)	2,458,397	3,180,903	4,574,224	5,103,941	6,647,546	7,988,624	9,273,124	17,195,849	17,268,589	28,372,616
Total operating revenues	140,403,836	152,504,687	165,269,254	177,641,286	198,081,666	210,664,188	250,049,915	307,600,396	383,865,912	443,405,858
Operating expenses:										
Administration	8,261,114	5,977,858	7,592,581	8,381,359	8,899,052	10,910,385	12,604,559	22,501,450	21,105,565	22,159,182
Operations	29,703,453	36,672,675	40,088,169	48,195,524	52,522,106	64,660,897	68,064,173	68,433,322	74,604,274	77,165,408
Reserve maintenance	2,913,890	5,792,192	10,990,224	7,483,753	22,771,922	23,858,264	18,254,548	15,444,672	11,701,225	16,540,873
Capital improvement	12,586,540	18,320,162	24,268,247	30,117,098	31,975,003	33,381,445	38,541,652	20,039,108	18,259,590	36,535,270
Total operating expenses before depreciation	53,464,997	66,762,887	82,939,221	94,177,734	116,168,083	132,810,991	137,464,932	126,418,552	125,670,654	152,400,733
Operating income before depreciation	86,938,839	85,741,800	82,330,033	83,463,552	81,913,583	77,853,197	112,584,983	181,181,844	258,195,258	291,005,125
Bad debt expense	-	-	-	-	-	-	-	-	-	(12,463,708)
Unallocated infrastructure depreciation	-	-	-	-	-	-	-	-	-	(63,947,216)
Depreciation	(951,369)	(1,598,423)	(1,662,808)	(2,092,825)	(2,126,037)	(1,800,225)	(3,481,013)	(4,529,323)	(4,794,093)	(5,690,160)
Operating income	85,987,470	84,143,377	80,667,225	81,370,727	79,787,546	76,052,972	109,103,970	176,652,521	253,401,165	208,904,041
Nonoperating revenues (expenses):										
Interest earned on investments	9,068,253	9,327,630	10,458,474	13,562,625	16,550,756	17,592,664	50,438,067	25,219,356	22,128,268	17,672,334
Net increase(decrease) in the fair value of investments	615,890	(1,454,787)	(1,676,391)	(1,087,627)	2,335,448	1,067,995	24,555,188	(13,371,674)	3,588,196	(3,659,548)
Unallocated infrastructure depreciation	-	-	-	-	-	-	(24,555,772)	(60,703,200)	(63,801,840)	-
Interest expense on revenue bonds	(42,837,283)	(41,408,356)	(46,017,953)	(55,184,859)	(53,414,350)	(52,420,707)	(227,034,684)	(352,464,434)	(371,173,164)	(343,422,746)
Interest expense on short term notes	(268,011)	(214,067)	-	-	(24,658)	(2,653,677)	(35,086,229)	(6,364,724)	(6,269,247)	(6,269,405)
Bond premium/discount amortization	(1,407,146)	(197,326)	1,305,815	1,285,475	1,618,562	1,386,510	(217,615)	(1,659,281)	6,330,306	(43,237,386)
Bond issuance cost amortization	-	-	-	-	-	-	(17,543,223)	(9,216,397)	(5,002,937)	(4,173,546)
Deferred amount on refunding amortization	(1,386,660)	(4,350,295)	(6,147,053)	(7,030,110)	(6,557,286)	(6,017,291)	(6,694,083)	(8,911,969)	(571,990)	(5,829,048)
SWAP termination payment	-	-	-	-	-	-	(4,511,011)	(6,081,700)	-	-
Net amount on refunded bonds	-	-	-	-	-	-	(3,167,688)	-	-	-
Contributed capital to the Feasibility Study Fund	-	(8,487,500)	(11,990,800)	-	(25,000,000)	25,000,000	-	-	-	-
Transfer to SPS	-	-	-	-	-	-	-	-	(217,866)	(508,991,349)
Capital Grant Contributions	-	-	-	-	-	-	74,902,422	59,588,883	31,526,405	25,712,730
BAB's Subsidy	-	-	-	-	-	-	-	7,489,870	26,263,784	28,978,075
Other	233,312	(306,984)	(342,570)	395,564	1,013,964	135,327	(355,245)	2,565,331	(7,346,832)	1,284,373
Net nonoperating revenues (expenses)	(35,981,645)	(47,091,685)	(54,410,478)	(48,058,932)	(63,477,564)	(15,909,179)	(169,269,873)	(363,909,939)	(364,546,917)	(841,935,516)
Change in net assets	$ 50,005,825	$ 37,051,692	$ 26,256,747	$ 33,311,795	$ 16,309,982	$ 60,143,793	$ (60,165,903)	$ (187,257,418)	$ (111,145,752)	$ (633,031,475)

(1) Administrative fees, parking transaction fees, statement fees and miscellaneous charges.



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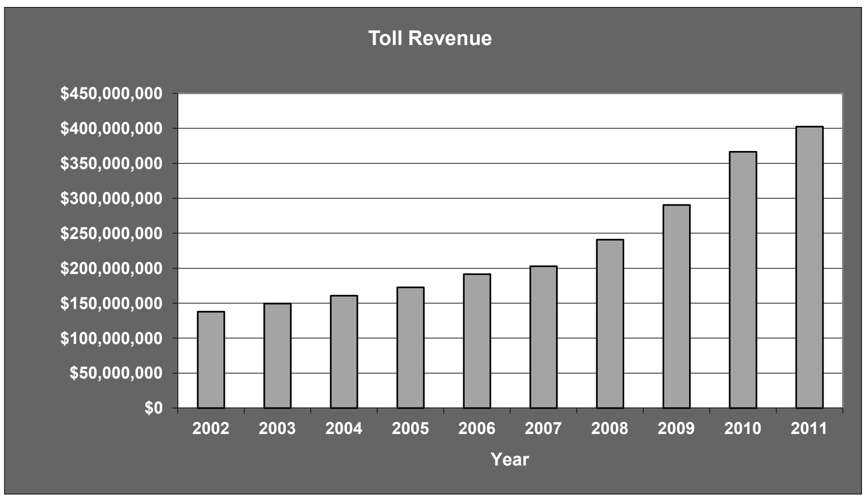
NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Traffic and Toll Revenue
Last Ten Fiscal Years
(Unaudited)

Year	Annual Revenue Vehicle Transactions	Annual Toll Revenue	Average Toll Rate per Transaction
2002	285,494,321	$ 137,945,439	0.48
2003	296,140,087	149,323,784	0.50
2004	315,031,754	160,695,030	0.51
2005	338,390,215	172,537,345	0.51
2006	370,696,171	191,434,120	0.52
2007	383,481,098	202,675,564	0.53
2008	412,272,003	240,776,791	0.58
2009	455,546,197	290,404,547	0.64
2010	481,913,338	366,597,323	0.76
2011	513,454,344	402,569,534	0.78



NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
Last Ten Fiscal Years
(Unaudited)

Two-axle passenger cars and trucks Roadway		Years 2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$0.75	$0.75	$0.75	$0.75	$0.75	-	-	-	-	-
	TollTag	0.60	0.60	0.60	0.60	0.60	$0.60	$0.70	$1.26	$1.26	$1.33
(all ETC effective in Jan. 2007)	ZipCash	-	-	-	-	-	0.75	1.00	1.89	1.89	2.00
Main Lane Plaza 2	Cash	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.35	1.35	1.43
	TollTag	0.60	0.60	0.60	0.60	0.60	0.70	0.70	0.90	0.90	0.95
Main Lane Plaza 3	Cash	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.20	1.20	1.28
	TollTag	0.60	0.60	0.60	0.60	0.60	0.70	0.70	0.80	0.80	0.85
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	1.30	1.30	2.15	2.12	2.24
	TollTag	-	-	-	-	-	1.05	1.05	1.41	1.41	1.49
Addison Airport Toll Tunnel:											
Main Lane Plaza	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.80
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.53
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.50	1.50	1.58
	TollTag	0.60	0.60	0.60	0.60	0.60	0.70	0.70	1.00	1.00	1.05
Main Lane Plaza 7	Cash	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.62	1.62	1.71
	TollTag	0.60	0.60	0.60	0.60	0.60	0.70	0.70	1.08	1.08	1.14
Main Lane Plaza 8	Cash	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.50	1.50	1.59
	TollTag	0.60	0.60	0.60	0.60	0.60	0.70	0.70	1.00	1.00	1.06
Main Lane Plaza 9 (2)	Cash	-	-	-	0.75	0.75	1.00	1.00	1.20	1.20	1.26
	TollTag	-	-	-	0.60	0.60	0.70	0.70	0.80	0.80	0.84
Main Lane Plaza 10	Cash	0.75	0.75	0.75	0.75	0.75	1.00	1.00	0.69	0.69	0.74
	TollTag	0.60	0.60	0.60	0.60	0.60	0.70	0.70	0.46	0.46	0.49
Mountain Creek Lake Bridge:											
Main Lane Plaza	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.80
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.53
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (3)	ZipCash	-	-	-	-	-	-	0.65	0.72	0.72	0.75
	TollTag	-	-	-	-	-	-	0.45	0.48	0.48	0.50
Main Lane Gantry 2 (3)	ZipCash	-	-	-	-	-	-	1.71	1.86	1.86	1.95
	TollTag	-	-	-	-	-	-	1.18	1.24	1.24	1.30
Main Lane Gantry 3 (4) (7)	ZipCash	-	-	-	-	-	-	-	2.04	2.57	2.70
	TollTag	-	-	-	-	-	-	-	1.36	1.71	1.80
Lewisville Lake Toll Bridge:											
Main Lane Plaza (5)	ZipCash	-	-	-	-	-	-	-	1.50	1.50	1.59
	TollTag	-	-	-	-	-	-	-	1.00	1.00	1.06
PGBT WE:											
Main Lane Plaza 11 (6)	ZipCash	-	-	-	-	-	-	-	-	1.17	1.25
	TollTag	-	-	-	-	-	-	-	-	0.78	0.83
PGBT EE:											
Main Lane Plaza 5 (8)	ZipCash	-	-	-	-	-	-	-	-	-	2.28
	TollTag	-	-	-	-	-	-	-	-	-	1.52

(continued)

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NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
Last Ten Fiscal Years
(Unaudited)

Three-axle vehicle and vehicle combination		Years									
Roadway		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$1.20	$1.20	$1.20	$1.20	$1.20	-	-	-	-	-
	TollTag	0.95	0.95	0.95	0.95	0.95	$0.95	$1.40	$2.52	$2.52	$2.66
(all ETC effective in Jan. 2007)	ZipCash	-	-	-	-	-	1.20	$2.00	$3.78	$3.78	$4.00
Main Lane Plaza 2	Cash	1.20	1.20	1.20	1.20	1.20	2.00	2.00	2.70	2.70	2.86
	TollTag	0.95	0.95	0.95	0.95	0.95	1.40	1.40	1.80	1.80	1.90
Main Lane Plaza 3	Cash	1.20	1.20	1.20	1.20	1.20	2.00	2.00	2.40	2.40	2.56
	TollTag	0.95	0.95	0.95	0.95	0.95	1.40	1.40	1.60	1.60	1.70
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	2.60	2.60	4.30	4.24	4.48
	TollTag	-	-	-	-	-	2.10	2.10	2.82	2.82	2.98
Addison Airport Toll Tunnel:											
Main Lane Plaza	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.50	1.50	1.60
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.06
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	1.50	1.50	1.50	1.50	1.50	2.00	2.00	3.00	3.00	3.16
	TollTag	1.20	1.20	1.20	1.20	1.20	1.40	1.40	2.00	2.00	2.10
Main Lane Plaza 7	Cash	1.50	1.50	1.50	1.50	1.50	2.00	2.00	3.24	3.24	3.42
	TollTag	1.20	1.20	1.20	1.20	1.20	1.40	1.40	2.16	2.16	2.28
Main Lane Plaza 8	Cash	1.50	1.50	1.50	1.50	1.50	2.00	2.00	3.00	3.00	3.18
	TollTag	1.20	1.20	1.20	1.20	1.20	1.40	1.40	2.00	2.00	2.12
Main Lane Plaza 9 (2)	Cash	-	-	-	1.50	1.50	2.00	2.00	2.40	2.40	2.52
	TollTag	-	-	-	1.20	1.20	1.40	1.40	1.60	1.60	1.68
Main Lane Plaza 10	Cash	1.50	1.50	1.50	1.50	1.50	2.00	2.00	1.38	1.38	1.48
	TollTag	1.20	1.20	1.20	1.20	1.20	1.40	1.40	0.92	0.92	0.98
Mountain Creek Lake Bridge:											
Main Lane Plaza	Cash	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.50	1.50	1.60
	TollTag	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.06
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (3)	ZipCash	-	-	-	-	-	-	1.30	1.44	1.44	1.50
	TollTag	-	-	-	-	-	-	0.90	0.96	0.96	1.00
Main Lane Gantry 2 (3)	ZipCash	-	-	-	-	-	-	3.42	3.72	3.72	3.90
	TollTag	-	-	-	-	-	-	2.36	2.48	2.48	2.60
Main Lane Gantry 3 (4) (7)	ZipCash	-	-	-	-	-	-	-	4.08	5.14	5.40
	TollTag	-	-	-	-	-	-	-	2.72	3.42	3.60
Lewisville Lake Toll Bridge:											
Main Lane Plaza (5)	ZipCash	-	-	-	-	-	-	-	3.00	3.00	0.00
	TollTag	-	-	-	-	-	-	-	2.00	2.00	2.12
PGBT WE:											
Main Lane Plaza 11 (6)	ZipCash	-	-	-	-	-	-	-	-	2.34	2.50
	TollTag	-	-	-	-	-	-	-	-	1.56	1.66
PGBT EE:											
Main Lane Plaza 5 (8)	ZipCash	-	-	-	-	-	-	-	-	-	4.56
	TollTag	-	-	-	-	-	-	-	-	-	3.04

(continued)

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NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
Last Ten Fiscal Years
(Unaudited)

Four-axle vehicle and vehicle combination		Years									
Roadway		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$1.50	$1.50	$1.50	$1.50	$1.50	-	-	-	-	-
	TollTag	1.20	1.20	1.20	1.20	1.20	$1.20	$2.10	$3.78	$3.78	$3.99
(all ETC effective in Jan. 2007)	ZipCash	-	-	-	-	-	1.50	3.00	5.67	5.67	6.00
Main Lane Plaza 2	Cash	1.50	1.50	1.50	1.50	1.50	3.00	3.00	4.05	4.05	4.29
	TollTag	1.20	1.20	1.20	1.20	1.20	2.10	2.10	2.70	2.70	2.85
Main Lane Plaza 3	Cash	1.50	1.50	1.50	1.50	1.50	3.00	3.00	3.60	3.60	3.84
	TollTag	1.20	1.20	1.20	1.20	1.20	2.10	2.10	2.40	2.40	2.55
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	3.90	3.90	6.45	6.36	6.72
	TollTag	-	-	-	-	-	3.15	3.15	4.23	4.23	4.47
Addison Airport Toll Tunnel:											
Main Lane Plaza	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2.25	2.25	2.40
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.50	1.50	1.59
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	2.25	2.25	2.25	2.25	2.25	3.00	3.00	4.50	4.50	4.74
	TollTag	1.80	1.80	1.80	1.80	1.80	2.10	2.10	3.00	3.00	3.15
Main Lane Plaza 7	Cash	2.25	2.25	2.25	2.25	2.25	3.00	3.00	4.86	4.86	5.13
	TollTag	1.80	1.80	1.80	1.80	1.80	2.10	2.10	3.24	3.24	3.42
Main Lane Plaza 8	Cash	2.25	2.25	2.25	2.25	2.25	3.00	3.00	4.50	4.50	4.77
	TollTag	1.80	1.80	1.80	1.80	1.80	2.10	2.10	3.00	3.00	3.18
Main Lane Plaza 9 (2)	Cash	-	-	-	2.25	2.25	3.00	3.00	3.60	3.60	3.78
	TollTag	-	-	-	1.80	1.80	2.10	2.10	2.40	2.40	2.52
Main Lane Plaza 10	Cash	2.25	2.25	2.25	2.25	2.25	3.00	3.00	2.07	2.07	2.22
	TollTag	1.80	1.80	1.80	1.80	1.80	2.10	2.10	1.38	1.38	1.47
Mountain Creek Lake Bridge:											
Main Lane Plaza	Cash	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.25	2.25	2.40
	TollTag	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.59
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (3)	ZipCash	-	-	-	-	-	-	1.95	2.16	2.16	2.25
	TollTag	-	-	-	-	-	-	1.35	1.44	1.44	1.50
Main Lane Gantry 2 (3)	ZipCash	-	-	-	-	-	-	5.13	5.58	5.58	5.85
	TollTag	-	-	-	-	-	-	3.54	3.72	3.72	3.90
Main Lane Gantry 3 (4) (7)	ZipCash	-	-	-	-	-	-	-	6.12	7.71	8.10
	TollTag	-	-	-	-	-	-	-	4.08	5.13	5.40
Lewisville Lake Toll Bridge:											
Main Lane Plaza (5)	ZipCash	-	-	-	-	-	-	-	4.50	4.50	4.77
	TollTag	-	-	-	-	-	-	-	3.00	3.00	3.18
PGBT WE:											
Main Lane Plaza 11 (6)	ZipCash	-	-	-	-	-	-	-	-	3.51	3.75
	TollTag	-	-	-	-	-	-	-	-	2.34	2.49
PGBT EE:											
Main Lane Plaza 5 (8)	ZipCash	-	-	-	-	-	-	-	-	-	6.84
	TollTag	-	-	-	-	-	-	-	-	-	4.56

(continued)

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NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
Last Ten Fiscal Years
(Unaudited)

Five-axle vehicle and vehicle combination		Years									
Roadway		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$1.80	$1.80	$1.80	$1.80	$1.80	-	-	-	-	-
	TollTag	1.45	1.45	1.45	1.45	1.45	$1.45	$2.80	$5.04	$5.04	$5.32
(all ETC effective in Jan. 2007)	ZipCash	-	-	-	-	-	1.80	4.00	7.56	7.56	8.00
Main Lane Plaza 2	Cash	1.80	1.80	1.80	1.80	1.80	4.00	4.00	5.40	5.40	5.72
	TollTag	1.45	1.45	1.45	1.45	1.45	2.80	2.80	3.60	3.60	3.80
Main Lane Plaza 3	Cash	1.80	1.80	1.80	1.80	1.80	4.00	4.00	4.80	4.80	5.12
	TollTag	1.45	1.45	1.45	1.45	1.45	2.80	2.80	3.20	3.20	3.40
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	5.20	5.20	8.60	8.48	8.96
	TollTag	-	-	-	-	-	4.20	4.20	5.64	5.64	5.96
Addison Airport Toll Tunnel:											
Main Lane Plaza	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3.00	3.00	3.00
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2.00	2.00	2.12
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	3.00	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.32
	TollTag	2.40	2.40	2.40	2.40	2.40	2.80	2.80	4.00	4.00	4.20
Main Lane Plaza 7	Cash	3.00	3.00	3.00	3.00	3.00	4.00	4.00	6.48	6.48	6.84
	TollTag	2.40	2.40	2.40	2.40	2.40	2.80	2.80	4.32	4.32	4.56
Main Lane Plaza 8	Cash	3.00	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.36
	TollTag	2.40	2.40	2.40	2.40	2.40	2.80	2.80	4.00	4.00	4.24
Main Lane Plaza 9 (2)	Cash	-	-	-	3.00	3.00	4.00	4.00	4.80	4.80	5.04
	TollTag	-	-	-	2.40	2.40	2.80	2.80	3.20	3.20	3.36
Main Lane Plaza 10	Cash	3.00	3.00	3.00	3.00	3.00	4.00	4.00	2.76	2.76	2.96
	TollTag	2.40	2.40	2.40	2.40	2.40	2.80	2.80	1.84	1.84	1.96
Mountain Creek Lake Bridge:											
Main Lane Plaza	Cash	1.25	1.25	1.25	1.25	1.25	1.25	1.25	3.00	3.00	3.20
	TollTag	1.25	1.25	1.25	1.25	1.25	1.25	1.25	2.00	2.00	2.12
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (3)	ZipCash	-	-	-	-	-	-	2.60	2.88	2.88	3.00
	TollTag	-	-	-	-	-	-	1.80	1.92	1.92	2.00
Main Lane Gantry 2 (3)	ZipCash	-	-	-	-	-	-	6.84	7.44	7.44	7.80
	TollTag	-	-	-	-	-	-	4.72	4.96	4.96	5.20
Main Lane Gantry 3 (4) (7)	ZipCash	-	-	-	-	-	-	-	8.16	10.28	10.80
	TollTag	-	-	-	-	-	-	-	5.44	6.84	7.20
Lewisville Lake Toll Bridge:											
Main Lane Plaza (5)	ZipCash	-	-	-	-	-	-	-	6.00	6.00	6.36
	TollTag	-	-	-	-	-	-	-	4.00	4.00	4.24
PGBT WE:											
Main Lane 11 (6)	ZipCash	-	-	-	-	-	-	-	-	4.68	5.00
	TollTag	-	-	-	-	-	-	-	-	3.12	3.32
PGBT EE:											
Main Lane Plaza 5 (8)	ZipCash	-	-	-	-	-	-	-	-	-	9.12
	TollTag	-	-	-	-	-	-	-	-	-	6.08

(continued)

(1) Main Lane Plaza 4 opened September 2007
(2) Main Lane Plaza 9 opened September 2005
(3) Main Lane Gantry 1 & 2 (ETC) on SRT; NTTA began collecting revenues on SRT on its own behalf on September 1, 2008
(4) Main Lane Plaza 3 on SRT opened September 2009
(5) Lewisville Lake Toll Bridge opened August 2009
(6) PGBT WE Phase 2 from SH 183 to Egyptian Way opened in August 2009
(7) SRT Mainlanes were extended to US 75 in December 2010
(8) PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011
Note----The Authority converted to All Electronic Toll Collection (All ETC) in December 2010. All customers will either have a TollTag or will be billed according to business rules currently in place. Cash is no longer accepted.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
Last Ten Fiscal Years
(Unaudited)

Six or more-axle vehicle and vehicle combination		Years									
Roadway		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$2.10	$2.10	$2.10	$2.10	$2.10	-	-	-	-	-
	TollTag	1.70	1.70	1.70	1.70	1.70	$1.70	$3.50	$6.30	$6.30	$6.65
(all ETC effective in Jan. 2007)	ZipCash	-	-	-	-	-	2.10	5.00	9.45	9.45	10.00
Main Lane Plaza 2	Cash	2.10	2.10	2.10	2.10	2.10	5.00	5.00	6.75	6.75	7.15
	TollTag	1.70	1.70	1.70	1.70	1.70	3.50	3.50	4.50	4.50	4.75
Main Lane Plaza 3	Cash	2.10	2.10	2.10	2.10	2.10	5.00	5.00	6.00	6.00	6.40
	TollTag	1.70	1.70	1.70	1.70	1.70	3.50	3.50	4.00	4.00	4.25
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	6.50	6.50	10.75	10.60	11.20
	TollTag	-	-	-	-	-	5.25	5.25	7.05	7.05	7.45
Addison Airport Toll Tunnel:											
Main Lane Plaza	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	3.75	3.75	4.00
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	2.50	2.50	2.65
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	3.75	3.75	3.75	3.75	3.75	5.00	5.00	7.50	7.50	7.90
	TollTag	3.00	3.00	3.00	3.00	3.00	3.50	3.50	5.00	5.00	5.25
Main Lane Plaza 7	Cash	3.75	3.75	3.75	3.75	3.75	5.00	5.00	8.10	8.10	8.55
	TollTag	3.00	3.00	3.00	3.00	3.00	3.50	3.50	5.40	5.40	5.70
Main Lane Plaza 8	Cash	3.75	3.75	3.75	3.75	3.75	5.00	5.00	7.50	7.50	7.95
	TollTag	3.00	3.00	3.00	3.00	3.00	3.50	3.50	5.00	5.00	5.30
Main Lane Plaza 9 (2)	Cash	-	-	-	3.75	3.75	5.00	5.00	6.00	6.00	6.30
	TollTag	-	-	-	3.00	3.00	3.50	3.50	4.00	4.00	4.20
Main Lane Plaza 10	Cash	3.75	3.75	3.75	3.75	3.75	5.00	5.00	3.45	3.45	3.70
	TollTag	3.00	3.00	3.00	3.00	3.00	3.50	3.50	2.30	2.30	2.45
Mountain Creek Lake Bridge:											
Main Lane Plaza	Cash	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.75	3.75	4.00
	TollTag	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.50	2.50	2.65
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (3)	ZipCash	-	-	-	-	-	-	3.25	3.60	3.60	3.75
	TollTag	-	-	-	-	-	-	2.25	2.40	2.40	2.50
Main Lane Gantry 2 (3)	ZipCash	-	-	-	-	-	-	8.55	9.30	9.30	9.75
	TollTag	-	-	-	-	-	-	5.90	6.20	6.20	6.50
Main Lane Gantry 3 (4) (7)	ZipCash	-	-	-	-	-	-	-	10.20	12.85	13.50
	TollTag	-	-	-	-	-	-	-	6.80	8.55	9.00
Lewisville Lake Toll Bridge:											
Main Lane Plaza (5)	ZipCash	-	-	-	-	-	-	-	7.50	7.50	6.25
	TollTag	-	-	-	-	-	-	-	5.00	5.00	5.30
PGBT WE:											
Main Lane Plaza 11 (6)	ZipCash	-	-	-	-	-	-	-	-	5.85	6.25
	TollTag	-	-	-	-	-	-	-	-	3.90	4.15
PGBT EE:											
Main Lane Plaza 5 (8)	ZipCash	-	-	-	-	-	-	-	-	-	11.40
	TollTag	-	-	-	-	-	-	-	-	-	7.60

(concluded)

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Note----The Authority converted to All Electronic Toll Collection (All ETC) in December 2010. All customers will either have a TollTag or will be billed according to business rules currently in place. Cash is no longer accepted.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Ratio of Outstanding Debt by Type
Business-Type Activities
Last Ten Fiscal Years
(Unaudited)

Year	Revenue Bonds	Bond Anticipation Notes	Commercial Paper Notes Payable	Texas Department of Transportation ISTEA Loan	Texas Department of Transportation Loan Payable	Total Debt Amount	Total Revenue Vehicle Toll Transactions(1)	Debt Per Transactions	Debt Per Capita(2)
2002	$ 921,430,778	-	$ 20,000,000	$ 135,000,000	$ 4,600,000	$ 1,081,030,778	285,494,321	$ 3.79	$ 222
2003	1,139,285,000	-	-	135,000,000	4,600,000	1,278,885,000	296,140,087	4.32	259
2004	1,125,735,000	-	-	135,000,000	4,600,000	1,265,335,000	315,031,754	4.02	251
2005	1,420,605,000	-	-	135,000,000	4,600,000	1,560,205,000	338,390,215	4.61	303
2006	1,390,130,000	-	25,000,000	135,000,000	4,600,000	1,554,730,000	370,696,171	4.19	293
2007	1,368,550,000	$ 3,487,245,000	75,000,000	135,000,000	4,600,000	5,070,395,000	383,481,098	13.22	934
2008	6,150,814,166	-	89,700,000	135,000,000	4,600,000	6,380,114,166	412,272,003	15.48	1,147
2009	7,122,390,015	-	5,200,000	146,609,022	4,600,000	7,278,799,037	455,546,197	15.98	1,283
2010	7,543,021,558	-	119,200,000	142,857,298	-	7,805,078,856	481,913,338	16.20	1,358
2011	7,555,401,914	-	56,300,000	140,607,304	-	7,752,309,218	513,454,344	15.10	1,370

Note----Details on the System's outstanding debt can be found in the notes to the financial statements.
(1) See table of Traffic and Toll Revenue on page 80.
(2) See table of Demographic Data on page 88.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Ratio of Revenue-backed Debt Outstanding
Business-Type Activities
Last Ten Fiscal Years
(Unaudited)

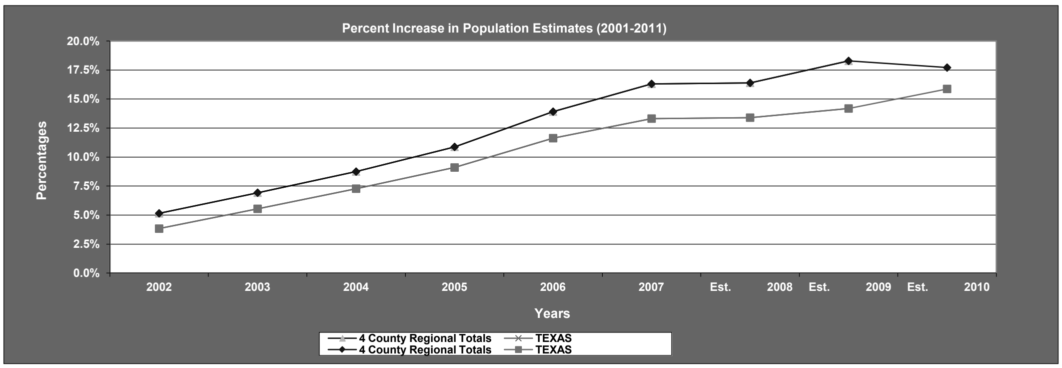
Year	Revenue Bonds	Bond Anticipation Notes	Less: amounts Available in Bond Redemption Account	Commercial Paper Notes Payable	Texas Department of Transportation ISTEA Loan	Total Debt Amount	Annual Toll Revenues(1)	Debt Per Annual Toll Revenue	Debt Per Capita(2)
2002	$ 921,430,778	-	$ (11,645,000)	$ 20,000,000	$ 135,000,000	$ 1,064,785,778	$ 137,945,439	$ 8	$ 219
2003	1,139,285,000	-	(13,553,662)	-	135,000,000	1,260,731,338	149,323,784	8	255
2004	1,125,735,000	-	(15,447,037)	-	135,000,000	1,245,287,963	160,695,030	8	247
2005	1,420,605,000	-	(17,311,773)	-	135,000,000	1,538,293,227	172,537,345	9	299
2006	1,390,130,000	-	(22,008,278)	25,000,000	135,000,000	1,528,121,722	191,434,120	8	288
2007	1,368,550,000	$3,487,245,000	(23,240,000)	75,000,000	135,000,000	5,042,555,000	202,675,564	25	929
2008	6,150,814,166	-	(34,110,000)	89,700,000	135,000,000	6,341,404,166	240,776,791	26	1,140
2009	7,122,390,015	-	(32,170,000)	5,200,000	146,609,022	7,242,029,037	290,404,547	25	1,277
2010	7,543,021,558	-	(29,685,000)	119,200,000	142,857,298	7,775,393,856	366,597,323	19	1,353
2011	7,555,401,914	-	(27,980,000)	56,300,000	140,607,304	7,724,329,218	402,569,534	19	1,365

Note----Details on the System's outstanding debt can be found in the Notes to the Financial Statements.
(1) See table of Traffic and Toll Revenue on page 80.
(2) See table of Demographic Data on page 88.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Demographic Data-Combined Four County Region and State of Texas Population Estimated Data
For Years 2002-2011
(Unaudited)

	Year	COLLIN	DALLAS	DENTON	TARRANT	Est. Four County Regional Totals	Estimated Texas Totals	Percentage Change (From Prior Years) 4 County	TEXAS
	2002	569,438	2,276,489	488,311	1,526,307	4,860,545	21,762,430	2.21%	1.89%
	2003	597,536	2,282,284	510,292	1,556,747	4,946,859	22,134,047	1.78%	1.71%
	2004	628,757	2,290,710	531,054	1,586,277	5,036,798	22,517,901	1.82%	1.73%
	2005	660,926	2,308,527	554,994	1,619,666	5,144,113	22,928,508	2.13%	1.82%
	2006	698,851	2,345,815	584,238	1,671,295	5,300,199	23,507,783	3.03%	2.53%
	2007	730,690	2,366,511	612,357	1,717,435	5,426,993	23,904,380	2.39%	1.69%
Est.	2008	762,010	2,412,827	636,557	1,750,091	5,561,485	24,326,974	2.48%	1.77%
Est.	2009	764,500	2,471,000	628,300	1,807,750	5,671,550	24,538,335	1.98%	0.87%
Est.	2010	786,250	2,492,850	637,750	1,829,400	5,746,250	25,145,561	1.32%	2.47%
Est.	2011	791,470	2,374,175	673,780	1,817,840	5,657,265	25,145,561	-1.55%	0.00%
Increase Total from Year 2002 to Year 2011		222,032	97,686	185,469	291,533	796,720	3,383,131		

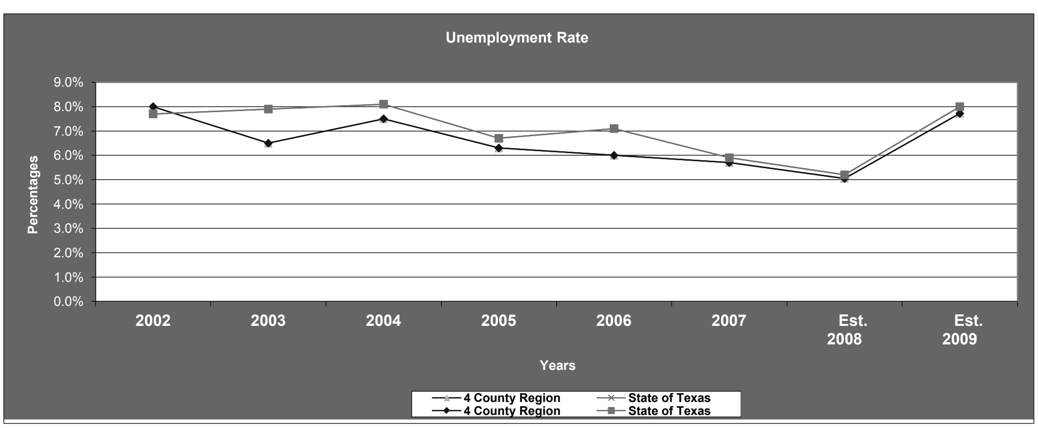
Source: North Central Texas Council of Governments



NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Demographic Data-Combined Four County Region and State of Texas Employment Status Estimates
For Years 2002-2011
(Unaudited)

	Year	COLLIN	DALLAS	DENTON	TARRANT	Combined Four County Regional Estimated Totals	Texas Estimated Totals	Unemployment Rate 4 County	Texas
	2002	308,228	1,194,564	276,897	799,447	2,579,136	10,402,410	8.0%	7.7%
	2003	325,039	1,176,107	287,142	814,196	2,602,484	10,556,464	6.5%	7.9%
	2004	347,165	1,197,167	301,511	835,363	2,681,206	10,851,249	7.5%	8.1%
	2005	367,651	1,177,947	312,530	840,440	2,698,568	11,024,191	6.3%	6.7%
	2006	389,629	1,219,541	337,144	884,101	2,830,415	11,617,834	6.0%	7.1%
	2007	400,678	1,205,730	344,810	904,015	2,855,233	11,647,654	5.7%	5.9%
Est.	2008	407,840	1,180,870	346,869	877,646	2,813,225	11,466,657	5.1%	5.2%
Est.	2009	285,900	1,415,000	172,600	743,500	2,617,000	10,204,500	7.7%	8.0%
Est.	2010	390,106	1,063,304	330,122	833,527	2,617,059	10,204,500	7.7%	8.0%
Est.	2011	397,033	1,082,185	335,984	845,263	2,660,465	10,204,500	7.7%	8.0%
Increase Total from Year 2002 to Year 2011		10,713	248,726	(75,992)	(14,723)	168,724	200,894		

Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University



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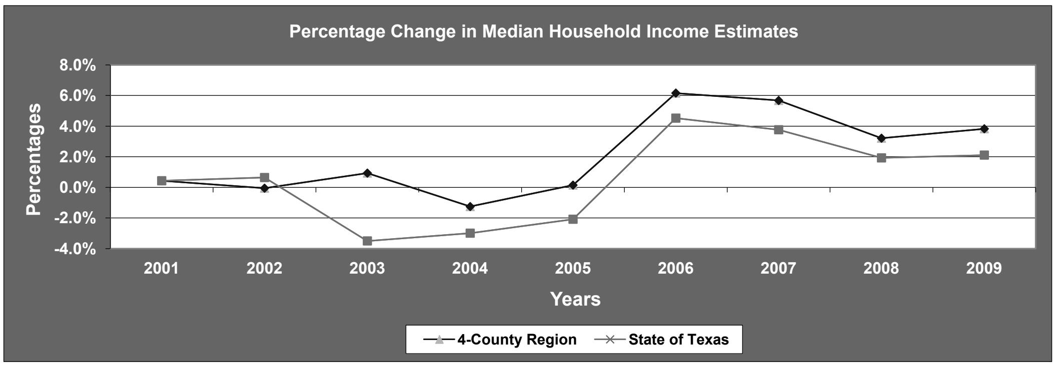
(c o n c l u d e d)

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Demographic Data - Combined Four County Region and State of Texas Median Household Income Estimates
For Years 2001 - 2010
(Unaudited)

Year	COLLIN	DALLAS	DENTON	TARRANT	Regional Totals	Texas	Percentage Change from Prior Years	
					Estimated Avg Median Income	Estimated Avg Median Income	4 County	Texas
2001	70,181	44,829	60,898	48,821	56,182	43,253	0.43%	0.44%
2002	70,292	44,678	56,814	51,860	55,911	43,343	-0.48%	0.21%
2003	71,458	44,189	62,013	48,185	56,461	41,548	0.98%	-4.14%
2004	68,567	43,444	61,528	47,369	55,227	41,759	-2.19%	0.51%
2005	70,784	42,598	61,520	49,104	56,002	42,139	1.40%	0.91%
2006	74,051	44,815	66,792	51,813	59,368	44,922	6.01%	6.60%
2007	79,657	46,372	71,109	53,459	62,649	47,548	5.53%	5.85%
2008	81,395	47,085	73,544	56,251	64,569	49,453	3.06%	4.01%
2009	80,545	47,059	70,002	54,647	63,063	48,259	-2.33%	-2.41%
2010	77,862	46,909	68,671	52,482	61,481	48,259	-2.51%	0.00%
Averaged Yearly Totals	**$73,742**	**$45,090**	**$64,103**	**$51,215**	**$58,537**	**$44,529**		

Source: U.S. Census Buerau



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NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
North Texas Four County Region's Top Ten Employers
(Unaudited)

2011

EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
COLLIN COUNTY TOP TEN EMPLOYERS			
RAYTHEON CO.	9,000	2.35%	TECHNOLOGY
JC PENNEY	8,500	2.22%	RETAIL
PLANO ISD	6,762	1.77%	SCHOOL DISTRICT
BANK OF AMERICA HOME LOANS	5,400	1.41%	FINANCIAL SERVICES
FRITO LAY	4,300	1.12%	SNACK FOOD COMPANY
HP ENTERPRISE SERVICES	4,800	1.26%	PROF/TECH
CAPITAL ONE	3,500	0.92%	FINANCIAL SERVICES
DELL	3,000	0.78%	PROF/TECH
ERICSSON	2,200	0.58%	PROF/TECH
ALCATEL-LUCENT	1,830	0.48%	PROF/TECH
Total	49,292	12.89%	
DALLAS COUNTY TOP TEN EMPLOYERS			
BANK OF AMERICA	20,000	1.76%	FINANCIAL SERVICES
DALLAS ISD	18,868	1.66%	SCHOOL DISTRICT
BAYLOR HEALTH CARE SYSTEMS	17,097	1.50%	HEALTH CARE
JPMORGAN CHASE	13,500	1.19%	FINANCIAL SERVICES
CITY OF DALLAS	13,369	1.17%	CITY GOVERNMENT
UT-SOUTHWESTERN MEDICAL CENTER	13,053	1.15%	HEALTH SVCS UNIV/ MEDICAL CNTR
HCA NORTH TEXAS DIVISION	11,400	1.00%	HEALTH CARE
VERIZON COMMUNICATIONS INC	10,500	0.92%	BROADBAND WIRELESS
U.S. POSTAL SERVICE	10,439	0.92%	FEDERAL GOVERNMENT
TOM THUMB FOOD AND PHARMACY	10,044	0.88%	RETAIL
Total	138,270	12.15%	
DENTON COUNTY TOP TEN EMPLOYERS			
UNIVERSITY OF NORTH TEXAS	7,000	2.14%	EDUCATION
LEWISVILLE ISD	6,404	1.96%	EDUCATION
FRISCO ISD	5,005	1.53%	EDUCATION
DENTON ISD	3,500	1.07%	EDUCATION
TEXAS WOMAN'S UNIVERSITY	1,586	0.49%	EDUCATION
DENTON COUNTY	1,523	0.47%	GOVERNMENT
DENTON STATE SUPPORTED LIVING CENTER	1,500	0.46%	STATE AGENCY
PETERBILT MOTORS	1,500	0.46%	TRANSPORTATION
DENTON REGIONAL MEDICAL CENTER	800	0.24%	HEALTH CARE
PRESBYTERIAN HOSPITAL OF DENTON	750	0.23%	HEALTH CARE
Total	29,568	6.25%	
TARRANT COUNTY TOP TEN EMPLOYERS			
AMERICAN AIRLINES	24,888	2.98%	TRANSPORTATION
TEXAS HEALTH RESOURCES	24,189	2.90%	HEALTH CARE
LOCKHEED MARTIN AERONAUTICS CO	15,000	1.80%	MANUFACTURING
FORT WORTH ISD	10,953	1.31%	SCHOOL DISTRICT
BELL HELICOPTER	6,700	0.80%	MANUFACTURING
CITY OF FORT WORTH	6,247	0.75%	MUNICIPAL GOVERNMENT
ALBERTSONS LLC	6,100	0.73%	RETAIL
UNIVERSITY OF TEXAS AT ARLINGTON	5,956	0.71%	EDUCATION
JPS HEALTH NETWORK	4,918	0.59%	HEALTH CARE
TARRANT COUNTY	4,600	0.55%	MANUFACTURING
Total	109,551	13.12%	COUNTY GOVERNMENT

Source: Dallas Major Employers-DFW and Bureau of Labor Statistics

2002

EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
COLLIN COUNTY TOP TEN EMPLOYERS			
EDS	6,700	3.99%	PROF/TECH
PLANO ISD	6,100	3.64%	EDUCATION
JC PENNEY	5,200	3.10%	RETAIL
ALCATEL	4,900	2.92%	MANUFACTURING
COUNTRYWIDE HOME LOANS	3,500	2.09%	FINANCE
RAYTHEON	3,200	1.91%	TECHNOLOGY
CITY OF PLANO	2,400	1.43%	MUNICIPAL GOVERNMENT
MEDICAL CENTER OF PLANO	1,950	1.16%	HEALTH CARE
UNIVERSITY OF NORTH TEXAS AT DALLAS	1,870	1.11%	EDUCATION
COLLIN COUNTY COMMUNITY COLLEGE	1,410	0.84%	EDUCATION
Total	37,230	22.19%	
DALLAS COUNTY TOP TEN EMPLOYERS			
AMR CORPORATION (AMERICAN AIRLINES)	35,000	2.23%	TRANSPORTATION
RAYTHEON COMPANY	18,500	1.18%	DEFENSE SYSTEMS & ELECTRONICS
SBC TELEPHONE CO	18,000	1.15%	TELEPHONE UTILITY
DALLAS PIBLIC SCHOOLS	17,169	1.10%	PUBLIC INDEPENDENT SCHOOL
TEXAS HEALTH RESOURCE	15,500	0.99%	HEALTH CARE
U.S. POSTAL SERVICES-DALLAS	13,463	0.86%	FEDERAL AGENCY
CITY OF DALLAS	13,000	0.83%	MUNICIPALITY
VISITING NURSE ASSOCIATION OF TEXAS	12,897	0.82%	NON-PROFIT HEALTH RELATED SERVICES
BAYLOR HEALTH CARE SYSTEM	12,800	0.82%	HEALTH CARE
VERIZON COMMUNICATIONS	12,000	0.77%	TELECOMMUNICATIONS
Total	168,329	10.74%	
DENTON COUNTY TOP TEN EMPLOYERS			
UNIVERSITY OF NORTH TEXAS	6,995	5.85%	EDUCATION
DENTON ISD	2,000	1.67%	EDUCATION
BOEING-CORINTH	1,700	1.42%	MILITARY AND COMMERCIAL ELECTRONICS
DENTON STATE SCHOOL	1380	1.15%	STATE AGENCY
DENTON COUNTY	1,225	1.02%	COUNTY GOVERNMENT
PETERBILT MOTORS	1,200	1.00%	DIESEL TRUCKS
CITY OF DENTON	1,200	1.00%	MUNICIPAL GOVERNMENT
TEXAS WOMAN'S UNIVERSITY	900	0.75%	EDUCATION
DENTON REGIONAL MEDICAL CENTER	850	0.71%	HEALTH CARE
FEMA (CALL CENTER)	750	0.63%	U.S. DEPT OF HOMELAND SECURITY
Total	18,200	15.22%	
TARRANT COUNTY TOP TEN EMPLOYERS			
AMRCORP./AMERICAN AIRLINES	28,500	4.05%	TRANSPORTATION
LOCKHEED FORT WORTH DIVISION	16,800	2.39%	MANUFACTURING
TEXAS HEALTH RESOURCE	13,100	1.86%	HEALTH CARE
FORT WORTH ISD	9,930	1.41%	EDUCATION
ARLINGTON IDS	8,000	1.14%	EDUCATION
BELL HELICOPTER-TEXTRON	5,749	0.82%	MANUFACTURING
CITY OF FORT WORTH	5,740	0.82%	MUNICIPAL GOVERNMENT
TARRANT COUNTY GOVERNMENT	4,197	0.60%	COUNTY GOVERNMENT
HARRIS HOSPITAL	3,900	0.55%	HEALTH CARE
RADIO SHACK CORP	3,545	0.50%	RETAIL
Total	99,461	14.15%	

Source: Fort Worth Business Press, Texas Workforce Commission, individual firms and Fort Worth Chamber of Commerce
North Central Texas Council of Governments and Local University and School District web sites
Dallas Business Journal and Ft Worth Business Press Book of Lists 2011, City of Dallas and Dallas County, Texas Financial Records
Denton Economic Development

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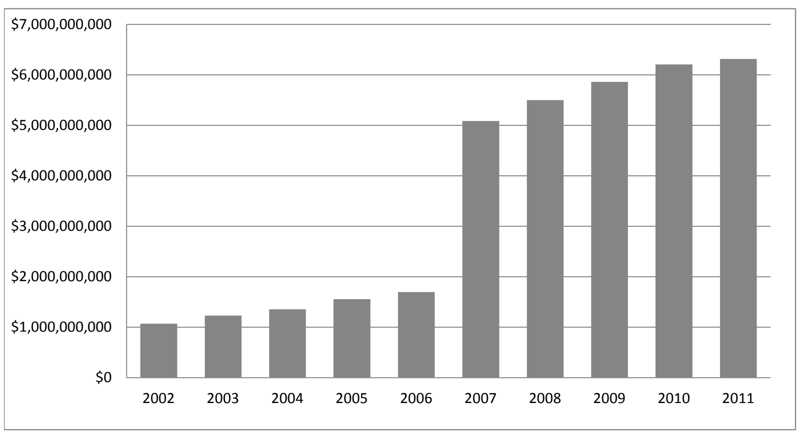
NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Contribution to Infrastructure Assets
Last Ten Fiscal Years
(Unaudited)

Year	Additions		Beginning Balance		Disposals/Transfers		Ending Balance
2002	$ 44,935,637		$ 1,024,654,232		$ -		$ 1,069,589,869
2003	161,829,348		1,069,589,869		-		1,231,419,217
2004	97,081,712		1,255,767,850	(2)	-		1,352,849,562
2005	203,757,845		1,352,849,562		-		1,556,607,407
2006	141,163,305		1,556,607,407		(2,923,868)		1,694,846,844
2007	3,390,485,923	(1)	1,698,121,926		(983,452)		5,087,624,397
2008	452,204,613	(3)	5,087,624,397		(38,340,388)		5,501,488,622
2009	3,558,138,403	(4)	5,501,488,622		(3,197,211,448)	(4)	5,862,415,577
2010	344,755,250		5,862,415,577		(234,076)		6,206,936,751
2011	171,434,438		6,206,936,751		(62,875,322)		6,315,495,867

(1) Includes a $3.2 billion payment to Texas Department of Transportation for the acquisition of State Highway 121 Project.
(2) Includes a $24.3 million prior period adjustment for toll collection system.
(3) Deletions include property and equipment previously recorded as infrastructure.
Note----See Notes to Financial Statements number (4) Capital Assets page 35.
(4) Includes reclass from CIP to Roadway due to the completion of Sam Rayburn Tollway



NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Revenue Analysis
Last Ten Fiscal Years
(Unaudited)

Toll Revenue

Year		Two-Axle Vehicles	Multi-Axle Vehicles	Adjustments	Total
2002	(1)	$ 157,445,951	$ 2,959,988	$ (22,460,500)	$ 137,945,439
2003		161,376,894	4,040,344	(16,093,454)	149,323,784
2004	(2)	169,631,935	4,635,864	(13,572,769)	160,695,030
2005	(3)	180,444,481	5,424,704	(13,331,840)	172,537,345
2006		197,742,740	6,695,120	(13,003,740)	191,434,120
2007	(4)	214,283,866	8,189,103	(19,797,405)	202,675,564
2008	(5)	262,432,292	12,115,529	(33,771,030)	240,776,791
2009	(6)	333,428,667	16,308,187	(59,332,307)	290,404,547
2010	(7)	416,417,929	24,396,549	(74,217,155)	366,597,323
2011		490,399,454	29,528,914	(104,895,126)	415,033,242

Toll Revenue - Average Per Day

Year		Two-Axle Vehicles	Multi-Axle Vehicles	Adjustments	Average
2002	(1)	$ 431,359	$ 8,110	$ (61,536)	$ 377,933
2003		442,128	11,069	(44,092)	409,105
2004	(2)	463,475	12,666	(37,084)	439,057
2005	(3)	494,368	14,862	(36,526)	472,704
2006		541,761	18,343	(35,627)	524,477
2007	(4)	587,079	22,436	(54,239)	555,276
2008	(5)	717,028	33,103	(92,271)	657,860
2009	(6)	913,503	44,680	(162,554)	795,629
2010	(7)	1,140,871	66,840	(203,335)	1,004,376
2011	(8)	1,343,560	80,901	(287,384)	1,137,077

(1) Toll rate increase for the President George Bush Turnpike went into effect in January 2002. High speed lanes installed (Open Lane Tolling).
(2) Reflects the completion of DNT and State Highway 121 interchange on April 2004.
(3) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
(4) Reflects the opening of DNT Phase 3 and toll rate increase in late September 2007. Installation of ZipCash (Video Tolling) on Main Lane Plaza 1.
(5) Reflects the opening of Sam Rayburn Tollway in September 2008 as the Authority's first all ETC facility. Adjustments includes transaction to be invoiced.
(6) Reflects the opening of Lake Lewisville in October 2009.
(7) Reflects the addition of southbound entrance ramp toll gantry and northbound exit ramp toll gantry from/to Keller Springs Rd. Also added eastbound/northbound entrance ramp toll gantry and westbound/southbound exit ramp toll gantry from/to Lake Forest Drive and Hardin Boulevard. DNT all ETC December 2010
(8) Reflects the opening of PGBT-EE in December 2011.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Total Lane Miles Operating and Number of Employees by Department
Last Ten Fiscal Years
(Unaudited)

Lane Miles										
	Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Lane Miles	297	306	315	319	319	365	618	669	685	744

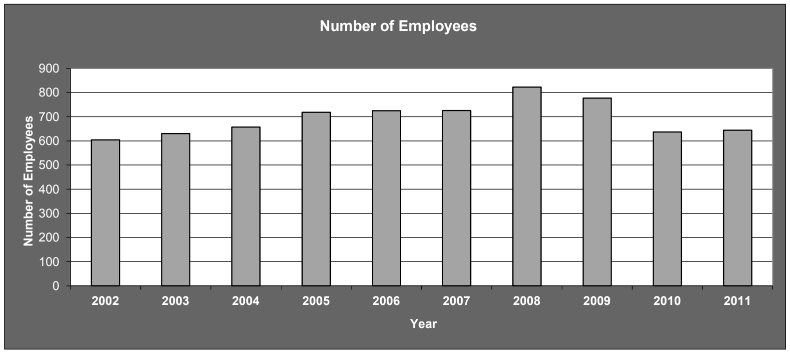
Note----Lane miles are recorded during the year proportionate to the number of months they were operational.

Full-time Equivalent Employees										
	Year									
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administration	6	6	11	7	9	9	9	6	4	6
Board	0	0	0	0	0	0	0	1	1	1
Operations	0	0	0	0	0	0	0	2	3	3
Finance	4	4	4	5	5	6	6	10	22	24
Business Diversity	0	0	0	0	1	1	3	5	5	5
Communications	5	4	3	7	8	9	12	15	15	15
Internal Audit	0	0	0	0	0	0	2	5	6	5
Human Resources	10	8	8	8	12	12	13	14	12	12
Legal Services	3	4	4	4	3	3	3	3	5	6
System & Incident Management	23	22	20	26	26	25	51	57	73	79
Accounting	5	5	5	6	7	5	8	7	0	0
Information Technology	13	16	16	19	19	20	32	47	61	64
Vault	15	28	28	31	30	28	23	19	2	0
Audit - Revenue Reconciliation	2	0	0	6	5	7	6	5	0	0
Procurement Services	3	3	3	6	6	6	10	12	11	11
Government Affairs	0	0	0	1	1	1	3	3	3	2
Toll Collection	402	379	392	412	416	386	321	162	4	0
Maintenance	65	67	71	76	68	81	178	162	163	160
Customer Service Center	41	75	81	92	98	115	133	228	232	236
Project Delivery	7	9	11	12	11	9	6	9	10	10
Project Evaluation	0	0	0	0	0	3	4	0	0	0
Cash and Debt Management	0	0	0	0	0	0	0	5	5	5
Total	604	630	657	718	725	726	823	777	637	644

Note 1----During 2003 & 2004, the Audit function was outsourced.

Note 2----Project Evaluation is now Cash Debt and Management.

Note 3----During 2010, Accounting and Audit Revenue merged with Finance.



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APPENDIX B-2

UNAUDITED FINANCIAL REPORT OF
THE NORTH TEXAS TOLLWAY AUTHORITY SYSTEM,
AN ENTERPRISE FUND OF THE NORTH TEXAS TOLLWAY AUTHORITY,
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012

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NORTH TEXAS TOLLWAY AUTHORITY

MONTHLY FINANCIAL REPORT
FOR THE MONTH ENDED
JUNE 30, 2012

Prepared by
Finance Department

NORTH TEXAS TOLLWAY AUTHORITY
5900 W. Plano Parkway, Suite 100, Plano, Texas 75093
P.O. Box 260729, Plano, Texas 75026

MONTHLY FINANCIAL REPORT
June 30, 2012

This report is subject to audit and is furnished as general information only.

Janice D. Davis
Janice D. Davis, Chief Financial Officer

E Ray Zies
E. Ray Zies, Controller

Dana A Boone
Dana A. Boone, Director of Cash and Debt Management

NORTH TEXAS TOLLWAY AUTHORITY

June 30, 2012

REPORT CONTENTS

This report is unaudited and is furnished as general information only.

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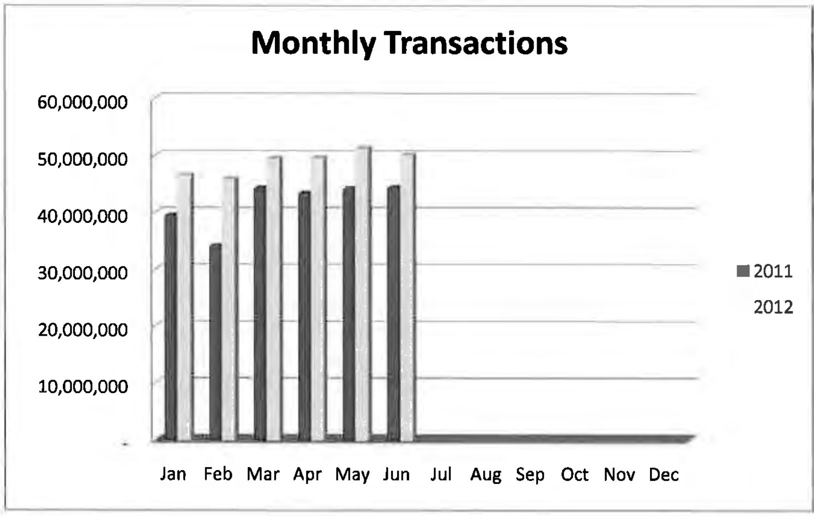
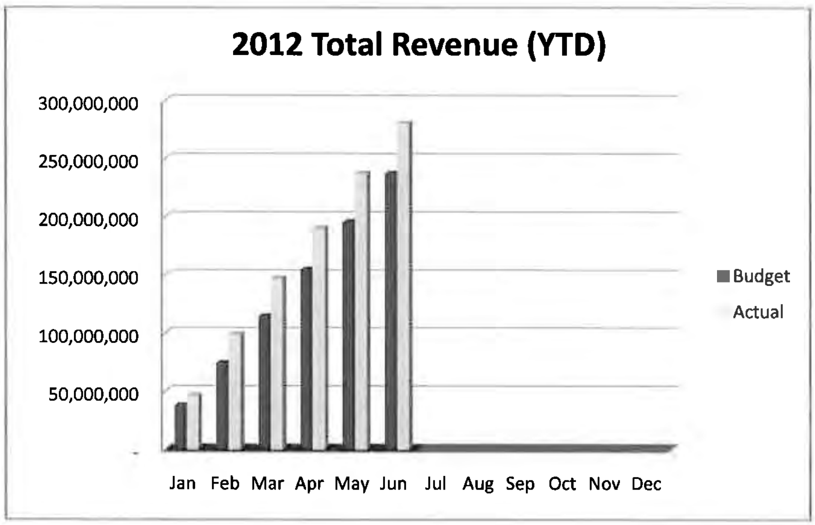
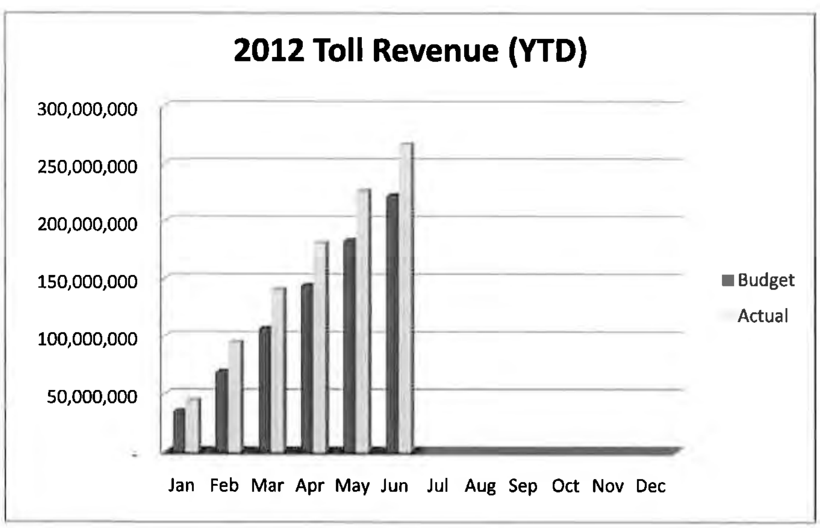
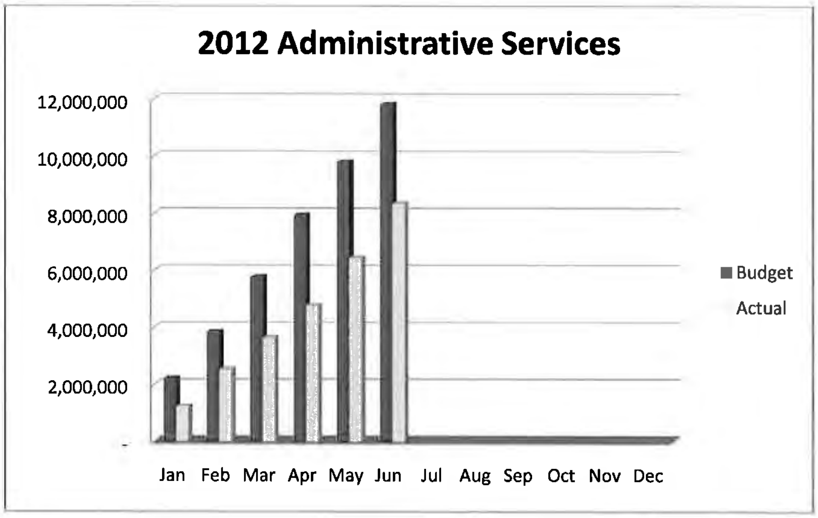
June 2012 At A Glance

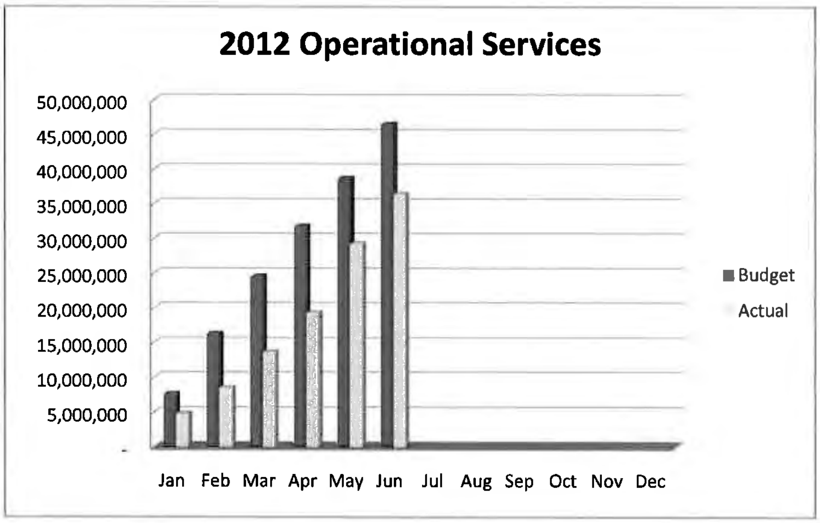


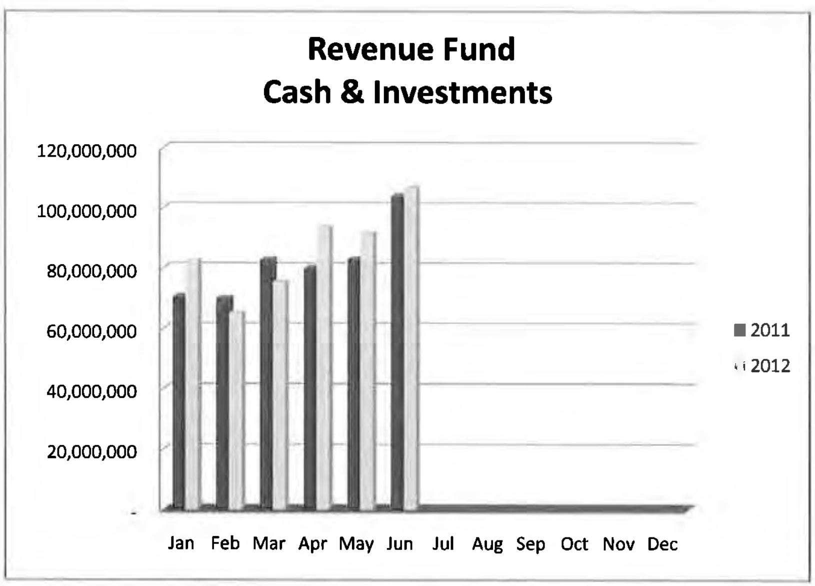




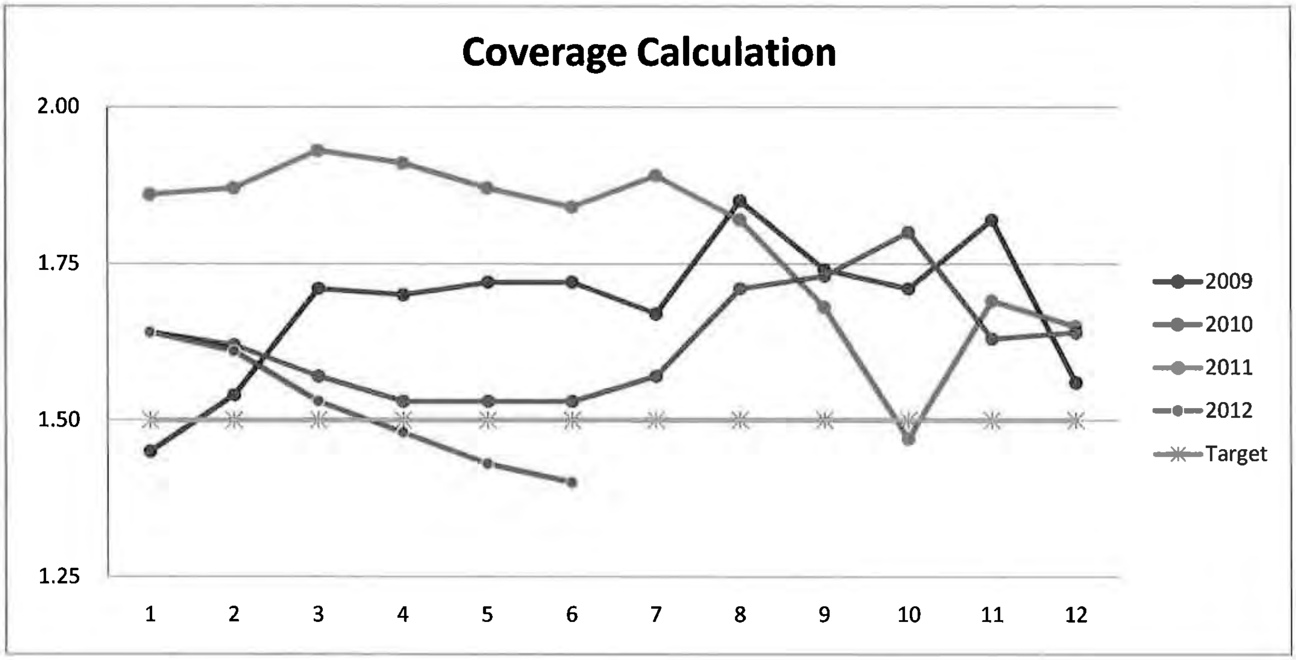
June 2012 At A Glance

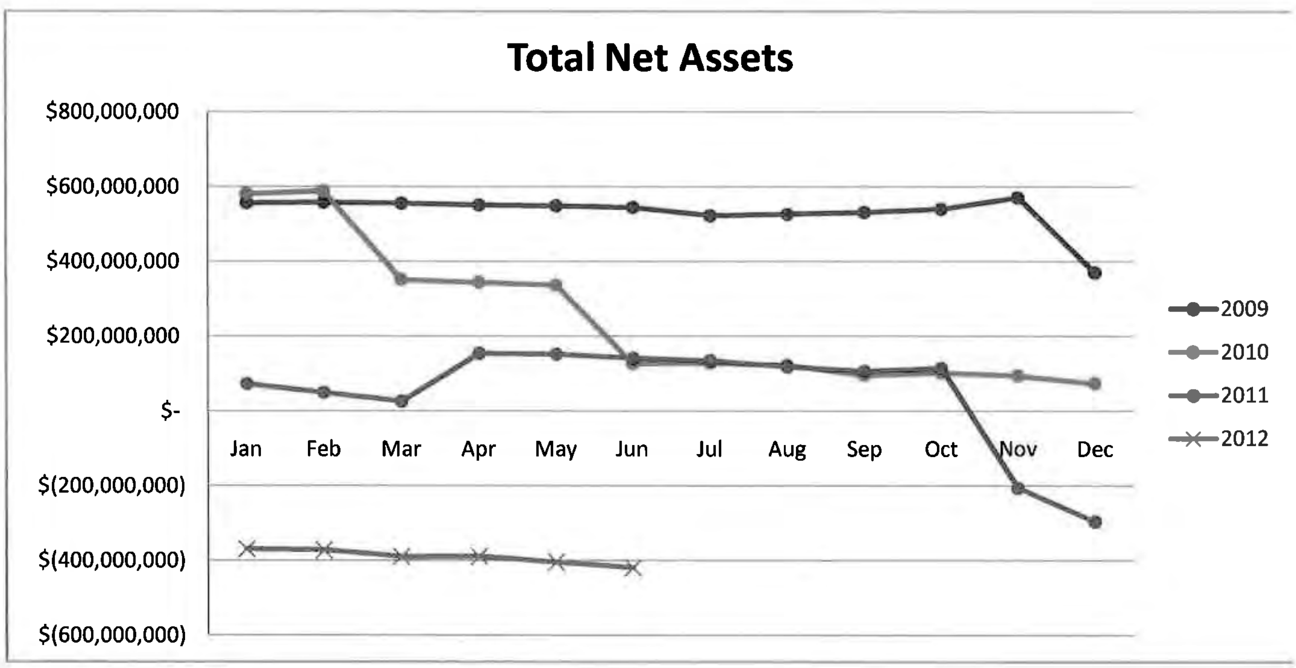


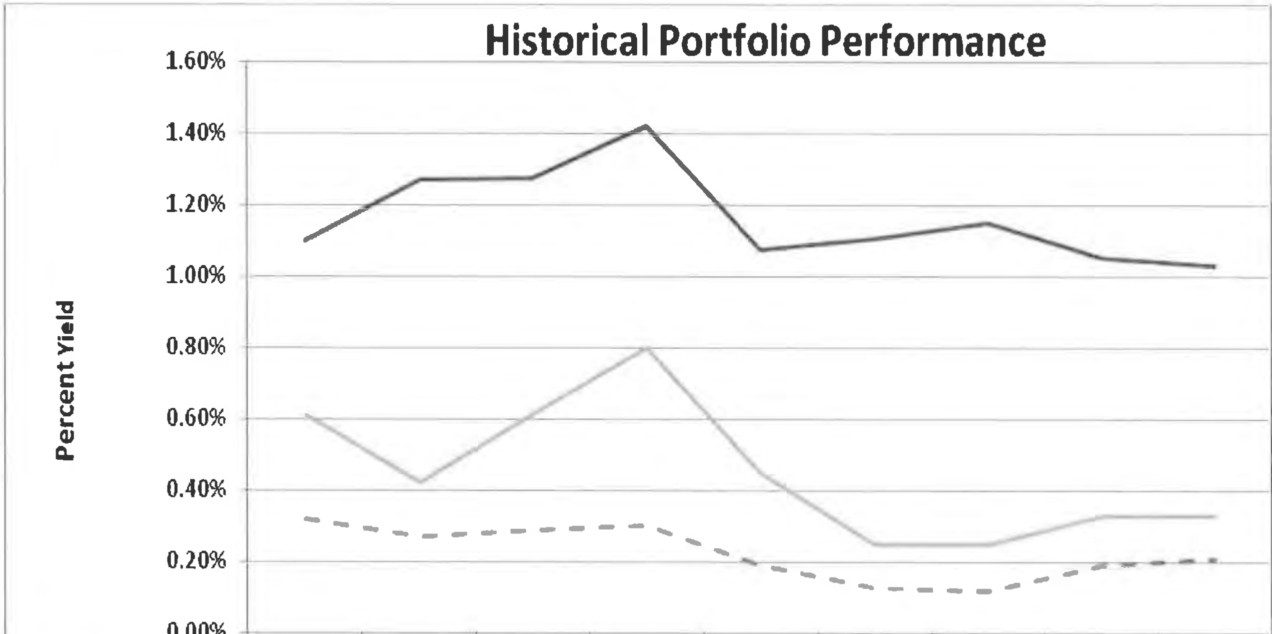




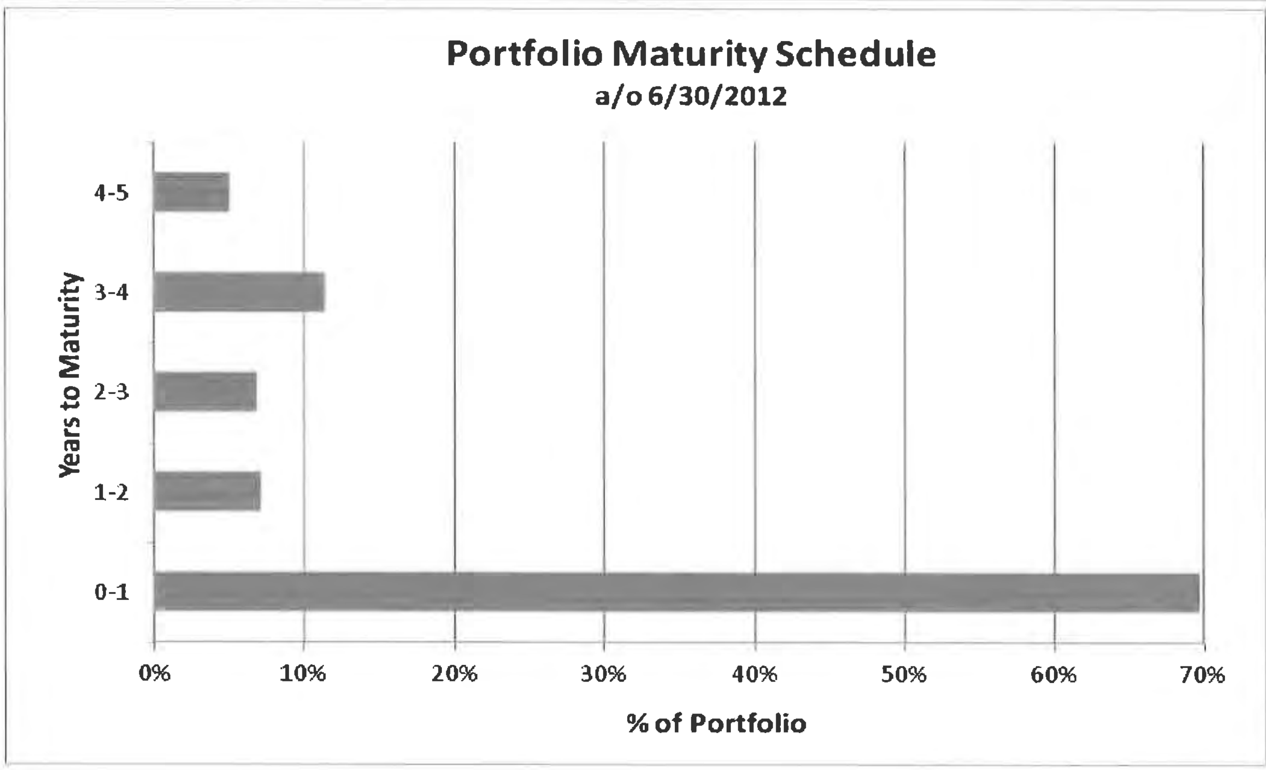
June 2012 At A Glance

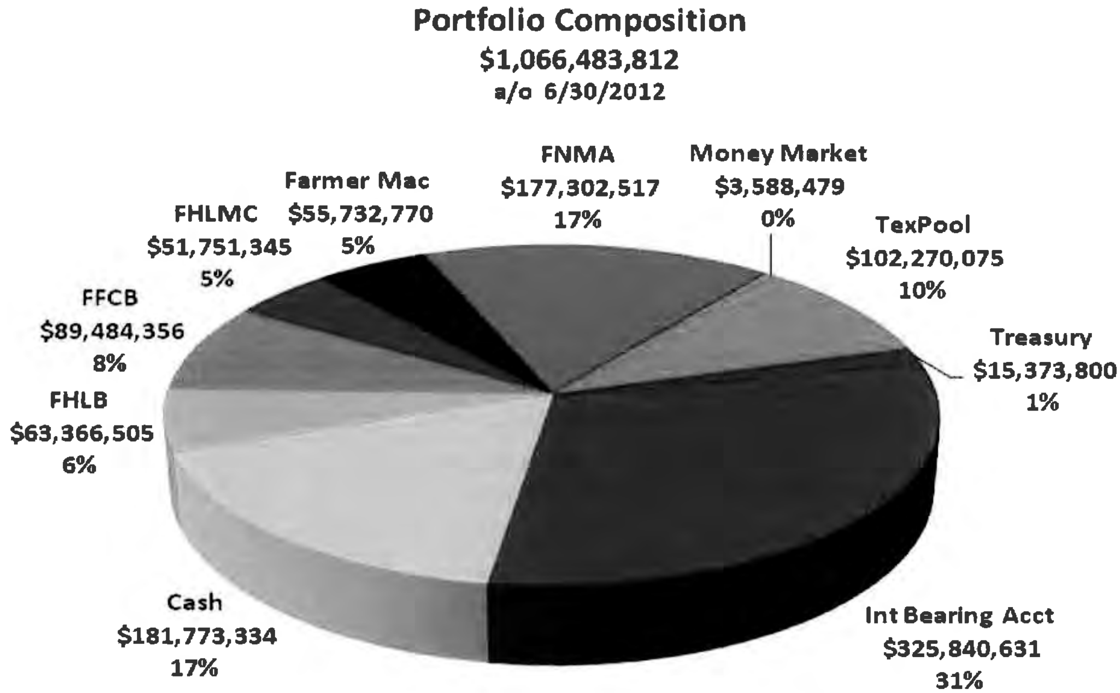


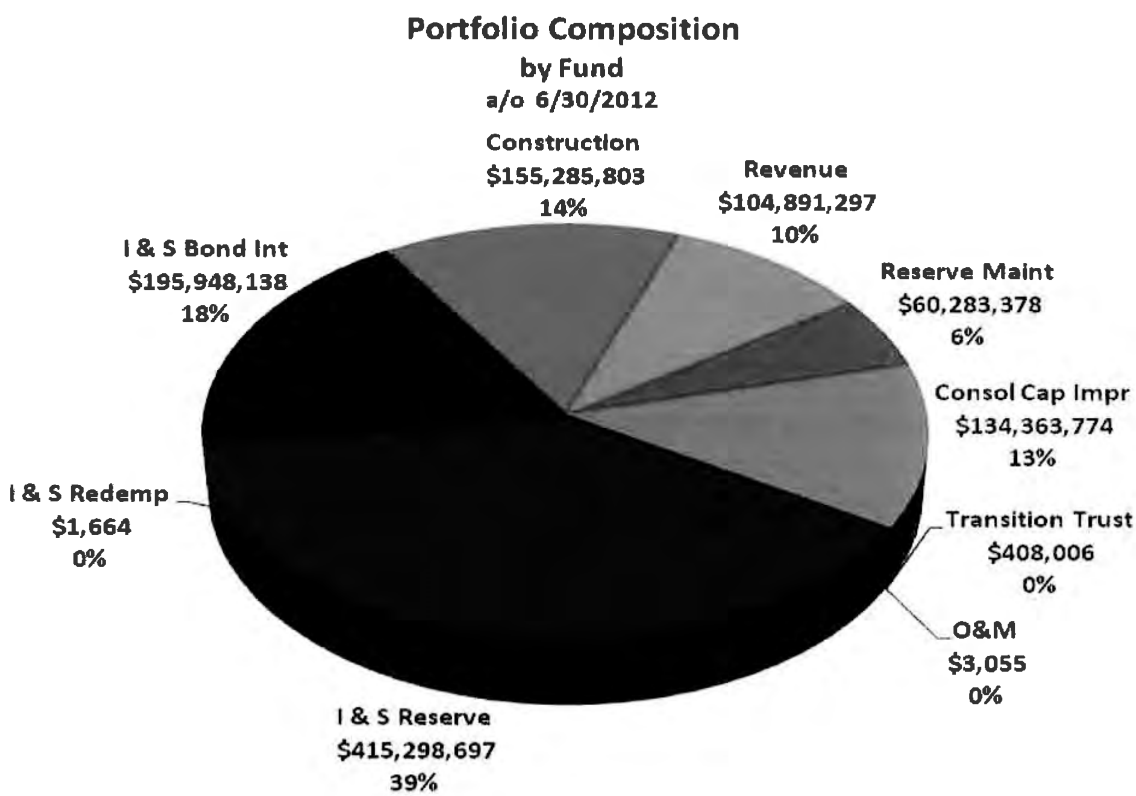




	2ndQtr 10	3rdQtr 10	4thQtr 10	1stQtr 11	2ndQtr 11	3rdQtr 11	4thQtr 11	1st Qtr 12	2nd Qtr 12
Portfolio Yield	1.1001%	1.2687%	1.2740%	1.4190%	1.0740%	1.1040%	1.1490%	1.0500%	1.0290%
1 year UST	0.3200%	0.2700%	0.2900%	0.3000%	0.1900%	0.1300%	0.1200%	0.1900%	0.2100%
2 year UST	0.6100%	0.4200%	0.6100%	0.8000%	0.4500%	0.2500%	0.2500%	0.3300%	0.3300%




Portfolio Composition
$1,066,483,812
a/o 6/30/2012
FNMA
$177,302,517
17%
Money Market
$3,588,479
0%
Farmer Mac
$55,732,770
5%
FHLMC
$51,751,345
5%
TexPool
$102,270,075
10%
FFCB
$89,484,356
8%
Treasury
$15,373,800
1%
FHLB
$63,366,505
6%
Cash
$181,773,334
17%
Int Bearing Acct
$325,840,631
31%


Portfolio Composition
by Fund
a/o 6/30/2012
Construction
$155,285,803
14%
Revenue
$104,891,297
10%
I & S Bond Int
$195,948,138
18%
Reserve Maint
$60,283,378
6%
Consol Cap Impr
$134,363,774
13%
I & S Redemp
$1,664
0%
Transition Trust
$408,006
0%
O&M
$3,055
0%
I & S Reserve
$415,298,697
39%

NORTH TEXAS TOLLWAY AUTHORITY
NORTH TEXAS TOLLWAY AUTHORITY SYSTEM
STATEMENT OF NET ASSETS
June 30, 2012
(Unaudited)

ASSETS	North Texas Tollway Authority System Totals	Interfund eliminations/ reclassifications	Construction & Property Fund	Revenue Fund
Current Assets:				
Cash	24,585,741	-	-	10,111,844
Investments, at amortized cost	245,412,365	-	-	96,568,797
Accrued interest receivable on investments	100,886	-	-	29,668
Interfund receivables	-	(791,268,199)	(12,820,788)	22,722,696
Interproject/agency receivables	11,767,693	-	638,391	2,459,278
Accounts receivable	91,407,824	-	-	91,336,882
Allowance for uncollectible receivables	(63,720,506)	-	-	(63,720,506)
Unbilled accounts receivable	15,665,257	-	-	15,665,257
Allowance of unbilled receivables	(13,315,468)	-	-	(13,315,468)
Prepaid expenses	333,790	-	-	-
Total current unrestricted assets	312,237,582	(791,268,199)	(12,182,397)	161,878,448
Current restricted assets:				
Restricted for construction:				
Cash	(27,697)	-	(54,985)	-
Investments, at amortized cost	120,347,661	(57,348,631)	155,285,803	-
Accrued interest receivable on investments	36,303	-	36,303	-
Restricted for debt service:				
Investments, at amortized cost	377,243,498	(265,723,651)	-	8,302,500
Accrued interest receivable on investments	1,908,531	-	-	-
Accounts receivable	4,789,925	-	-	-
Restricted for pension benefits and other purposes:				
Investments, at amortized cost	408,006	-	-	-
Accrued interest receivable on investments	47	-	-	-
Total current restricted assets	504,706,274	(323,072,282)	155,267,121	8,302,500
Total current assets	816,943,856	(1,114,340,481)	143,084,724	170,180,948
Noncurrent Assets:				
Investments, at amortized cost restricted for operations	22,513,224	22,513,224		-
Investments, at amortized cost restricted for debt service	300,559,058	300,559,058		-
Deferred outflow of resources	44,069,616	-	44,069,616	-
Deferred financing cost	79,709,351	-	72,849,966	-
Deferred feasibility study cost	54,136,133	-	-	-
Deferred amount on refunding	-	(28,957,912)	28,957,912	-
Capitalized cost (net of accumulated depreciation)	6,309,045,543	(36,738,404)	6,348,546,079	-
Total noncurrent assets	6,810,032,925	257,375,966	6,494,423,573	-
TOTAL ASSETS	7,626,976,781	(856,964,515)	6,637,508,297	170,180,948
LIABILITIES				
Current liabilities:				
Accounts payable	853,914	-	-	-
Retained from contractors	2,445,071	-	-	-
Employees' income taxes, payroll taxes, and retirement contributions withheld	424,834	-	-	-
Accrued payroll	429,539	-	-	-
Interfund payables	76	(791,268,199)	192,963,441	241,894,051
Interproject/agency payables	3,830,893	-	-	3,830,893
Interagency Payable	8,237,915	-	532,669	6,383,921
Recurring accrued liabilities	6,338,344	-	8,633,022	(2,482,365)
Deferred income	36,327,693	-	-	36,327,693
Toll tag deposits	591,804	-	-	591,804
Total current unrestricted liabilities	59,480,083	(791,268,199)	202,129,132	286,545,997
Payable from Restricted Assets:				
Construction related payables:				
Accounts payable	297,835	-	297,835	-
Retained from contractors	10,087,396	-	10,087,396	-
Deferred grant income (Toll Equity Grant)	43,279,600	-	43,279,600	-
Debt service related payables:				
Accrued interest payable on bonded debt	179,579,422	-	-	-
Accrued interest payable on ISTEA loan	2,952,753	-	2,952,753	-
Accrued interest payable on commercial paper	13,746,333	-	-	-
Accrued arbitrage rebate payable	432,470	-	432,470	-
Commercial paper notes payable	56,300,000	-	-	-
Revenue Bonds payable, current portion	16,605,000	-	16,605,000	-
Transition trust related payables:				
Recurring accrued liabilities	721	-	-	-
Total current liabilities payable from restricted assets	323,283,530	-	73,655,054	-
Noncurrent liabilities:				
Texas Department of Transportation - ISTEA loan payable	140,607,305	-	140,607,305	-
Dallas North Tollway System revenue bonds payable	7,466,719,025	(65,696,316)	7,132,415,341	-
Deferred inflow of resources	44,069,616	-	44,069,616	-
OPEB and workers comp. liabilities	11,413,085	-	-	-
Total noncurrent liabilities	7,662,809,031	(65,696,316)	7,317,092,262	-
TOTAL LIABILITIES	8,045,572,644	(856,964,515)	7,592,876,448	286,545,997
NET ASSETS				
Invested in capital assets, net of related debt	(1,210,347,590)	2,658,552	(955,368,151)	-
Restricted:				
Restricted for debt service	837,589,154	148,192,305	-	(116,365,049)
Held in trust for pension benefits and other purposes	407,332	-	-	-
Unrestricted:				
Unrestricted	(46,244,759)	(46,244,759)	-	-
Reserved for operations, maintenance, and retiree health benefits	-	(82,459,144)	-	-
Reserved for capital improvements	-	(56,787,655)	-	-
Reserved for bond redemption	-	34,640,701	-	-
TOTAL NET ASSETS	(418,595,863)	-	(955,368,151)	(116,365,049)

See notes to financial statements

Operation & Maint. Fund	Reserve Maint. Fund	Consolidated Capital Improvement Fund	DFW Turnpike Transition Trust Fund	Debt Service Fund		
				Bond Interest	Reserve Account	Redemption Account
15,128,213	2,355	(656,671)	-	-	-	-
3,055	60,263,378	68,537,135	-	-	-	-
-	6	71,212	-	-	-	-
47,991,410	334,081	373,394,771	-	348,588,912	11,057,117	-
6,318,474	-	2,351,550	-	-	-	-
30	-	70,912	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
333,790	-	-	-	-	-	-
69,774,972	60,619,620	463,768,909	-	348,588,912	11,057,117	-
-	-	27,266	-	-	-	-
-	-	22,410,489	-	-	-	-
-	-	-	-	-	-	-
-	-	23,416,150	-	195,948,138	415,298,697	1,664
-	-	-	-	1,822	1,906,709	-
-	-	-	-	4,769,925	-	-
-	-	-	408,006	-	-	-
-	-	-	47	-	-	-
-	-	45,853,927	408,053	200,739,885	417,205,406	1,664
69,774,972	60,619,620	509,622,636	408,053	549,328,797	428,262,523	1,664
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,859,385	-	-	-	-
113	-	54,136,020	-	-	-	-
-	-	-	-	-	-	-
(62)	4,950	(2,767,020)	-	-	-	-
51	4,950	58,228,385	-	-	-	-
69,775,023	60,624,770	567,851,221	408,053	549,328,797	428,262,523	1,664
671,606	35,096	147,212	-	-	-	-
-	24,555	2,420,516	-	-	-	-
424,834	-	-	-	-	-	-
429,539	-	-	-	-	-	-
31,454,744	2,598,641	287,715,033	-	-	-	34,642,365
-	-	-	-	-	-	-
873,169	-	448,136	-	-	-	-
(53,268)	66,648	172,327	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33,800,624	2,726,940	290,903,224	-	-	-	34,642,365
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	179,579,422	-	-
-	-	-	-	-	-	-
-	-	13,748,333	-	-	-	-
-	-	-	-	-	-	-
-	-	56,300,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	721	-	-	-
-	-	70,048,333	721	179,579,422	-	-
-	-	-	-	-	-	-
-	-	400,000,000	-	-	-	-
-	-	-	-	-	-	-
11,413,085	-	-	-	-	-	-
11,413,085	-	400,000,000	-	-	-	-
45,213,709	2,726,940	760,951,557	721	179,579,422	-	34,642,365
-	-	(257,637,991)	-	-	-	-
-	-	7,750,000	-	369,749,375	428,262,523	-
-	-	-	407,332	-	-	-
-	-	-	-	-	-	-
24,561,314	57,897,830	-	-	-	-	-
-	-	56,767,655	-	-	-	-
-	-	-	-	-	-	(34,640,701)
24,561,314	57,897,830	(193,100,336)	407,332	369,749,375	428,262,523	(34,640,701)

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NORTH TEXAS TOLLWAY AUTHORITY
NORTH TEXAS TOLLWAY AUTHORITY SYSTEM
Consolidated Schedule for Capital Improvement
June 30, 2012
(Unaudited)

ASSETS	Consolidated Capital Improvement Fund	Capital Improvement Fund	Feasibility Study Fund
Current Assets:			
Cash	(656,671)	(656,671)	-
Investments, at amortized cost	88,537,135	88,537,135	-
Accrued interest receivable on investments	71,212	71,212	-
Interfund receivables	373,394,771	355,191,386	18,203,385
Interproject/agency receivables	2,351,550	2,325,911	25,639
Accounts receivable	70,912	70,912	-
Total current unrestricted assets	463,768,909	445,539,885	18,229,024
Current restricted assets:			
Restricted for construction:			
Cash	27,288	33,443,770	(33,416,482)
Investments, at amortized cost	22,410,489	22,410,489	-
Restricted for debt service:			
Investments, at amortized cost	23,416,150	23,416,150	-
Total current restricted assets	45,853,927	79,270,409	(33,416,482)
Total current assets	509,622,836	524,810,294	(15,187,458)
Noncurrent Assets:			
Deferred financing cost	6,859,385	6,859,385	-
Deferred feasibility study cost	54,136,020	-	54,136,020
Capitalized cost (net of accumulated depreciation)	(2,767,020)	(2,767,020)	-
Total noncurrent assets	58,228,385	4,092,365	54,136,020
TOTAL ASSETS	567,851,221	528,902,659	38,948,562
LIABILITIES			
Current liabilities:			
Accounts payable	147,212	147,212	-
Retained from contractors	2,420,516	1,192,318	1,228,198
Interfund payables	287,715,033	(7,563,939)	295,278,972
Interagency Payable	448,136	449,966	(1,830)
Recurring accrued liabilities	172,327	91,114	81,213
Total current unrestricted liabilities	290,903,224	(5,683,329)	296,586,553
Payable from Restricted Assets:			
Accrued interest payable on commercial paper	13,748,333	13,748,333	-
Commercial paper notes payable	56,300,000	56,300,000	-
Total current liabilities payable from restricted assets	70,048,333	70,048,333	-
Noncurrent liabilities:			
Dallas North Tollway System revenue bonds payable	400,000,000	400,000,000	-
Total noncurrent liabilities	400,000,000	400,000,000	-
TOTAL LIABILITIES	760,951,557	464,365,004	296,586,553
NET ASSETS			
Invested in capital assets, net of related debt	(257,637,991)	-	(257,637,991)
Restricted:			
Restricted for debt service	7,750,000	7,750,000	-
Unrestricted:			
Reserved for capital improvements	56,787,655	56,787,655	-
TOTAL NET ASSETS	(193,100,336)	64,537,655	(257,637,991)

See notes to financial statements

NORTH TEXAS TOLLWAY AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
Year to Date June 30, 2012
(Unaudited)

	Totals	Construction & Property Fund	Revenue Fund
BEGINNING NET ASSETS January 1, 2012	$ (373,505,494)	(885,110,314)	(175,014,954)
Revenues:			
Toll Revenues	266,936,353	-	266,936,353
Interest Revenue	4,271,827	-	76,378
Other revenue	9,476,518	39,623	8,460,477
Total operating revenues	280,684,698	39,623	275,473,208
Operating Expenses:			
Administration	(8,362,000)	-	-
Operations	(36,398,861)	-	-
	(44,760,861)	-	-
Preservation of system assets:			
Reserve Maintenance Fund expenses	(4,131,813)	-	-
Capital Improvement Fund expenses	(10,524,621)	-	-
Total operating expenses before amortization and depreciation	(59,417,295)	-	-
Operating revenues before amortization and depreciation	221,267,403	39,623	275,473,208
Amortization and depreciation	(3,061,481)	(3,061,481)	-
Operating revenues	218,205,922	(3,021,858)	275,473,208
Nonoperating revenues (expenses):			
Interest earned on investments	845,457	845,457	-
Gain (Loss) on sale of investments	864,945	-	-
Net increase (decrease) in fair value of investments	(3,340,941)	(720,978)	-
Grant revenue	(448,616)	615,890	-
Government subsidy (BABS)	14,489,038	-	-
Unallocated infrastructure depreciation - Sam Rayburn Tollway	(31,971,675)	(31,971,675)	-
Unbudgeted bad debt expense	(27,880,514)	-	(27,880,514)
Interest expense on revenue bonds	(196,957,846)	(39,839,791)	-
Interest accretion on 2008D Bonds	(22,523,427)	-	-
Bond discount/premium amortization	243,086	101,669	-
Bond issuance cost amortization	(2,084,522)	(1,824,564)	-
Interest on loan	(2,952,753)	(2,952,753)	-
Interest on short term notes (net of capitalized interest)	(56,369)	-	-
Deferred amount on refunding amortization	(2,346,960)	(2,346,960)	
Other nonoperating costs	4,744,261	4,814,566	(521)
Net nonoperating revenues (expenses):	(269,376,836)	(73,279,139)	(27,881,035)
Net revenues	(51,170,914)	(76,300,997)	247,592,173
Interfund and Interproject Transactions			
Transfer in/out CIF &FSF	4,523,798	-	-
Operating transfers (other funds)	1,556,747	6,043,160	(138,473,422)
Distribution from Revenue Fund	-	-	(50,468,846)
Change in net assets year to date June 30, 2012	(45,090,369)	(70,257,837)	58,649,905
ENDING NET ASSETS June 30, 2012	$ (418,595,863)	(955,368,151)	(116,365,049)

Operation & Maint. Fund	Reserve Maint. Fund	Consolidated Capital Improvement Fund	DFW Turnpike Transition Trust Fund	Debt Service Funds		
				Bond Interest	Reserve Account	Redemption Account
16,862,931	57,608,907	(169,768,069)	409,734	361,484,158	426,680,850	(6,658,737)
-	-	-	-	-	-	-
2	48,702	205,905	228	26,769	3,913,783	60
292,890	631,000	52,528	-	-	-	-
292,892	679,702	258,433	228	26,769	3,913,783	60
(8,362,000)	-	-	-	-	-	-
(36,398,861)	-	-	-	-	-	-
(44,760,861)	-	-	-	-	-	-
-	(4,131,813)	-	-	-	-	-
-	-	(10,524,621)	-	-	-	-
(44,760,861)	(4,131,813)	(10,524,621)	-	-	-	-
(44,467,969)	(3,452,111)	(10,266,188)	228	26,769	3,913,783	60
-	-	-	-	-	-	-
(44,467,969)	(3,452,111)	(10,266,188)	228	26,769	3,913,783	60
-	-	-	-	-	-	-
-	-	-	-	-	864,945	-
-	-	91,170	-	17,439	(2,728,572)	-
-	-	(1,064,506)	-	-	-	-
-	-	-	-	14,489,038	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(16,498,000)	-	(140,620,055)	-	-
-	-	-	-	(22,523,427)	-	-
-	-	141,417	-	-	-	-
-	-	(259,958)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(56,369)	-	-
-	-	-	-	-	-	-
(67,154)	-	-	(2,630)	-	-	-
(67,154)	-	(17,589,877)	(2,630)	(148,693,374)	(1,863,627)	-
(44,535,123)	(3,452,111)	(27,856,065)	(2,402)	(148,666,605)	2,050,156	60
-	-	4,523,798	-	-	-	-
6,172,645	(666,951)	-	-	156,931,822	(468,483)	(27,982,024)
46,060,861	4,407,985	-	-	-	-	-
7,698,383	288,923	(23,332,267)	(2,402)	8,265,217	1,581,673	(27,981,964)
24,561,314	57,897,830	(193,100,336)	407,332	369,749,375	428,262,523	(34,640,701)

NORTH TEXAS TOLLWAY AUTHORITY
CASH RECEIPTS AND DISBURSEMENTS
Year to Date June 30, 2012

	Totals	Construction & Property Fund	Revenue Fund
BEGINNING CASH, Dec 31, 2011	$ 20,030,109	1,067,376	6,258,732
Receipts			
Toll revenues	23,691,110	-	23,691,110
2010 B BABS rebate	14,489,038	-	-
Investments	36,543,892	33,899,674	-
Earnings received from investments	3,255,783	527,333	119,297
Gain/Loss from sale of investments	(4,159,134)	(2,043,374)	-
Prepaid customers' accounts	253,568,824	-	253,568,824
Misc revenue	6,572,272	133,801	6,002,334
Reimbursable receipts	9,852,433	-	-
Rental fee	41,211	-	41,211
	343,855,428	32,517,434	283,422,775
Disbursements			
Revenue bonds retired	(27,980,000)	-	-
SWAP Payment	(16,142)	-	-
Interest on bonded debt	(172,217,597)	-	-
Investments	(99,733,897)	(99,591,126)	-
Operating expenses	(48,768,518)	-	(4,343,889)
Reserve Maintenance Fund expenses	(5,713,460)	-	-
Capital Improvement Fund expenses	(22,362,600)	-	-
DFW Turnpike Transition Trust Expenses	(616,044)	-	-
Capitalized costs	(1,637,678)	(1,637,678)	-
	(379,045,934)	(101,228,804)	(4,343,889)
Interfund and Interproject Transactions			
Transfer of deferred revenue	(279,773,403)	-	(279,773,403)
Distribution from Revenue Fund	166,855,009	-	(100,538,747)
Other interfund transactions - net	152,635,958	67,589,009	105,086,376
Dallas-Fort Worth Turnpike Transition Trust Fund - net	877	-	-
	39,718,441	67,589,009	(275,225,774)
Receipts over (under) disbursements ytd, June 30, 2012	4,527,935	(1,122,361)	3,853,112
BALANCE OF CASH, June 30, 2012	$ 24,558,044	(54,985)	10,111,844

Operation & Maint. Fund	Reserve Maint. Fund	Consolidated Capital Improvement Fund	DFW Turnpike Transition Trust Fund	Debt Service Funds Bond Interest	Debt Service Funds Reserve Account	Debt Service Funds Redemption Account
13,056,428	13,041	(364,591)	(877)	-	-	-
-	-	-	-	-	-	-
-	-	-	-	14,489,038	-	-
-	-	1,917,626	-	-	726,592	-
-	48,901	-	-	40,459	1,948,013	571,781
-	-	-	-	9,184	(2,124,945)	-
-	-	-	-	-	-	-
435,552	-	585	-	-	-	-
-	-	9,852,433	-	-	-	-
-	-	-	-	-	-	-
435,552	48,901	11,770,644	-	14,538,680	549,661	571,781
-	-	-	-	-	-	(27,980,000)
-	-	-	-	(16,142)	-	-
-	-	-	-	(172,217,597)	-	-
-	-	-	-	-	(142,771)	-
(44,424,629)	-	-	-	-	-	-
-	(5,713,460)	-	-	-	-	-
-	-	(22,362,600)	-	-	-	-
-	-	(616,044)	-	-	-	-
-	-	-	-	-	-	-
(44,424,629)	(5,713,460)	(22,978,644)	-	(172,233,739)	(142,771)	(27,980,000)
-	-	-	-	-	-	-
46,060,861	29,609,849	24,868,036	-	166,855,009	-	-
-	(23,955,976)	(13,924,829)	-	(9,159,951)	(406,890)	27,408,219
-	-	-	877	-	-	-
46,060,861	5,653,873	10,943,208	877	157,695,059	(406,890)	27,408,219
2,071,785	(10,686)	(264,792)	877	-	-	-
15,128,213	2,355	(629,383)	-	-	-	-

NORTH TEXAS TOLLWAY AUTHORITY
Budget and Actual Revenues and Expenses on Trust Agreement Basis
Month Ending
June 30, 2012

	Total 2012 Budget	Budget To Date	Actual To Date	Variance Over(Under) Budget
Revenues:				
Toll Revenues	$ 450,572,600	222,377,600	266,936,353	44,558,753
Interest revenue	9,000,000	4,500,000	4,271,827	(228,173)
Other revenues	21,239,833	10,619,917	9,476,518	(1,143,399)
Gross revenues	480,812,433	237,497,517	280,684,698	43,187,182
Operating expenses:				
Administration:				
Administration	1,112,881	526,371	294,612	(231,759)
Board	255,875	124,410	192,007	67,597
Business diversity	457,660	250,520	201,653	(48,867)
Communications	2,603,135	1,265,475	718,364	(547,111)
Finance	16,344,249	6,872,771	4,966,583	(1,906,188)
Government affairs	450,515	218,076	185,762	(32,314)
Human resources	1,431,990	653,951	501,455	(152,496)
Internal audit	879,785	455,089	287,939	(167,150)
Legal services	2,903,761	1,444,021	1,013,625	(430,396)
Total administration	26,439,851	11,810,684	8,362,000	(3,448,684)
Operations:				
Customer service center	36,459,525	18,314,665	16,805,620	(1,509,045)
Information technology	14,322,096	8,155,987	6,215,715	(1,940,272)
Maintenance	27,763,922	438,518	8,792,429	8,353,911
Operations	862,682	917,478	349,427	(568,051)
Project delivery	1,834,997	5,265,356	623,577	(4,641,779)
System & incident management	9,706,315	13,413,408	3,612,093	(9,801,315)
Total operations	90,949,537	46,505,412	36,398,861	(10,106,551)
Total operating expenses	117,389,388	58,316,096	44,760,861	(13,555,235)
Non-Operating expenses:				
Bad debt expense	-	-	27,880,514	27,880,514
Total non-operating expenses	-	-	27,880,514	27,880,514
Net revenues available for debt service	$ 363,423,045	179,181,421	208,043,323	28,861,903

Net revenues available for debt service	208,043,323
1st & 2nd Tier Bond interest expense	140,676,424
Allocated principal amount	8,302,500
Net Debt Service	148,978,924
Calculated debt service coverage	1.40

NORTH TEXAS TOLLWAY AUTHORITY
TOLL REVENUE AND TRAFFIC ANALYSIS
June 30, 2012

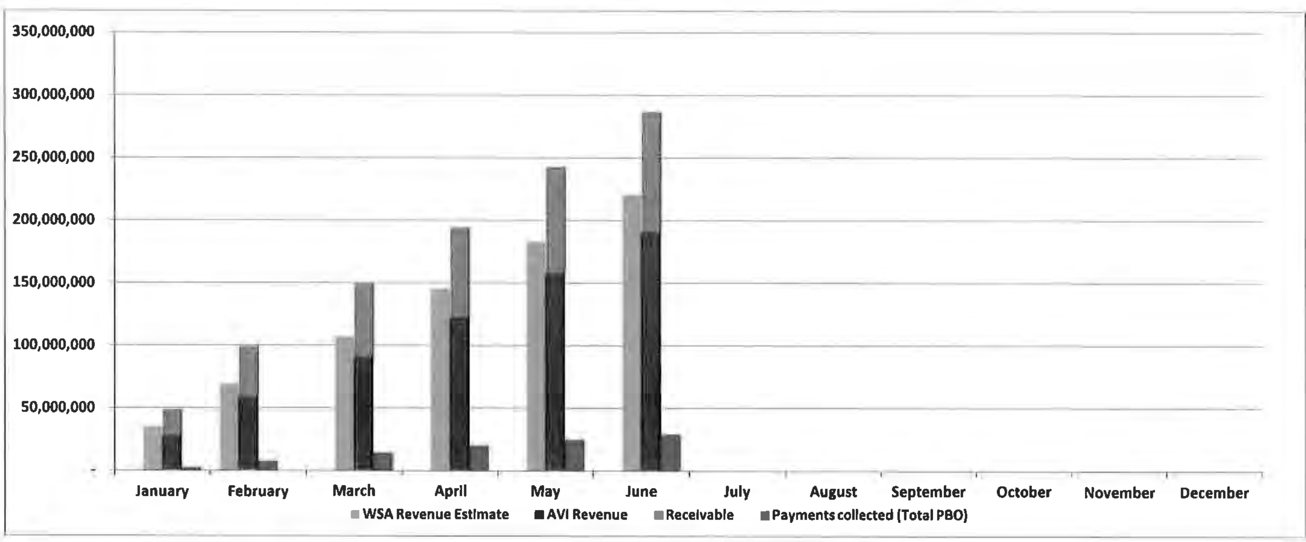
	Month To Date		Year To Date	
	2012	2011	2012	2011
TOLL REVENUE				
AVI	$ 32,463,892	$ 30,254,500	$ 197,508,706	$ 165,096,997
ZipCash	8,197,115	5,519,741	69,427,647	40,372,832
TOTAL	$ 40,661,007	$ 35,774,240	$ 266,936,353	$ 205,469,829
Percent Increase (Decrease)	13.7%		29.9%	

	Month To Date		Year To Date	
	2012	2011	2012	2011
VEHICLE TRANSACTIONS				
Two-axle vehicles	48,925,033	43,457,276	285,819,050	245,067,877
Three or more axle vehicles	997,031	767,859	5,186,272	3,976,694
Non Revenue	182,494	162,939	1,085,518	977,620
TOTAL	50,104,558	44,388,074	292,090,840	250,022,191
TOLL REVENUE AVERAGE PER DAY				
Total Revenue	1,355,367	1,192,475	1,466,683	1,128,955
AVERAGE	$ 1,355,367	$ 1,192,475	$ 1,466,683	$ 1,128,955
VEHICLE TRANSACTIONS AVERAGE PER DAY				
Two-axle vehicles	1,630,834	1,448,576	1,570,434	1,346,527
Three or more axle vehicles	33,234	25,595	28,496	21,850
Non Revenue	6,083	5,431	5,964	5,372
AVERAGE	1,664,068	1,474,171	1,598,930	1,368,377

NORTH TEXAS TOLLWAY AUTHORITY
TOLL RECEIVABLE ANALYSIS
June 30, 2012

	A/R Balance as of January 1st,	Month To Date 2012		Year To Date 2012
TOLL RECEIVABLE				
Beginning A/R Balance, January 1st	$ **56,981,103**	-		$ **56,981,103**
Invoiced:				
ZipCash	85,582,625	10,949,652		96,532,277
Violations	3,271,210	9		3,271,219
Adjustments	(31,319,977)	(4,947,245)	**	(36,267,222)
Invoice Payments:				
ZipCash	(23,629,320)	(3,790,157)		(27,419,477)
Violations	(1,230,018)	(529,708)		(1,759,726)
Payment Shortages	(1,166)	(126)	***	(1,292)
Ending Balance A/R, June 30th	89,654,457	1,682,425		91,336,882
Allowance Uncoll A/R	(60,035,306)	(3,685,200)		(63,720,506)
TOTAL	29,619,151	(2,002,775)		27,616,376
Beginning Unbilled A/R as of Jan. 1st	**15,665,257** *	-		**15,665,257**
Allowance Unbilled A/R	(13,315,468)	-		(13,315,468)
	2,349,789	-		2,349,789

*** Unbilled transactions that are matched with a current address through December 2011**
****Adjustments include Toll Amount Excused; Invoices Reassigned/Unassigned based on system reports**
*****Payment Shortages occurs when Customer Service accepts customer payments for ZipCash invoices that are short of the billed ZipCash invoices. In the previous months financial reports these shortages were netted with the ZipCash invoice payments.**



WSA Revenue Estimate - Projected Transactions + Toll Tag/ZipCash Projected Shares applied to Revenue leakage factors
AVI Revenue - Toll Tag Revenue
Receivable Issued in current month
Invoiced Payments from Payment Breakout Report

INVESTMENT REPORT
NORTH TEXAS TOLLWAY AUTHORITY
06/01/2012-06/30/2012

This report summarizes the investment position of the North Texas Tollway Authority for the period 06/01/2012-06/30/2012

	6/1/2012	Purchases	Maturities / Redemptions	Chg in Mkt Value	Amortization (Net)	6/30/2012
Book Value	$ 1,023,878,788	$ 440,801,669	(397,876,621)	$ (550,515)	$ 230,491	$ 1,066,483,812
Market Value	$ 1,023,878,788	$ 440,801,669	$ (397,876,621)	$ (550,515)	$ 230,491	$ 1,066,483,812
Par Value	$ 1,021,431,470	$ 440,801,669	$ (397,876,621)	$ -	$ -	$ 1,064,356,519
Current Month Change in Market Value						$ (550,515)
Weighted Average Maturity (in days)	375					372
Weighted Avg. Yield-to-Maturity of Portfolio	1.0330%					1.0290%
Yield-to-Maturity of 2-Year Treasury Note	0.2700%					0.3300%
Accrued Interest						$ 2,045,768
Earnings for the Period						$ 764,024

This report is presented in accordance with the Texas Government Code Title 10, Section 2256.023. The signatories found at the front of the Monthly Financial and Investment Report hereby certify that, to the best of their knowledge on the date this report was created, the North Texas Tollway Authority is in compliance with the provisions of Government Code 2256 and with the stated policies and strategies of the North Texas Tollway Authority.

North Texas Tollway Authority

INVESTMENTS AT

June 30, 2012

Fund	CUSIP	Invest #	Issuer	Purchase Date	Par Value	Market Value	YTM 365	Maturity Date
			CONSTRUCTION FUNDS					
3712 - 90 Construction Fund	932994007	10221	TexPool	08/31/2010	4,972,998.16	4,972,998.16	0.125	
	Total	**3712 - 90 Construction Fund**				**4,972,998.16**		
3722-01 - PGBT EE Toll Equity Grant	932994031	10222	TexPool	08/31/2010	11,101,280.15	11,101,280.15	0.125	
	Total	**3722-01 - PGBT EE Toll Equity Grant**				**11,101,280.15**		
3722-03 - 2009B PGBT EE BABs Constr	932995046	10339	TexPool	05/22/2012	2,007,548.04	2,007,548.04	0.125	
	SA6000515	10158	Bank of America	01/01/2010	441.71	441.71	0.250	
	Total	**3722-02 - 2009B PGBT EE BABs Constr**				**2,007,989.75**		
3723 - 2012A Construction	VP4510005		Wells Fargo MMF	08/31/2010	49,299.42	49,299.42	0.010	
	Total	**3713 - DNT Phase 3 Construction Fund**				**49,299.42**		
3713 - DNT Phase 3 Construction Fund	932994049	10224	TexPool	08/31/2010	14,324,592.96	14,324,592.96	0.125	
	Total	**3713 - DNT Phase 3 Construction Fund**				**14,324,592.96**		
3761 - LLTB BABs Construction Fund	SA6000499	10159	Bank of America	08/31/2010	6,898,347.32	6,898,347.32	0.250	
	Total	**3761 - LLTB BABs Construction Fund**				**6,898,347.32**		
3751-01 - SH 121 Cap Int 2008 A-D	3136F9FX6	10026	Federal National Mtg Assn	04/03/2008	14,561,000.00	14,481,788.16	1.270	12/30/2012
	Total	**3751-01 - SH 121 Cap Int 2008 A-D**				**14,481,788.16**		
3751-02 - SH 121 Capitalized Int 2008 E			Cash		342.20	342.20		
	3136F9FZ1	10032	Federal National Mtg Assn	04/03/2008	4,296,000.00	4,272,758.64	1.260	12/29/2012
	Total	**3751-02 - SH 121 Capitalized Int 2008 E**				**4,273,100.84**		
3751-03 - NTTA 2008 H Cap Int Fund			Cash		238.54	238.54		
	3137EABE8	10055	Federal Home Loan Mtg Corp	09/24/2008	2,763,000.00	2,813,535.27	3.580	12/21/2012
	Total	**3751-03 - NTTA 2008 H Cap Int Fund**				**2,813,773.81**		
3751-05 - NTTA 2008F Capitalized Int Fd	3136F9A78	10019	Federal National Mtg Assn	08/01/2008	9,416,000.00	9,380,595.84	4.122	12/31/2012
	Total	**3751-05 - NTTA 2008F Capitalized Int Fd**				**9,380,595.84**		
3751-06 - NTTA 2008J Capitalized Int	932994098	10229	TexPool	08/31/2010	1,017,739.09	1,017,739.09	0.125	
	Total	**3751-06 - NTTA 2008J Capitalized Int**				**1,017,739.09**		
3751-07 - NTTA 2008K-L Capitalized Int			Cash		289.06	289.06		
	31331GEJ4	10066	Federal Farm Credit Bank	11/21/2008	2,830,000.00	2,868,120.10	3.658	11/13/2012
	Total	**3751-07 - NTTA 2008K-L Capitalized Int.**				**2,868,409.16**		
3751-10 - 2009B SRT BABs Constr	SA6000507	10160	Bank of America	01/01/2010	81,095,888.68	81,095,888.68	0.250	
	Total	**3751-10 - 2009B SRT BABs Constr**				**81,095,888.68**		
3751 - 2011 Letter of Credit			Cash		0.03	.03		
	Total	**3751-14 - 2011B Construction Fund**				**0.03**		
	TOTAL CONSTRUCTION FUNDS					**155,285,803.37**	**0.702**	
			REVENUE FUND					
1101 - Revenue Fund			Cash		1,543,454.18	1,543,454.18		
	SA6000523	10161	Bank of America	01/01/2010	43,661,240.29	43,661,240.29	0.250	
	Total	**1101 - Revenue Fund**				**45,204,694.47**		
1101 - Revenue Fund - Rest For Debt Svc	SA6000523	10161	Bank of America	01/01/2010	8,302,500.00	8,302,500.00	0.250	
	Total	**1101 - Revenue Fund**				**8,302,500.00**		
1101-02 Custody Prepaid Funds	932995673	10316	Texpool	10/14/2011	33,394,773.83	33,394,773.83	0.125	
	VP4510005	10317	Wells Fargo MMF	11/03/2011	3,506,379.48	3,506,379.48	0.001	
	Total	**1101-02 Custody Prepaid Funds**				**36,901,153.31**		
1101-05 - Enterprise Account	Regions	10303	Regions Bank	08/29/2011	14,482,949.19	14,482,949.19	0.200	
	Total	**1101-03 - Enterprise Account**				**14,482,949.19**		
	TOTAL REVENUE FUND					**104,891,296.97**	**0.199**	
			OPERATIONS & MAINTENANCE FUND					
1001 - Operation & Maintenance Fund	932994122	10233	TexPool	08/31/2010	3,054.90	3,054.90	0.125	
	Total	**1001 - Operation & Maintenance Fund**				**3,054.90**		
	TOTAL OPERATIONS & MAINTENANCE FUND					**3,054.90**	**0.125**	
			RESERVE MAINTENANCE FUND					
1201 - Reserve Maintenance Fund			Cash		734,664.09	734,664.09		
	Regions	10322	Regions Bank	12/15/2011	59,548,713.71	59,548,713.71	0.200	
	Total	**1201 - Reserve Maintenance Fund**				**60,283,377.80**		
	TOTAL RESERVE MAINTENANCE FUND					**60,283,377.80**	**0.200**	
			CONSOLIDATED CAPITAL IMPROVEMENT FUND					
1501 - Capital Improvement Fund	Regions	10323	Regions Bank	12/15/2011	88,413,911.18	88,413,911.18	0.200	
	Total	**1501 - Capital Improvement Fund**				**88,413,911.18**		
1501 - CIF Bond Payment Account	Regions	10323	Regions Bank	12/15/2011	23,416,150.00	23,416,150.00	0.200	
	Total	**1501 - CIF Bond Payment Account**				**23,416,150.00**		
1501 - CIF Rest. Rainy Day Fund	Regions	10323	Regions Bank	12/15/2011	20,489.00	20,489.00	0.200	
	3133EAEB0	10327	Federal Farm Credit Bank	02/29/2012	10,000,000.00	10,000,530.00	1.039	08/22/2016
	3133378UB5	10334	Federal Home Loan Bank	04/11/2012	6,890,000.00	6,980,837.76	1.075	10/11/2016
	3133EAKP2	10335	Federal Farm Credit Bank	04/04/2012	5,500,000.00	5,531,856.00	1.360	04/04/2017
	Total	**1501 - CIF Rainy Day Fund**				**22,533,712.76**		
	TOTAL CONSOLIDATED CAPITAL IMPROVEMENT FUND					**134,363,773.94**	**0.355**	

North Texas Tollway Authority

INVESTMENTS AT

June 30, 2012

Fund	*CUSIP*	*Invest #*	*Issuer*	*Purchase Date*	*Par Value*	*Market Value*	*YTM 365*	*Maturity Date*
			TRANSITION TRUST FUND					
7751 - Transition Trust Fund	932994205	10220	TexPool	08/31/2010	408,005.71	408,005.71	0.125	
	Total	**7751 - Transition Trust Fund**				**408,005.71**		
	TOTAL TRANSITION TRUST FUND					**408,005.71**	**0.125**	
			INTEREST & SINKING - BOND INTEREST FUND					
4211 - Bond Interest Fund			Cash		150,468,961.48	150,468,961.48		
	VP4560000		Wells Fargo MMF	03/31/2012	32,800.00	32,800.00	0.010	
	Total	**4211 - Bond Interest Fund**				**150,501,761.48**		
4211-03 - Bond Interest Prefunded DS	313376KL8	10319	Federal Home Loan Bank	12/21/2011	16,400,000.00	16,420,992.00	0.313	06/21/2013
	Total	**4211-03 - Bond Interest Prefunded DS**				**16,420,992.00**		
4211- 01 - 2nd Tier Bond Int Acct			Cash		29,024,562.50	29,024,562.50		
	Total	**4211-1 - 2nd Tier Bond Int Acct**				**29,024,562.50**		
4211-02 - 2009B BABS Direct Pay Acct			Cash		822.21	822.21		
	Total	**4211-02 - 2009B BABS Direct Pay Acct**				**822.21**		
	TOTAL INTEREST & SINKING - BOND INTEREST FUND					**195,948,138.19**	**0.312**	
			INTEREST & SINKING - RESERVE FUND					
4221 - Bond Reserve Fund	932994015	10239	TexPool	08/31/2010	30,402,659.34	30,402,659.34	0.125	12/30/2012
	31315PAD1	10064	Federal Agricultural Mtg Corp	11/13/2008	16,000,000.00	16,287,360.00	3.851	07/22/2015
	31315PDZ9	10311	Federal Agricultural Mtg Corp	09/30/2011	9,000,000.00	9,457,110.00	1.119	01/11/2016
	31315PPW3	10328	Federal Agricultural Mtg Corp	03/20/2012	30,000,000.00	29,988,300.00	0.254	02/28/2013
	31331JH55	10244	Federal Farm Credit Bank	09/21/2010	10,000,000.00	10,032,700.00	1.875	09/21/2015
	31331K2S8	10320	Federal Farm Credit Bank	12/14/2011	10,000,000.00	10,021,400.00	1.170	12/14/2015
	31331K3C2	10321	Federal Farm Credit Bank	12/19/2011	9,000,000.00	9,013,950.00	0.750	12/19/2014
	31331KXA3	10305	Federal Farm Credit Bank	09/06/2011	20,000,000.00	20,012,000.00	0.371	09/06/2013
	3133EAHP6	10330	Federal Farm Credit Bank	03/21/2012	10,000,000.00	10,003,200.00	0.697	03/16/2015
	3133EAJA7	10332	Federal Farm Credit Bank	03/28/2012	12,000,000.00	12,000,600.00	1.144	03/28/2016
	313370LB2	10301	Federal Home Loan Bank	08/26/2011	19,900,000.00	20,066,563.00	0.400	09/13/2013
	3133727K4	10281	Federal Home Loan Bank	06/29/2011	6,650,000.00	6,988,019.50	1.615	12/28/2015
	3133XSCN6	10033	Federal Home Loan Bank	09/24/2008	7,770,000.00	7,910,093.10	3.902	12/28/2012
	3133783Q2	10325	Federal Home Loan Bank	03/02/2012	5,000,000.00	5,000,000.00	1.266	03/02/2017
	3134A4MH4	10078	Federal Home Loan Mtg Corp	09/12/2009	19,225,000.00	18,874,336.00	3.385	07/15/2014
	3134A4VT8	10080	Federal Home Loan Mtg Corp	08/12/2009	170,000.00	166,899.20	3.326	07/15/2014
	3134G2SL7	10302	Federal Home Loan Mtg Corp	08/26/2011	19,000,000.00	19,004,750.00	0.491	08/08/2013
	3137EACY3	10329	Federal Home Loan Mtg Corp	03/21/2012	10,000,000.00	10,075,000.00	0.655	11/25/2014
	313586QR3	10077	Federal National Mtg Assn	08/12/2009	23,542,000.00	23,119,656.52	3.326	07/05/2014
	3136G0EQ0	10338	Federal National Mtg Assn	05/23/2012	10,000,000.00	10,050,500.00	1.269	05/10/2017
	313588YW9	10324	Federal National Mtg Assn	01/02/2012	15,139,000.00	15,139,000.00	5.051	07/02/2012
	31359YBU0	10081	Federal National Mtg Assn	08/12/2009	704,000.00	691,187.20	3.326	07/15/2014
	3135G0DH3	10308	Federal National Mtg Assn	09/26/2011	10,000,000.00	10,012,800.00	1.000	09/21/2015
	3136FRC76	10293	Federal National Mtg Assn	07/25/2011	16,000,000.00	16,021,920.00	1.759	07/25/2016
	3136FRT29	10310	Federal National Mtg Assn	09/26/2011	10,000,000.00	10,012,000.00	0.979	12/28/2015
	3136FTAK5	10312	Federal National Mtg Assn	09/30/2011	13,000,000.00	13,021,970.00	1.033	12/28/2015
	3136FTAK5	10313	Federal National Mtg Assn	09/30/2011	8,000,000.00	8,013,520.00	1.030	09/30/2015
	3137F0FG0	10079	Federal Home Loan Mtg Corp	08/12/2009	832,000.00	816,824.32	3.326	07/15/2014
	912828NV8	10326	US Treasury Note	02/22/2012	15,000,000.00	15,373,800.00	0.554	08/31/2015
	Total	**4221 - Bond Reserve Fund**				**367,578,118.18**		
4221-01 - NTTA 2nd Tier DS Res Fund	932994171	10240	TexPool	08/31/2011	4,635,758.37	4,635,758.37	0.125	
	3136F9ZY2	10013	Federal National Mtg Assn	08/01/2008	42,296,000.00	43,084,820.40	4.121	12/30/2012
	Total	**4221-01 - NTTA 2nd Tier DS Res Fund**				**47,720,578.77**		
	TOTAL INTEREST & SINKING RESERVE FUND					**415,298,696.95**	**1.731**	
			INTEREST & SINKING - REDEMPTION FUND					
4231 - Bond Redemption Fund	932994189	10241	TexPool	08/31/2010	1,664.17	1,664.17	0.125	
	Total	**4231 - Bond Redemption Fund**				**1,664.17**		
	TOTAL INTEREST & SINKING - REDEMPTION FUND					**1,664.17**	**0.125**	
	INVESTMENT TOTAL AS OF 6/30/2012					**1,066,483,812.00**	**1.029**	

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Deferred Study Costs-Feasibility Study Fund
June, 2012
(Unaudited)

The table below sets forth the accumulated deferred study costs by project, through April, 2012 that have not been transferred out of the Feasibility Study Fund into a construction project.

Projects	Accumulated As of Dec 31,2011	Current Year	Accumulated As of June 30,2012	TxDOT Reimbursement As of June 30,2012
Trinity Tollway	374,328	-	374,328	-
DNT- 380 Interchange	285,767	-	285,767	-
DNT Extension Phase 4	3,674,285	200	3,674,485	-
DNT Ext Phase 4B/5A	3,484,790	10,769	3,495,559	-
PGBT-East Branch (SH190)	121,176	-	121,176	-
SH 360	5,546,573	199,019	5,745,592	-
Trinity Pkwy	33,154,169	122,061	33,276,230	25,470,593
NCTCG	848,892	-	848,892	-
SH 170 - Alliance Gateway	4,267,990	163,803	4,431,793	-
Capital Planning Model	364,329	-	364,329	-
Collin/Grayson Corridor	175,712	-	175,712	-
Future Bond Issue Planning	336,519	-	336,519	-
State Highway 183 Managed Lanes	901,486	-	901,486	-
Denton County Corridor	7,857	-	7,857	-
Collin County Outer Loop	3,152	-	3,152	-
Loop 9	32,649	-	32,649	-
IH35 E Managed Lanes	60,494	-	60,494	-
Grand Total	53,640,168	495,852	54,136,020	25,470,593

North Texas Tollway Authority
Estimated Project Cash Flow
for the Year Ended December 31, 2012
as of
July 1st, 2012

	Jan-12 Actuals	Feb-12 Actuals	Mar-12 Actuals	Apr-12 Actuals	May-12 Actuals	Jun-12 Forecast	Jul-12 Forecast	Aug-12 Forecast	Sep-12 Forecast	Oct-12 Forecast	Nov-12 Forecast	Dec-12 Forecast
PGBT EE Construction Fund												
Beginning Balance	33,121,377	23,192,696	20,255,142	17,510,186	16,016,935	13,617,760	13,090,599	11,948,496	11,056,816	9,978,367	4,937,228	(277,674)
Investment Gain/(Loss)	3,763	1,210	404	1,156	2,010	(242)	2,727	2,489	2,304	2,079	1,029	-
Miscellaneous Revenue / Cash Receipts	-	16	1,000	-	50,215	789	-	-	-	-	-	-
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	(9,932,443)	(2,923,753)	(2,730,769)	(1,489,608)	(2,446,957)	(522,542)	(1,034,356)	(783,695)	(970,278)	(4,932,744)	(5,105,456)	(1,445,892)
Other	-	(15,026)	(15,591)	(4,800)	(4,443)	(5,166)	(110,475)	(110,475)	(110,475)	(110,475)	(110,475)	(110,475)
Total Expenditures	(9,932,443)	(2,938,780)	(2,746,360)	(1,494,408)	(2,451,400)	(527,708)	(1,144,830)	(894,169)	(1,080,753)	(5,043,218)	(5,215,930)	(1,556,367)
Projected Ending Balance	23,192,696	20,255,142	17,510,186	16,016,935	13,617,760	13,090,599	11,948,496	11,056,816	9,978,367	4,937,228	(277,674)	(1,834,041)
DNT Phase 3 Construction Fund												
Beginning Balance	14,339,547	14,340,536	14,320,540	14,321,569	14,306,318	14,303,183	14,304,698	14,305,644	14,306,590	14,307,536	14,308,483	14,309,429
Investment Gain/(Loss)	989	1,066	1,029	1,401	1,307	1,516	2,980	2,980	2,981	2,981	2,981	2,981
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	-	(16,610)	-	-	-	-	-	-	-	-	-	-
Other	-	(4,451)	-	(16,652)	(4,443)	-	(2,034)	(2,034)	(2,034)	(2,034)	(2,034)	(2,034)
Total Expenditures	-	(21,061)	-	(16,652)	(4,443)	-	(2,034)	(2,034)	(2,034)	(2,034)	(2,034)	(2,034)
Projected Ending Balance	14,340,536	14,320,540	14,321,569	14,306,318	14,303,183	14,304,698	14,305,644	14,306,590	14,307,536	14,308,483	14,309,429	14,310,376
LLTB Construction Fund												
Beginning Balance	6,958,451	6,952,157	6,936,488	6,936,800	6,933,998	6,928,520	6,898,347	6,891,938	6,791,654	6,750,838	6,714,427	6,687,110
Investment Gain/(Loss)	658	418	312	387	1,137	(445)	1,437	1,436	1,415	1,406	1,399	1,393
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	(6,952)	(11,635)	-	(3,189)	(2,173)	(29,727)	(5,964)	(99,837)	(40,348)	(35,934)	(26,833)	(24,012)
Other	-	(4,451)	-	-	(4,443)	-	(1,883)	(1,883)	(1,883)	(1,883)	(1,883)	(1,883)
Total Expenditures	(6,952)	(16,086)	-	(3,189)	(6,616)	(29,727)	(7,847)	(101,720)	(42,231)	(37,817)	(28,716)	(25,895)
Projected Ending Balance	6,952,157	6,936,488	6,936,800	6,933,998	6,928,520	6,898,347	6,891,938	6,791,654	6,750,838	6,714,427	6,687,110	6,662,609
Sam Rayburn Construction Fund												
Beginning Balance	91,695,858	88,931,948	88,187,963	86,474,135	85,829,666	82,764,350	81,084,106	78,910,122	71,427,089	64,946,762	59,220,375	58,525,179
Investment Gain/(Loss)	85,833	38,586	4,649	6,097	14,126	(4,902)	16,893	16,440	14,881	13,531	12,338	12,193
Miscellaneous Revenue / Cash Receipts	-	37,606	1,000	-	-	-	-	-	-	-	-	-
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	(2,092,949)	(773,220)	(1,411,786)	(948,926)	(2,093,364)	(1,208,059)	(1,183,436)	(7,442,032)	(6,437,767)	(4,732,477)	(650,094)	(535,099)
Other	(756,794)	(46,957)	(307,691)	298,360	(986,078)	(467,284)	(1,007,440)	(57,440)	(57,440)	(1,007,440)	(57,440)	(1,007,440)
Total Expenditures	(2,849,742)	(820,178)	(1,719,477)	(650,567)	(3,079,442)	(1,675,342)	(2,190,876)	(7,499,473)	(6,495,208)	(5,739,918)	(707,534)	(1,542,540)
Projected Ending Balance	88,931,948	88,187,963	86,474,135	85,829,666	82,764,350	81,084,106	78,910,122	71,427,089	64,946,762	59,220,375	58,525,179	56,994,831
90 Construction Fund												
Beginning Balance	4,970,465	4,970,807	4,971,176	4,971,533	4,972,018	4,972,472	4,972,998	4,974,034	4,975,070	4,976,107	4,977,144	4,978,181
Investment Gain/(Loss)	342	369	356	486	454	526	1,036	1,036	1,036	1,037	1,037	1,037
Account Closeouts	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Projected Ending Balance	4,970,807	4,971,176	4,971,533	4,972,018	4,972,472	4,972,998	4,974,034	4,975,070	4,976,107	4,977,144	4,978,181	4,979,218

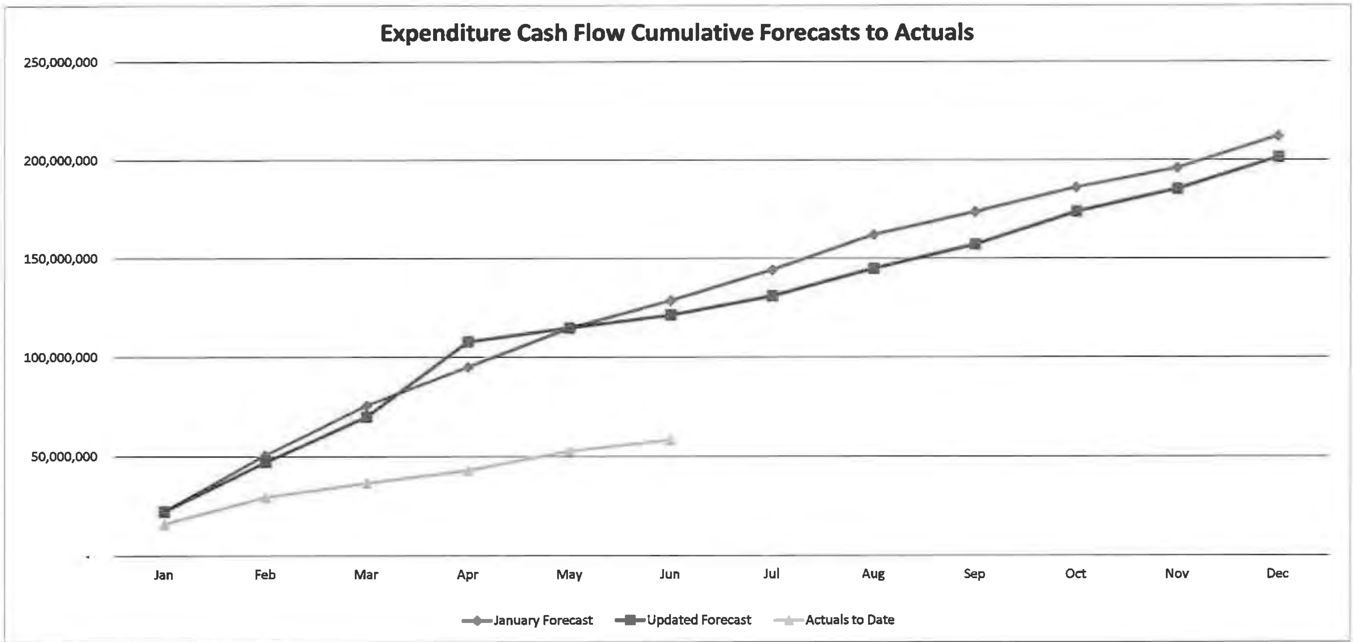
North Texas Tollway Authority
Estimated Project Cash Flow
for the Year Ended December 31, 2012
as of
July 1st, 2012

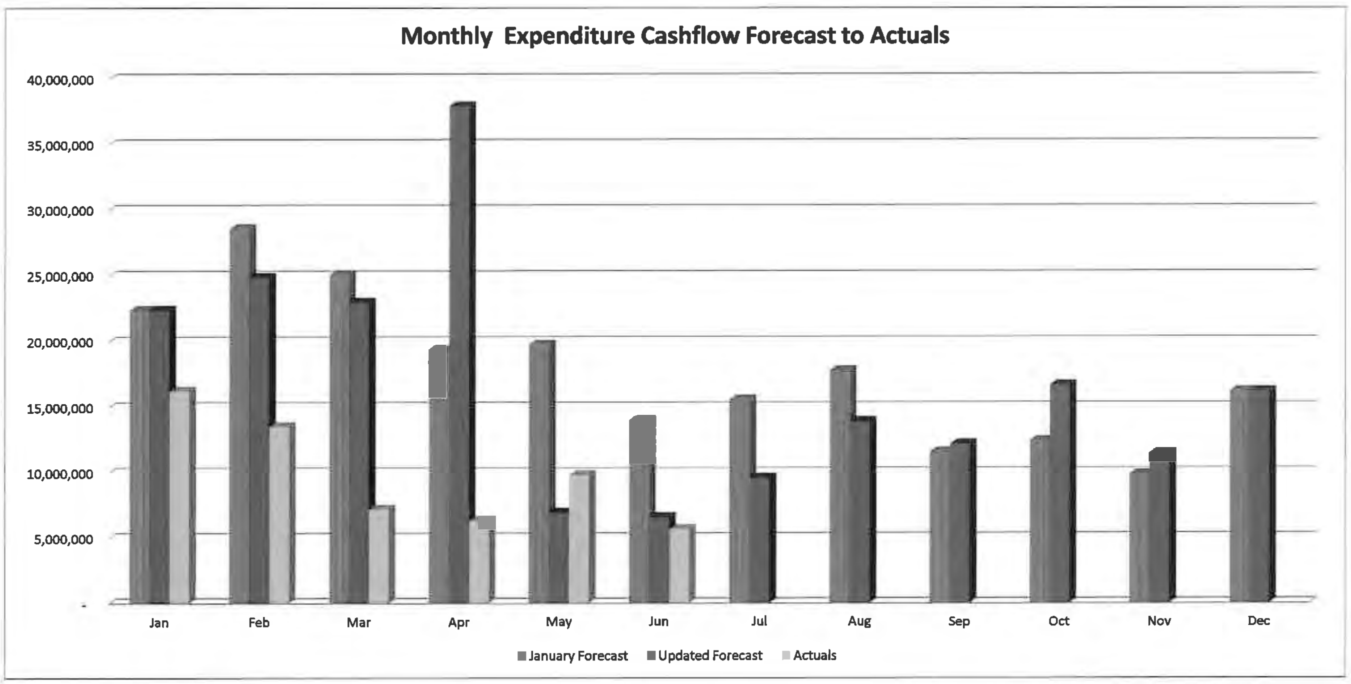
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Total Construction Funds												
Beginning Balance	151,085,698	138,388,145	134,671,310	130,214,223	128,058,935	122,586,284	120,350,748	117,030,234	108,557,219	100,959,610	90,157,656	84,222,224
Investment Gain/(Loss)	91,584	41,648	6,750	9,528	19,034	(3,547)	25,073	24,381	22,616	21,033	18,783	17,604
Account Closeouts	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue / Cash Receipts	-	37,623	2,000	-	50,215	789	-	-	-	-	-	-
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	(12,032,344)	(3,725,219)	(4,142,555)	(2,441,724)	(4,542,494)	(1,760,328)	(2,223,755)	(8,325,564)	(7,448,393)	(9,701,155)	(5,782,383)	(2,005,003)
TXDOT Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Other	(756,794)	(70,886)	(323,281)	276,908	(999,407)	(472,450)	(1,121,832)	(171,832)	(171,832)	(1,121,832)	(171,832)	(1,121,832)
Total Expenditures	(12,789,137)	(3,796,105)	(4,465,837)	(2,164,816)	(5,541,901)	(2,232,778)	(3,345,587)	(8,497,396)	(7,620,225)	(10,822,987)	(5,954,215)	(3,126,836)
Projected Ending Balance	138,388,146	134,671,310	130,214,223	128,058,935	122,586,284	120,350,748	117,030,234	108,557,219	100,959,610	90,157,656	84,222,224	81,112,993
Feasibility Study Fund[2]												
Beginning Balance	(430,769)	(628,779)	(289,286)	(292,459)	(1,320)	(27,458)	0 00	0.00	(0 00)	0.00	0 00	0.00
Investment Gain/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements / Miscellaneous Cash Receipts	4,745	216,813	-	171,080	-	-	-	-	-	-	-	-
Transfers from CIF[2]	36,234	283,822	91,331	340,907	132,765	152,374	81,714	133,012	168,074	156,241	156,965	155,372
Trinity Parkway	(15,097)	(34,288)	(5)	(46,108)	(42,363)	(36,124)	(25,556)	(49,236)	(80,305)	(80,305)	(75,667)	(74,274)
SH 170	(53,901)	(25,793)	(73,635)	(78,767)	(64,026)	(18,413)	(28,591)	(34,311)	(26,674)	(29,107)	(28,647)	(28,647)
SH 190	-	-	-	-	-	-	-	-	-	-	-	-
SH 360	(27,856)	(90,479)	(15,874)	(86,257)	(43,993)	(23,646)	(23,633)	(37,954)	(51,551)	(37,551)	(37,551)	(37,551)
DNT 4A	(2,663)	(840)	(335)	(9,496)	(761)	(513)	(3,300)	(1,655)	(1,988)	(1,722)	(1,988)	(1,788)
DNT 4B/5A	(7,917)	(9,742)	(470)	-	-	-	(634)	(4,300)	(2,000)	(2,000)	(2,000)	(2,000)
Collin County Outer Loop	-	-	-	-	-	-	-	(2,778)	(2,778)	(2,778)	(5,556)	(5,556)
Outer Loop Southeast (Loop 9)	-	-	-	-	-	-	-	(2,778)	(2,778)	(2,778)	(5,556)	(5,556)
Other	(131,555)	-	(4,184)	(220)	(7,760)	(46,221)	-	-	-	-	-	-
Total NTTA System Expenditures	(238,989)	(161,141)	(94,504)	(220,848)	(158,903)	(124,917)	(81,714)	(133,012)	(168,074)	(156,241)	(156,965)	(155,372)
Projected Ending Balance	(628,779)	(289,286)	(292,459)	(1,320)	(27,458)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Maintanance Fund												
Beginning Balance	36,340,342	61,317,350	61,478,416	61,334,752	61,264,909	60,816,863	60,283,378	58,864,511	57,582,348	56,945,918	56,797,855	56,463,262
Investment Gain/(Loss)	6,195	9,725	9,951	10,248	10,250	2,327	12,559	12,263	11,996	11,864	11,833	11,763
Transfer From Revenue Fund	25,936,529	734,664	734,664	734,664	734,664	734,664	734,664	734,664	734,664	734,664	734,664	734,664
Miscellaneous Revenue / Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-
IT Expenditures	(187,862)	(47,057)	(44,446)	(81,710)	(134,839)	(51,682)	(149,402)	(149,402)	(149,402)	(149,402)	(149,402)	(149,402)
Maintenance Expenditures	-	-	-	-	-	-	(1,965,000)	(1,828,000)	(1,182,000)	(693,500)	(880,000)	(1,156,500)
Project Delivery Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Other	(777,853)	(536,266)	(843,833)	(733,045)	(1,058,121)	(1,218,794)	(51,688)	(51,688)	(51,688)	(51,688)	(51,688)	(51,688)
Total Expenditures	(965,715)	(583,323)	(888,279)	(814,755)	(1,192,960)	(1,270,476)	(2,166,090)	(2,029,090)	(1,383,090)	(894,590)	(1,081,090)	(1,357,590)
Projected Ending Balance	61,317,350	61,478,416	61,334,752	61,264,909	60,816,863	60,283,378	58,864,511	57,582,348	56,945,918	56,797,855	56,463,262	55,852,098

North Texas Tollway Authority
Estimated Project Cash Flow
for the Year Ended December 31, 2012
as of
July 1st, 2012

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Capital Improvement Fund												
Beginning Balance	93,724,333	109,402,949	100,183,434	98,430,264	94,997,294	91,986,434	87,716,630	83,682,837	80,341,125	77,214,625	72,287,903	67,922,923
Investment Gain/(Loss)	(2,551)	22,597	91,125	4,125	19,773	4,394	18,274	17,434	16,738	16,086	15,060	14,151
BABS Subsidy [3]	4,789,925	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue / Cash Receipts	-	579	-	-	-	106,130	-	-	-	-	-	-
Transfer From Revenue Fund	24,868,036	-	-	-	-	-	-	-	-	-	-	77,005,797
Transfer to Rainy Day Account	-	15,521	-	-	-	-	-	-	-	-	-	(2,673,173)
Transfer to Bond Payment Account	(11,708,075)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Debt Service Reserve Fund	-	-	-	-	-	(2,200,000)	-	-	-	-	-	-
CP Proceeds [1]	-	-	-	-	-	-	-	-	-	-	-	-
Paydown of CP	-	-	-	-	-	-	-	-	-	-	-	(56,300,000)
Transfer to FSF [2]	(36,234)	(283,822)	(91,331)	(340,907)	(132,765)	(152,374)	(81,714)	(133,012)	(168,074)	(156,241)	(156,965)	(155,372)
IT Expenditures	(938,327)	(2,999,080)	(883,030)	(1,961,532)	(1,704,054)	(1,023,321)	(1,122,636)	(1,122,636)	(1,122,636)	(1,122,636)	(1,122,636)	(1,122,636)
Maintenance Expenditures	(808,871)	-	-	-	-	-	(1,350,000)	(1,400,000)	(1,350,000)	(2,275,000)	(2,275,000)	(675,000)
Project Delivery Expenditures	(446,417)	(326,753)	(651,027)	(325,057)	(401,313)	(221,101)	(669,034)	(682,928)	(481,959)	(560,248)	(804,870)	(661,896)
Other	(38,870)	(858,631)	(218,907)	(809,600)	(792,502)	(783,531)	(828,684)	(20,570)	(20,570)	(828,684)	(20,570)	(828,684)
CIF Subordinate Debt [3]	-	(4,789,925)	-	-	-	-	-	-	-	-	-	-
ISTEA Payment	-	-	-	-	-	-	-	-	-	-	-	(8,250,000)
Total Expenditures	(2,232,485)	(8,974,389)	(1,752,965)	(3,096,188)	(2,897,869)	(2,027,954)	(3,970,353)	(3,226,134)	(2,975,164)	(4,786,567)	(4,223,076)	(11,538,215)
Projected Ending Balance	109,402,949	100,183,434	98,430,264	94,997,294	91,986,434	87,716,630	83,682,837	80,341,125	77,214,625	72,287,903	67,922,923	74,276,111

(1) Prior months are updated to the actual amount issued, current and future months are estimates based on forecasted cash flows
(2) The Feasibility Study Fund is a revolving account and is reimbursed when necessary by the Capital Improvement Fund
(3) BABS Credit Partially Offsets CIF Subordinated Debt Interest Payment due in February and August


Expenditure Cash Flow Cumulative Forecasts to Actuals
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
-
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
January Forecast
Updated Forecast
Actuals to Date


Monthly Expenditure Cashflow Forecast to Actuals
40,000,000
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
-
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
January Forecast
Updated Forecast
Actuals

APPENDIX C

NTTA SYSTEM TOLL RATE SCHEDULES

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NTTA System Tolling
(Excluding SRT and PGBT EE)

Toll Rates

- Toll rates shall be as set forth in the following schedules for the periods indicated in the schedules.
- Toll rate for two-axle vehicles with TollTags is $0.145 per mile for the DNT and PGBT (Segments I through V) starting September 1, 2009. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- Toll rate for two-axle vehicles with TollTags is $0.50 for the MCLB and the AATT starting September 1, 2009 and $1.00 for LLTB 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 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, 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.

NTTA SYSTEM TOLL RATES (EXCLUDING SRT AND PGBT EE) EFFECTIVE JULY 1, 2011 THROUGH JUNE 30, 2013

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	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Wycliff Main Lane Gantry (MLP1)	$1.33	$2.00	$2.66	$4.00	$3.99	$6.00	$5.32	$8.00	$6.65	$10.00
Mockingbird Lane (MOCLN)	$0.97	$1.46	$1.94	$2.92	$2.91	$4.38	$3.88	$5.84	$4.85	$7.30
Northwest Highway (NORHY)	$0.66	$0.99	$1.32	$1.98	$1.98	$2.97	$2.64	$3.96	$3.30	$4.95
Royal Lane (ROYLN)	$0.35	$0.57	$0.70	$1.14	$1.05	$1.71	$1.40	$2.28	$1.75	$2.85
Spring Valley Road (SPVRD)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Belt Line Road (BELRD)	$0.31	$0.53	$0.62	$1.06	$0.93	$1.59	$1.24	$2.12	$1.55	$2.65
Keller Springs Road (KESRD)	$0.46	$0.69	$0.92	$1.38	$1.38	$2.07	$1.84	$2.76	$2.30	$3.45
Trinity Mills Main Lane Gantry (MLP2)	$0.95	$1.43	$1.90	$2.86	$2.85	$4.29	$3.80	$5.72	$4.75	$7.15
Frankford Road (FRARD)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Park Boulevard (PARBD)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Parker Main Lane Gantry (MLP3)	$0.85	$1.28	$1.70	$2.56	$2.55	$3.84	$3.40	$5.12	$4.25	$6.40
Parker Road (PARRD)	$0.51	$0.77	$1.02	$1.54	$1.53	$2.31	$2.04	$3.08	$2.55	$3.85
Spring Creek Parkway (SPCPY)	$0.28	$0.50	$0.56	$1.00	$0.84	$1.50	$1.12	$2.00	$1.40	$2.50
Legacy Drive (LEGDR)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Headquarters Drive (HEADR)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Gaylord Parkway (GAYPY)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Lebanon Road (LEBRD)	$0.35	$0.57	$0.70	$1.14	$1.05	$1.71	$1.40	$2.28	$1.75	$2.85
Stone Brook Parkway (STOPY)	$0.44	$0.66	$0.88	$1.32	$1.32	$1.98	$1.76	$2.64	$2.20	$3.30
Main Street (MAIST)	$0.72	$1.08	$1.44	$2.16	$2.16	$3.24	$2.88	$4.32	$3.60	$5.40
Eldorado Main Lane Gantry (MLP4)	$1.49	$2.24	$2.98	$4.48	$4.47	$6.72	$5.96	$8.96	$7.45	$11.20
Eldorado Parkway (ELDPY)	$0.54	$0.81	$1.08	$1.62	$1.62	$2.43	$2.16	$3.24	$2.70	$4.05

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	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
North Garland Avenue (GARRD)	$0.27	$0.49	$0.54	$0.98	$0.81	$1.47	$1.08	$1.96	$1.35	$2.45
Campbell Road (CAMRD)	$0.43	$0.65	$0.86	$1.30	$1.29	$1.95	$1.72	$2.60	$2.15	$3.25
East Renner Road (ERERD)	$0.70	$1.05	$1.40	$2.10	$2.10	$3.15	$2.80	$4.20	$3.50	$5.25
Shiloh Main Lane Gantry (MLP6)	$1.05	$1.58	$2.10	$3.16	$3.15	$4.74	$4.20	$6.32	$5.25	$7.90
Shiloh Road (SHIRD)	$0.54	$0.81	$1.08	$1.62	$1.62	$2.43	$2.16	$3.24	$2.70	$4.05
West Renner Road (WRERD)	$0.36	$0.58	$0.72	$1.16	$1.08	$1.74	$1.44	$2.32	$1.80	$2.90
Independence Parkway (INDPY)	$0.36	$0.58	$0.72	$1.16	$1.08	$1.74	$1.44	$2.32	$1.80	$2.90
Coit Road (COIRD)	$0.54	$0.81	$1.08	$1.62	$1.62	$2.43	$2.16	$3.24	$2.70	$4.05
Coit Main Lane Gantry (MLP7)	$1.14	$1.71	$2.28	$3.42	$3.42	$5.13	$4.56	$6.84	$5.70	$8.55
Preston Road (PRERD)	$0.30	$0.52	$0.60	$1.04	$0.90	$1.56	$1.20	$2.08	$1.50	$2.60
Midway Road (MIDRD)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Marsh Lane (MARLN)	$0.31	$0.53	$0.62	$1.06	$0.93	$1.59	$1.24	$2.12	$1.55	$2.65
Frankford Main Lane Gantry (MLP8)	$1.06	$1.59	$2.12	$3.18	$3.18	$4.77	$4.24	$6.36	$5.30	$7.95
Kelly Boulevard (KELBD)	$0.56	$0.84	$1.12	$1.68	$1.68	$2.52	$2.24	$3.36	$2.80	$4.20
Josey Lane (JOSLN)	$0.36	$0.58	$0.72	$1.16	$1.08	$1.74	$1.44	$2.32	$1.80	$2.90
Sandy Lake Main Lane Gantry (MLP9)	$0.84	$1.26	$1.68	$2.52	$2.52	$3.78	$3.36	$5.04	$4.20	$6.30
Belt Line - Luna Road (NBERD)	$0.50	$0.75	$1.00	$1.50	$1.50	$2.25	$2.00	$3.00	$2.50	$3.75
Royal Lane (ROYLN)	$0.25	$0.47	$0.50	$0.94	$0.75	$1.41	$1.00	$1.88	$1.25	$2.35
Belt Line Road (SBERD)	$0.49	$0.74	$0.98	$1.48	$1.47	$2.22	$1.96	$2.96	$2.45	$3.70
Belt Line Main Lane Ganrty (MLP10)	$0.49	$0.74	$0.98	$1.48	$1.47	$2.22	$1.96	$2.96	$2.45	$3.70

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	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Addison Airport Toll Tunnel (AATT)	$0.53	$0.80	$1.06	$1.60	$1.59	$2.40	$2.12	$3.20	$2.65	$4.00

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	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Mountain Creek Lake Toll Bridge (MCLB)	$0.53	$0.80	$1.06	$1.60	$1.59	$2.40	$2.12	$3.20	$2.65	$4.00

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	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Lewisville Lake Toll Bridge (LLTB)	$1.06	$1.59	$2.12	$3.18	$3.18	$4.77	$4.24	$6.36	$5.30	$7.95

NTTA SYSTEM TOLL RATES (EXCLUDING SRT AND PGBT EE) EFFECTIVE JULY 1, 2013 THROUGH JUNE 30, 2015

Dallas North 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	
Toll Gantry	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Wycliff Main Lane Gantry (MLP1)	$1.40	$2.10	$2.80	$4.20	$4.20	$6.30	$5.60	$8.40	$7.00	$10.50
Mockingbird Lane (MOCLN)	$1.02	$1.53	$2.04	$3.06	$3.06	$4.59	$4.08	$6.12	$5.10	$7.65
Northwest Highway (NORHY)	$0.70	$1.05	$1.40	$2.10	$2.10	$3.15	$2.80	$4.20	$3.50	$5.25
Royal Lane (ROYLN)	$0.37	$0.60	$0.74	$1.20	$1.11	$1.80	$1.48	$2.40	$1.85	$3.00
Spring Valley Road (SPVRD)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Belt Line Road (BELRD)	$0.32	$0.55	$0.64	$1.10	$0.96	$1.65	$1.28	$2.20	$1.60	$2.75
Keller Springs Road (KESRD)	$0.49	$0.74	$0.98	$1.48	$1.47	$2.22	$1.96	$2.96	$2.45	$3.70
Trinity Mills Main Lane Gantry (MLP2)	$1.01	$1.52	$2.02	$3.04	$3.03	$4.56	$4.04	$6.08	$5.05	$7.60
Frankford Road (FRARD)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Park Boulevard (PARBD)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Parker Main Lane Gantry (MLP3)	$0.90	$1.35	$1.80	$2.70	$2.70	$4.05	$3.60	$5.40	$4.50	$6.75
Parker Road (PARRD)	$0.53	$0.80	$1.06	$1.60	$1.59	$2.40	$2.12	$3.20	$2.65	$4.00
Spring Creek Parkway (SPCPY)	$0.30	$0.53	$0.60	$1.06	$0.90	$1.59	$1.20	$2.12	$1.50	$2.65
Legacy Drive (LEGDR)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Headquarters Drive (HEADR)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Gaylord Parkway (GAYPY)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Lebanon Road (LEBRD)	$0.36	$0.59	$0.72	$1.18	$1.08	$1.77	$1.44	$2.36	$1.80	$2.95
Stone Brook Parkway (STOPY)	$0.47	$0.71	$0.94	$1.42	$1.41	$2.13	$1.88	$2.84	$2.35	$3.55
Main Street (MAIST)	$0.76	$1.14	$1.52	$2.28	$2.28	$3.42	$3.04	$4.56	$3.80	$5.70
Eldorado Main Lane Gantry (MLP4)	$1.58	$2.37	$3.16	$4.74	$4.74	$7.11	$6.32	$9.48	$7.90	$11.85
Eldorado Parkway (ELDPY)	$0.57	$0.86	$1.14	$1.72	$1.71	$2.58	$2.28	$3.44	$2.85	$4.30

President George Bush Turnpike

	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	
Toll Gantry	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
North Garland Avenue (GARRD)	$0.29	$0.52	$0.58	$1.04	$0.87	$1.56	$1.16	$2.08	$1.45	$2.60
Campbell Road (CAMRD)	$0.46	$0.69	$0.92	$1.38	$1.38	$2.07	$1.84	$2.76	$2.30	$3.45
East Renner Road (ERERD)	$0.74	$1.11	$1.48	$2.22	$2.22	$3.33	$2.96	$4.44	$3.70	$5.55
Shiloh Main Lane Gantry (MLP6)	$1.11	$1.67	$2.22	$3.34	$3.33	$5.01	$4.44	$6.68	$5.55	$8.35
Shiloh Road (SHIRD)	$0.57	$0.86	$1.14	$1.72	$1.71	$2.58	$2.28	$3.44	$2.85	$4.30
West Renner Road (WRERD)	$0.37	$0.60	$0.74	$1.20	$1.11	$1.80	$1.48	$2.40	$1.85	$3.00
Independence Parkway (INDPY)	$0.38	$0.61	$0.76	$1.22	$1.14	$1.83	$1.52	$2.44	$1.90	$3.05
Coit Road (COIRD)	$0.57	$0.86	$1.14	$1.72	$1.71	$2.58	$2.28	$3.44	$2.85	$4.30
Coit Main Lane Gantry (MLP7)	$1.20	$1.80	$2.40	$3.60	$3.60	$5.40	$4.80	$7.20	$6.00	$9.00
Preston Road (PRERD)	$0.32	$0.55	$0.64	$1.10	$0.96	$1.65	$1.28	$2.20	$1.60	$2.75
Midway Road (MIDRD)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Marsh Lane (MARLN)	$0.33	$0.56	$0.66	$1.12	$0.99	$1.68	$1.32	$2.24	$1.65	$2.80
Frankford Main Lane Gantry (MLP8)	$1.12	$1.68	$2.24	$3.36	$3.36	$5.04	$4.48	$6.72	$5.60	$8.40
Kelly Boulevard (KELBD)	$0.59	$0.89	$1.18	$1.78	$1.77	$2.67	$2.36	$3.56	$2.95	$4.45
Josey Lane (JOSLN)	$0.38	$0.61	$0.76	$1.22	$1.14	$1.83	$1.52	$2.44	$1.90	$3.05
Sandy Lake Main Lane Gantry (MLP9)	$0.89	$1.34	$1.78	$2.68	$2.67	$4.02	$3.56	$5.36	$4.45	$6.70
Belt Line - Luna Road (NBERD)	$0.53	$0.80	$1.06	$1.60	$1.59	$2.40	$2.12	$3.20	$2.65	$4.00
Royal Lane (ROYLN)	$0.27	$0.50	$0.54	$1.00	$0.81	$1.50	$1.08	$2.00	$1.35	$2.50
Belt Line Road (SBERD)	$0.51	$0.77	$1.02	$1.54	$1.53	$2.31	$2.04	$3.08	$2.55	$3.85
Belt Line Main Lane Ganrty (MLP10)	$0.51	$0.77	$1.02	$1.54	$1.53	$2.31	$2.04	$3.08	$2.55	$3.85

Addison Airport Toll Tunnel

	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	
Toll Gantry	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Addison Airport Toll Tunnel (AATT)	$0.56	$0.84	$1.12	$1.68	$1.68	$2.52	$2.24	$3.36	$2.80	$4.20

Mountain Creek Lake Bridge

	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	
Toll Gantry	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Mountain Creek Lake Toll Bridge (MCLB)	$0.56	$0.84	$1.12	$1.68	$1.68	$2.52	$2.24	$3.36	$2.80	$4.20

Lewisville Lake Toll Bridge

	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	
Toll Gantry	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Lewisville Lake Toll Bridge (LLTB)	$1.12	$1.68	$2.24	$3.36	$3.36	$5.04	$4.48	$6.72	$5.60	$8.40

SRT Tolling
Toll Rates

- Toll rates for the SRT shall be as set forth in the following schedules for the periods indicated in the schedules. Toll rate for two-axle vehicles with TollTags is $0.145 per mile starting 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 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 charged to users at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting on the SRT, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle.

TOLL RATES EFFECTIVE JULY 1, 2011 THROUGH JUNE 30, 2013

Sam Rayburn Tollway

Toll Gantry	Two-Axle Passenger Cars and Trucks TollTag	Two-Axle Passenger Cars and Trucks Video	Three-Axle Vehicles and Vehicle Combinations TollTag	Three-Axle Vehicles and Vehicle Combinations Video	Four-Axle Vehicles and Vehicle Combinations TollTag	Four-Axle Vehicles and Vehicle Combinations Video	Five-Axle Vehicles and Vehicle Combinations TollTag	Five-Axle Vehicles and Vehicle Combinations Video	Six or More Axle Vehicles and Special Permits TollTag	Six or More Axle Vehicles and Special Permits Video
Denton Tap Main Lane Gantry (MLG1)	$0.50	$0.75	$1.00	$1.50	$1.50	$2.25	$2.00	$3.00	$2.50	$3.75
MacArthur Blvd (MACBD)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Carrollton Parkway (CARPY)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Parker Road (PARRD)	$0.33	$0.55	$0.66	$1.10	$0.99	$1.65	$1.32	$2.20	$1.65	$2.75
Old Denton Road (OLDRD)	$0.38	$0.60	$0.76	$1.20	$1.14	$1.80	$1.52	$2.40	$1.90	$3.00
Standridge Drive - South (SSTDR)	$0.57	$0.86	$1.14	$1.72	$1.71	$2.58	$2.28	$3.44	$2.85	$4.30
Josey Lane - South (SJOLN)	$0.70	$1.05	$1.40	$2.10	$2.10	$3.15	$2.80	$4.20	$3.50	$5.25
Josey Main Lane Gantry (MLG2)	$1.30	$1.95	$2.60	$3.90	$3.90	$5.85	$5.20	$7.80	$6.50	$9.75
Standridge Drive - North (NSTDR)	$0.74	$1.11	$1.48	$2.22	$2.22	$3.33	$2.96	$4.44	$3.70	$5.55
Josey Lane - North (NJOLN)	$0.61	$0.92	$1.22	$1.84	$1.83	$2.76	$2.44	$3.68	$3.05	$4.60
Plano Parkway (PLAPY)	$0.48	$0.72	$0.96	$1.44	$1.44	$2.16	$1.92	$2.88	$2.40	$3.60
Spring Creek Parkway (SPCPY)	$0.24	$0.46	$0.48	$0.92	$0.72	$1.38	$0.96	$1.84	$1.20	$2.30
Preston Road (PRERD)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Hillcrest Road (HILRD)	$0.24	$0.46	$0.48	$0.92	$0.72	$1.38	$0.96	$1.84	$1.20	$2.30
Coit Road (COIRD)	$0.53	$0.80	$1.06	$1.60	$1.59	$2.40	$2.12	$3.20	$2.65	$4.00
Independence Parkway (INDPY)	$0.70	$1.05	$1.40	$2.10	$2.10	$3.15	$2.80	$4.20	$3.50	$5.25
Custer Road - South (CUSRD)	$0.87	$1.31	$1.74	$2.62	$2.61	$3.93	$3.48	$5.24	$4.35	$6.55
Custer Main Lane Gantry (MLG3)	$1.80	$2.70	$3.60	$5.40	$5.40	$8.10	$7.20	$10.80	$9.00	$13.50
Exchange Parkway (SALDR)	$0.94	$1.41	$1.88	$2.82	$2.82	$4.23	$3.76	$5.64	$4.70	$7.05
Alma Drive (NALDR)	$0.69	$1.04	$1.38	$2.08	$2.07	$3.12	$2.76	$4.16	$3.45	$5.20
Stacy Road (STARD)	$0.54	$0.81	$1.08	$1.62	$1.62	$2.43	$2.16	$3.24	$2.70	$4.05
Lake Forest Drive (LAFDR)	$0.42	$0.64	$0.84	$1.28	$1.26	$1.92	$1.68	$2.56	$2.10	$3.20
Hardin Boulevard (HARBD)	$0.27	$0.49	$0.54	$0.98	$0.81	$1.47	$1.08	$1.96	$1.35	$2.45

TOLL RATES EFFECTIVE JULY 1, 2013 THROUGH JUNE 30, 2015

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	
Toll Gantry	**TollTag**	**Video**	**TollTag**	**Video**	**TollTag**	**Video**	**TollTag**	**Video**	**TollTag**	**Video**
Denton Tap Main Lane Gantry (MLG1)	$0.53	$0.80	$1.06	$1.60	$1.59	$2.40	$2.12	$3.20	$2.65	$4.00
MacArthur Blvd (MACBD)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Carrollton Parkway (CARPY)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Parker Road (PARRD)	$0.35	$0.58	$0.70	$1.16	$1.05	$1.74	$1.40	$2.32	$1.75	$2.90
Old Denton Road (OLDRD)	$0.40	$0.63	$0.80	$1.26	$1.20	$1.89	$1.60	$2.52	$2.00	$3.15
Standridge Drive - South (SSTDR)	$0.61	$0.92	$1.22	$1.84	$1.83	$2.76	$2.44	$3.68	$3.05	$4.60
Josey Lane - South (SJOLN)	$0.74	$1.11	$1.48	$2.22	$2.22	$3.33	$2.96	$4.44	$3.70	$5.55
Josey Main Lane Gantry (MLG2)	$1.38	$2.07	$2.76	$4.14	$4.14	$6.21	$5.52	$8.28	$6.90	$10.35
Standridge Drive - North (NSTDR)	$0.78	$1.17	$1.56	$2.34	$2.34	$3.51	$3.12	$4.68	$3.90	$5.85
Josey Lane - North (NJOLN)	$0.65	$0.98	$1.30	$1.96	$1.95	$2.94	$2.60	$3.92	$3.25	$4.90
Plano Parkway (PLAPY)	$0.51	$0.77	$1.02	$1.54	$1.53	$2.31	$2.04	$3.08	$2.55	$3.85
Spring Creek Parkway (SPCPY)	$0.26	$0.49	$0.52	$0.98	$0.78	$1.47	$1.04	$1.96	$1.30	$2.45
Preston Road (PRERD)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Hillcrest Road (HILRD)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Coit Road (COIRD)	$0.56	$0.84	$1.12	$1.68	$1.68	$2.52	$2.24	$3.36	$2.80	$4.20
Independence Parkway (INDPY)	$0.74	$1.11	$1.48	$2.22	$2.22	$3.33	$2.96	$4.44	$3.70	$5.55
Custer Road - South (CUSRD)	$0.92	$1.38	$1.84	$2.76	$2.76	$4.14	$3.68	$5.52	$4.60	$6.90
Custer Main Lane Gantry (MLG3)	$1.91	$2.87	$3.82	$5.74	$5.73	$8.61	$7.64	$11.48	$9.55	$14.35
Exchange Parkway (SALDR)	$0.99	$1.49	$1.98	$2.98	$2.97	$4.47	$3.96	$5.96	$4.95	$7.45
Alma Drive (NALDR)	$0.73	$1.10	$1.46	$2.20	$2.19	$3.30	$2.92	$4.40	$3.65	$5.50
Stacy Road (STARD)	$0.57	$0.86	$1.14	$1.72	$1.71	$2.58	$2.28	$3.44	$2.85	$4.30
Lake Forest Drive (LAFDR)	$0.44	$0.67	$0.88	$1.34	$1.32	$2.01	$1.76	$2.68	$2.20	$3.35
Hardin Boulevard (HARBD)	$0.28	$0.51	$0.56	$1.02	$0.84	$1.53	$1.12	$2.04	$1.40	$2.55

PGBT EE Tolling

Toll Rates

- Toll rates for the PGBT EE shall be as set forth in the following schedules for the periods indicated in the schedules.
- The Construction, Operation and Maintenance Agreement for the PGBT EE between the Authority and TxDOT dated December 5, 2007, as amended (the "*EE Project Agreement*") provides for a supplemental toll on the PGBT EE (the "*Regional Toll*") to be collected by the Authority and held in trust for TxDOT for the benefit of the North Central Texas region. **The Regional Toll and the toll charged by the NTTA (the "*NTTA Toll*") together constitute the publicly announced toll (the "*Unified Toll*"), but the Regional Toll does not constitute and is not considered as the property or revenues of the Authority or the NTTA System.**
- The Unified Toll rate for two-axle vehicles with TollTags is $0.145 per mile as of 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 the 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, 2011 THROUGH JUNE 30, 2013

PGBT EE (Unified Toll)

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	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Miller Road (MLRRD)	$0.38	$0.60	$0.76	$1.20	$1.14	$1.80	$1.52	$2.40	$1.90	$3.00
Main Street (MAIST)	$0.51	$0.77	$1.02	$1.54	$1.53	$2.31	$2.04	$3.08	$2.55	$3.85
Merritt Road (MERRD)	$0.81	$1.22	$1.62	$2.44	$2.43	$3.66	$3.24	$4.88	$4.05	$6.10
Merritt Main Lane Gantry (MLG5)	$1.52	$2.28	$3.04	$4.56	$4.56	$6.84	$6.08	$9.12	$7.60	$11.40
Miles Road (MILRD)	$0.33	$0.55	$0.66	$1.10	$0.99	$1.65	$1.32	$2.20	$1.65	$2.75
Firewheel Parkway (FIRPY)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25
Crist Road (CRIRD)	$0.23	$0.45	$0.46	$0.90	$0.69	$1.35	$0.92	$1.80	$1.15	$2.25

TOLL RATES EFFECTIVE JULY 1, 2013 THROUGH JUNE 30, 2015

PGBT EE (Unified Toll)

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	Video	TollTag	Video	TollTag	Video	TollTag	Video	TollTag	Video
Miller Road (MLRRD)	$0.40	$0.63	$0.80	$1.26	$1.20	$1.89	$1.60	$2.52	$2.00	$3.15
Main Street (MAIST)	$0.53	$0.80	$1.06	$1.60	$1.59	$2.40	$2.12	$3.20	$2.65	$4.00
Merritt Road (MERRD)	$0.85	$1.28	$1.70	$2.56	$2.55	$3.84	$3.40	$5.12	$4.25	$6.40
Merritt Main Lane Gantry (MLG5)	$1.61	$2.42	$3.22	$4.84	$4.83	$7.26	$6.44	$9.68	$8.05	$12.10
Miles Road (MILRD)	$0.34	$0.57	$0.68	$1.14	$1.02	$1.71	$1.36	$2.28	$1.70	$2.85
Firewheel Parkway (FIRPY)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40
Crist Road (CRIRD)	$0.25	$0.48	$0.50	$0.96	$0.75	$1.44	$1.00	$1.92	$1.25	$2.40

APPENDIX D

PROGRESS REPORTS

FOR

DALLAS NORTH TOLLWAY EXTENSION PHASE 3, LEWISVILLE LAKE TOLL BRIDGE, SAM RAYBURN TOLLWAY, AND THE PRESIDENT GEORGE BUSH TURNPIKE EASTERN EXTENSION

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North Texas Tollway Authority Semi-Annual Progress Report

June 2012

Dallas North Tollway Extension Phase 3

Progress Report No. 14

Lewisville Lake Toll Bridge

Progress Report No. 12

Sam Rayburn Tollway

Progress Report No. 10

PGBT Eastern Extension

Progress Report No. 8

Prepared by

HNTB

Issued August 15, 2012

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JANICE DAVIS .... Chief Financial Officer
ELIZABETH MOW, P. E. .... Assistant Executive Director, Project Delivery
CLAYTON HOWE .... Assistant Executive Director, Operations

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CONSULTING ENGINEER PROJECT DIRECTOR'S LETTER

The North Texas Tollway Authority is a regional tollway authority governed by the Authority Act and is a political sub-division of the State of Texas currently serving Member counties. The NTTA's mission is to provide a safe and reliable toll road system, increase value and mobility options for their customers, operate the Authority in a businesslike manner, protect their bondholders, and partner with other key transportation groups to meet the region's growing need for transportation infrastructure. The Authority Act authorizes the Authority to acquire, construct, maintain, repair and operate turnpike projects such as those included in the NTTA System and Special Project System at such locations within its jurisdiction as may be determined by the Authority and to issue bonds and other obligations for the purpose of paying all or any part of the cost of a turnpike project.

The Authority adheres to the requirements outlined in a comprehensive Trust Agreement which governs the affairs of projects financed with public bonds. As described in Section 411 of the Amended and Restated Trust Agreement dated April 1, 2008, the Consulting Engineers are to prepare a progress report at least once every six months during the design and construction of a project financed in part or wholly by public bonds. Described in this report is the status of four projects meeting the criteria of projects financed with public bonds; including Dallas North Tollway Extension Phase 3, Lewisville Lake Toll Bridge, Sam Rayburn Tollway and President George Bush Turnpike Eastern Extension.

The report is to include, (i) the date the Project will be open to traffic, (ii) the date on which the construction of the Project will be completed, (iii) the cost of the Project, excluding any bond discount and interest during construction, and (iv) the amount of funds required each six months during the remaining estimated period of construction, including comparisons between the actual time elapsed and the actual costs against the original estimates of such times and costs. This information is presented in greater detail within this report, as well as other relevant items on an individual corridor basis. It is with great pleasure that HNTB Corporation serves the Authority as their Consulting Engineer and presents this period's report.

Respectfully submitted,
HNTB Corporation

Stephanie L. Halliday

Stephanie L. Halliday, P.E.
GEC Project Director

Dallas North Tollway Extension Phase 3

Semi-Annual Progress Report No. 14

June 2012

Prepared by

HNTB

Issued August 15, 2012

GENERAL INTRODUCTION

The Dallas North Tollway Extension Phase 3 ("the Project", "DNT-3") is the third major extension of the Dallas North Tollway (DNT). It is a six-lane, controlled-access toll facility constructed between north- and south bound service roads designated as the Dallas Parkway in the City of Frisco, Texas. The project limits begin just north of the Sam Rayburn Tollway (SRT), (formerly known as 121 Tollway) approximately 1,300 feet south of Gaylord Parkway. The Project extends through the City of Frisco in Collin County approximately 9.2 miles north. The main lanes terminate 2,900 feet south of United States Highway 380 (U.S. 380) in anticipation of the future construction of an interchange project with U.S. 380.

Six limited-access toll lanes were constructed from the end of the existing DNT between existing and newly-constructed parallel service roads. The north- and southbound service roads provide between two and three traffic lanes in each direction. Twenty-eight limited-access ramp connections were constructed as a part of the Extension Phase 3 project. Of the 28 ramp connections, 10 of the ramp connections were built as tolled ramp gantries. One main lane toll gantry between Main Street and Eldorado Parkway was added.

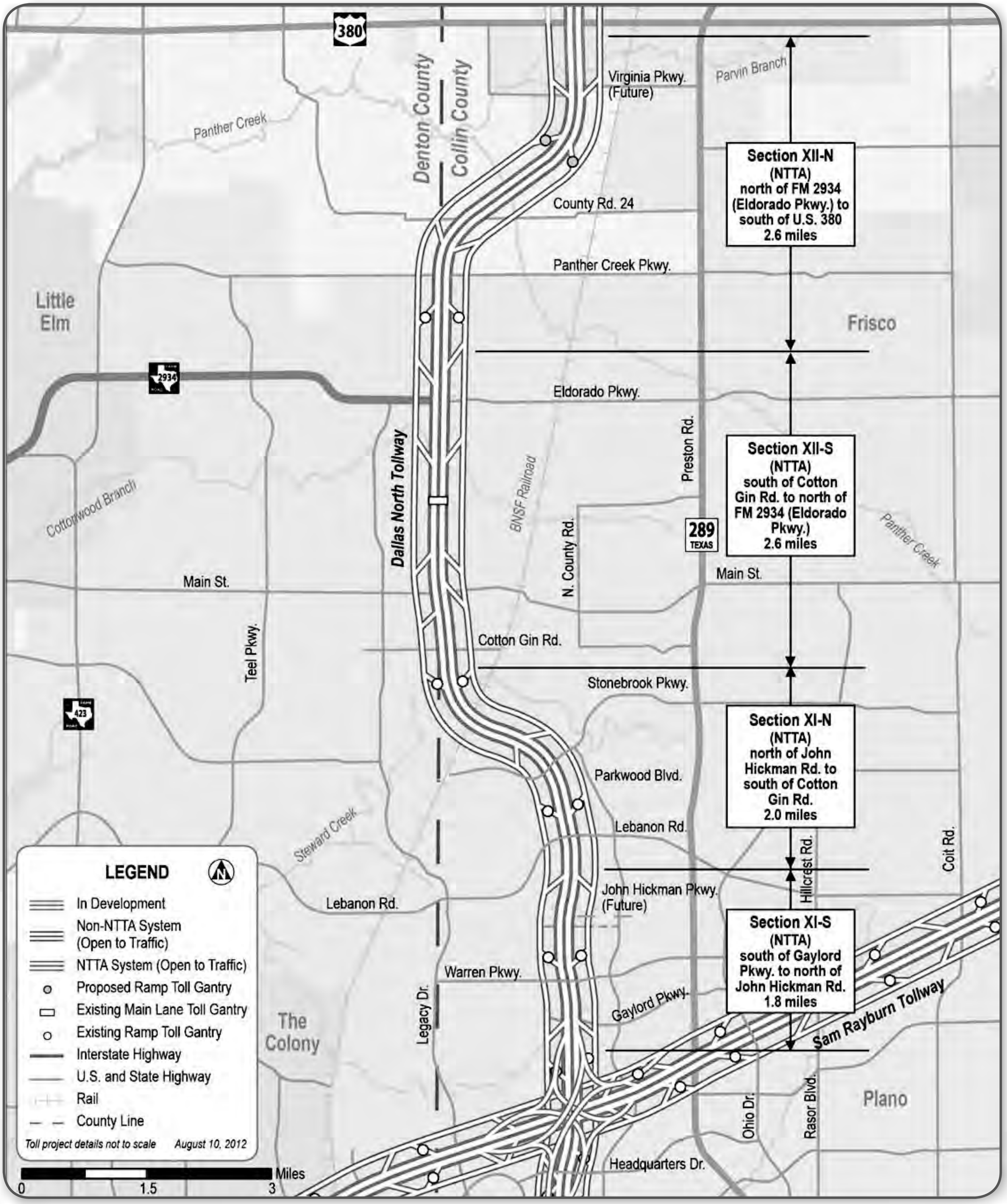
All tolled ramp locations operate as all electronic toll collection (all-ETC) facilities. All bridge structures, main lane pavement and ramps are part of the Project. A three-level interchange previously constructed at the SRT interchange as augmented by construction of fourth and fifth levels to become a fully-directional interchange. Work began in the first quarter of 2010 at the existing three-level intersection of the Project and the SRT as part of the SRT corridor project described later in this Progress Report. All eight direct connectors were fully opened to traffic as of Nov. 14, 2011. A visual depiction of the general limits of the Project is shown in figure 1 on the next page.

In an effort to extend pavement life and potentially reduce long term maintenance costs, NTTA staff implemented a modification to the pavement and sub-grade design through construction change orders. The modification consisted of increased pavement thickness throughout the Project coupled with a revised sub-grade stabilization technique at certain locations in Section XII.

The NTTA also coordinated with the Texas Department of Transportation (TxDOT) to provide the ultimate frontage road configuration on the south side of U.S. 380 at the DNT intersection. This modification supported improved traffic flow for motorists entering and exiting the DNT at its northern terminus at U.S. 380. The Project's contingency funds paid for this design change with no impact to the open-to-traffic date or the original estimated at completion Project cost.

After substantial completion had been achieved on the Project, an investigation was conducted to evaluate excessive mechanically stabilized earth (MSE) retaining wall panel movement that had occurred at three of the four corners of the DNT main lane intersection with County Road (CR) 24, on contract DNT-466. Results of this initial investigation indicated that the design generated by the MSE wall precast panel provider utilized MSE wall soil strength parameters obtained from TxDOT's standard MSE drawing, as opposed to utilizing site-specific soil strength parameters for foundation/retained soil zones. Subsequent random spot checks on adjacent DNT contracts identified similar findings, resulting in the conclusion that it was a common practice in the industry to utilize this same

Figure 1: DNT Extension Phase 3 Corridor Map



approach. The NTTA immediately implemented improved design and construction procedures for all other design-phase or construction-phase projects with MSE walls as a result of this finding.

NTTA further studied this condition by assembling an independent, three-party Blue Ribbon Panel of MSE wall nationwide experts, tasked with assessing the forensic engineering performed to date, as well as results of a DNT Phase 3 geotechnical investigation. The Blue Ribbon Panel recommended that the NTTA implement a long-term monitoring program to detect potential future problematic wall panel movements that may be significant enough to lead to future maintenance problems and to enable development of remedial action requirements, if the need for such action develops in the future. These walls are visually inspected as a part of the GEC's annual inspection program and are being monitored by the NTTA Maintenance Department as well.

DESIGN AND CONSTRUCTION STATUS

For purposes of managing and expediting the design and construction of the DNT Extension Phase 3 expansion, the project was divided into four sections identified as XI-S, XI-N, XII-S and XII-N. Figure 1, DNT Extension Phase 3 Corridor Map, on page 8 depicts the limits of each section and the location of new main lane gantry number 4 (MLG-4). Further details of the design and construction of each section and MLG-4 is listed in Table 1 on page 10.

ESTIMATE OF PROJECT COSTS

The original estimate of project funds required for construction of the DNT Extension Phase 3 was $264 million, as shown in the Engineering Report Estimate column of Table 3. This amount excluded costs associated with feasibility analysis provided by the financial advisor, traffic and revenue engineer, and bond counsel prior to the sale of bonds to fund construction. Additionally, interest during construction and finance costs associated with loan closing were also excluded. Since the original estimate, the NTTA determined that the cost of the feasibility analysis paid by the Feasibility Study Fund (FSF) should be included in the Project Total. The current estimated value of these additional costs as of June 30, 2012 is $3,426,447 *(see Note 2 in Table 3)*.

In the inter-local agreement with Collin County and the City of Frisco, the NTTA agreed to pay $8.6M to reimburse both the city and county for a portion of their cost to construct the northbound service road from SRT to U.S. 380 and southbound service road from SRT to Main Street. Furthermore, the parties agreed to consider sharing costs to construct the southbound service road from Main Street to U.S. 380, for which NTTA subsequently paid the entire cost for the addition. As of the date of this report, the NTTA has determined and documented that their expenditures on the southbound service road from Main Street to U.S. 380 far exceed $8.6M, therefore, no reimbursement is needed. Thus, the current estimated cost of the Extension Phase 3 at completion is $255,754,791 without the service road reimbursement. Table 3 on page 11 also shows actual incurred expenditures as of June 2012 for the Project.

Cost estimates for the Project were prepared based on the status of contracts, supplemental agreements and approved change orders awarded to date. The current cost estimate represents the best good-faith judgment from a design professional familiar with the highway construction industry. Neither the NTTA nor its consulting engineers have control over the labor, materials or equipment costs; the contractors' methods of determining bid prices; or competitive bidding, market or negotiating conditions. The estimate of construction costs given in progress reports are continually monitored as work progresses on the Project.

The semi-annual estimated amount of funds required for the remaining period of the DNT Extension Phase 3 is shown in Table 4.

Dallas North Tollway Extension Phase 3
Table 1 - Design and Construction Status Summary

Design							Construction						
Section	Limits	Design Contract	Consultatnt	Design Notice to Proceed	Current Status of PS&E	Letting Dates	Construction Contract	Contractor	Begin Construction	End Construction	Duration (Months)	Current Status of Construction	Open-to-traffic (Planned / Actual)
XI-S	S. of Gaylord Pkwy. to N. John Hickman Rd. (1.8 miles)	DNT-457	Chiang, Patel & Yerby, Inc.	June 9, 2003	Complete	Jan. 27, 2005	DNT-463	Archer-Western Contractors. LTD	March 10, 2005	June 3, 2008	39	Complete	Sept. 2007 / Sept. 28, 2007
XI-N	N. of John Hickman Rd. to S. of Cotton Gin Rd. (2.0 miles)	DNT-459	PB Americas, Inc.	June 9, 2003	Complete	Nov. 23, 2004	DNT-464	Zachry Construction Corporation	Jan. 14, 2005	Aug. 25, 2008	41	Complete	Sept. 2007 / Sept. 28, 2007
XII-S	S. of Cotton Gin Rd. to N. of FM 2934 (Eldorado Pkwy.) (2.6 miles)	DNT-460	Halff Associates, Inc.	June 9, 2003	Complete	Nov. 23, 2004	DNT-464	Zachry Construction Corporation	Jan. 14, 2005	Aug. 25, 2008	41	Complete	Sept. 2007 / Sept. 28, 2007
XII-N	N. of FM 2934 (Eldorado Pkwy.) to S. of U.S. 380 (2.6 miles)	DNT-461	Jacobs Engineering Group, Inc.	June 9, 2003	Complete	June 30, 2005	DNT-466	Mario Sinacola & Sons Excavating, Inc.	Aug. 8, 2005	July 8, 2008	34	Complete	Sept. 2007 / Sept. 28, 2007
Main Lane Toll (MLG-4) Gantry Procurement	N. of Main St., S. of Eldorado Pkwy.	DNT-477	Murphy/ Jahn, Inc.	Jan. 24, 2006	Complete	Feb. 28, 2008	02001-DNT-00-CN-EN	Rebcon, Inc	Approx. June 30, 2006	Dec. 10, 2007	17	Complete	Sept. 2007 / Sept. 28, 2007
Landscape	Dallas North Tollway, I.H. 35 to U.S. 380	DNT-357, WA 21	HNTB Corporation	March 23, 2003	Complete	Feb. 28, 2008	02091-DNT-00-CN-MA	Valleycrest Landscape Development Inc.	March 20, 2008	Sept. 18, 2009* / Sept. 17, 2011**	17* 24**	Complete* Complete**	N/A

* Two-year landscape maintenance warranty period began upon completion of landscape construction on Sept. 18, 2009.

** Landscape Warranty period ended September 17, 2011 and the NTTA Maintenance Department assumed responsibility.

TABLE 2 – ADDITIONAL SERVICE PROVIDERS		
Contract Number	Firm	Service
DNT-357-02005-NTT-00-PS-AD	HNTB Corporation	General Engineering Consultant
DNT 537	Fugro Consultants, LP	Construction Materials Testing
DNT 286 – SA No. 37 02056-NTT-00-PS-EN-WA01	Kellogg Brown & Root Services, Inc.	Construction Management
02058-NTT-00-PS-EN-WA06	Atkins North America, Inc.	Landscape Construction Management
02058-NTT-00-PS-EN-WA07	Atkins North America, Inc.	Surveying to Monitor Retaining Wall
02406-DNT-04-PS-PM	Kleinfelder Central, Inc.	MSE Wall Forensic Services
02510-NTT-00-PS-PM	Kleinfelder Central, Inc.	MSE Wall Forensic Testing
02516-NTT-00-PS-PM	Kleinfelder Central, Inc.	MSE Wall Independent Design Check
02547-NTT-00-PS-PM	Terracon Consultants, Inc.	MSE Wall Independent Design Check
02564-NTT-00-PS-PM	Ryan Berg Engineering & Design, Inc.	MSE Wall Blue Ribbon Panel

TABLE 3 – ESTIMATE OF PROJECT COSTS AT COMPLETION				
No.	Description	Engineering Report Estimate, December 2004	Estimated Cost, June 2012	Actual Expenditures, June 2012
1	Section XI-S	$29,997,320	$30,883,722	$30,883,722
2	Sections XI-N and XII-S	$83,973,000	$94,770,831	$94,770,831
3	Section XII-N	$51,926,140	$52,417,466	$52,417,466
4	Toll Plaza Structures	$22,500,000	$27,254,325	$27,254,325
5	Equipment [3]	$4,282,400	$6,000,135	$6,000,135
6	Construction Management	$11,695,000	$13,693,473	$13,693,473
7	Miscellaneous Construction [1,3]	$16,975,070	$9,917,992	$9,917,992
Subtotal (1-7) Construction		**$221,348,930**	**$234,937,944**	**$234,937,944**
8	PS&E [2]	$11,642,620	$15,626,849	$15,624,338
9	PS&E Administrative	$3,898,300	$5,189,998	$5,189,998
10	Reimbursement	$8,600,000	$ -	$ -
Subtotal (8-10) Engineering		**$24,140,920**	**$20,816,847**	**$20,814,336**
11	Project Contingencies	$18,510,150	$ -	$ -
Project Total (1-11)		**$264,000,000**	**$255,754,791**	**$255,752,280**

NOTES:

[1] The estimated Miscellaneous Construction cost includes the costs of construction materials testing, utility relocations, right of way and easements, landscape, and ITS equipment installation.

[2] This line includes the cost of feasibility planning and analysis provided by the financial advisor, traffic and revenue engineers, and bond counsel which was not originally included in the Project cost in the Engineer's Estimate. The amounts above do not include bond discounts, interest during and after construction, and financing costs associated with the loan closing process.

[3] The Engineering Report Estimate column included Intelligent Transportation System equipment and installation within the Miscellaneous Construction category. As of the December 2010 report, the Estimated Cost and Actual Expenditure columns now report this cost in the Equipment line above.

TABLE 4 - CASH FLOW DRAW SCHEDULE						
Period Ending	Original Semi-Annual Estimate, December 2005	Original Cumulative Estimate, December 2005	Semi-Annual Actual, June 2012	Cumulative Actual, June 2012	Semi-Annual Estimate, June 2012	Cumulative Estimate, June 2012
June 30, 2005	$32,032,379	$32,032,379	$31,532,539	$31,532,539		
Dec. 31, 2005	$37,832,726	$69,865,105	$37,901,298	$69,433,837		
June 30, 2006	$75,334,895	$145,200,000	$39,188,675	$108,622,512		
Dec. 31, 2006	$73,920,000	$219,120,000	$37,436,238	$146,058,749		
June 30, 2007	$34,320,000	$253,440,000	$40,074,080	$186,132,829		
Dec. 31, 2007	$10,560,000	$264,000,000	$35,645,420	$221,778,249		
June 30, 2008			$8,275,434	$230,053,683		
Dec. 31, 2008			$13,881,788	$243,935,471		
June 30, 2009			$3,580,679	$247,516,150		
Dec. 31, 2009			$5,195,619	$252,711,769		
June 30, 2010			$2,439,408	$255,151,177		
Dec. 31, 2010			$268,095	$255,419,271		
June 30, 2011			$115,845	$255,535,116		
Dec. 31, 2011			$194,911	$255,730,027		
June 30, 2012			$22,253	$255,752,280		
Dec. 31, 2012					$2,511	$255,754,791

CORRIDOR SCHEDULE

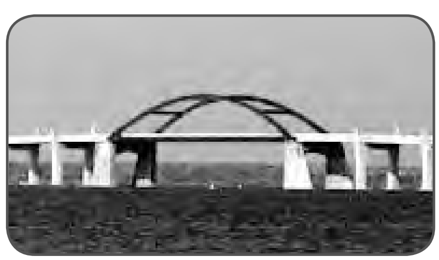
The DNT Extension Phase 3 Engineering Report released Dec. 15, 2004 concluded that construction could be substantially completed and the Extension placed into operation in September 2007. The actual open to traffic date of the project was Sept. 28, 2007. All roadway construction contracts are complete.

The DNT Extension Phase 3 project is open to traffic and is being used as contemplated by its design. The project is 100 percent complete including all ancillary construction items. All design, construction and landscape contracts have been closed; all payments for such have been made; and no additional amount is required for the design or construction of the project. As such, this will be the final semi-annual progress report for this project. Resolution of the service road reimbursement previously discussed in this report will be addressed by the NTTA and does not require continued reporting by the Consulting Engineer since construction is complete, all construction related contracts fully paid and the road is open to traffic.

Lewisville Lake Toll Bridge

Semi-Annual Progress Report No. 12

June 2012


Prepared by

HNTB

Issued August 15, 2012

GENERAL INTRODUCTION

The Lewisville Lake Toll Bridge project (the “Project”, “LLTB”) is part of what is known as the Lewisville Lake Corridor Project. The full corridor is approximately 13.8 miles in length and connects Interstate Highway 35 East (IH 35E) at Swisher Road in Denton County with the Dallas North Tollway at Farm-to-Market Road 2934 (FM 2934), also known as Eldorado Parkway, in Collin County. To facilitate convenient design and construction, the full corridor project is comprised of eight individual sections of varying lengths, types of facilities and responsible parties *(see Figure 2, page 15)*.

The subject of this report is Section 2, the toll bridge, which is the NTTA’s responsibility within the full corridor *(see Figure 2, page 15)*. This toll bridge project consists of a short approach roadway on each shore of Lewisville Lake, a bridge crossing the main body of water, a toll gantry on the western side of the bridge, and a flowage easement bridge on the west side of the toll gantry. The total length of Section 2 is approximately 10,775 feet (2.04 miles) including the bridges and approach roadway.

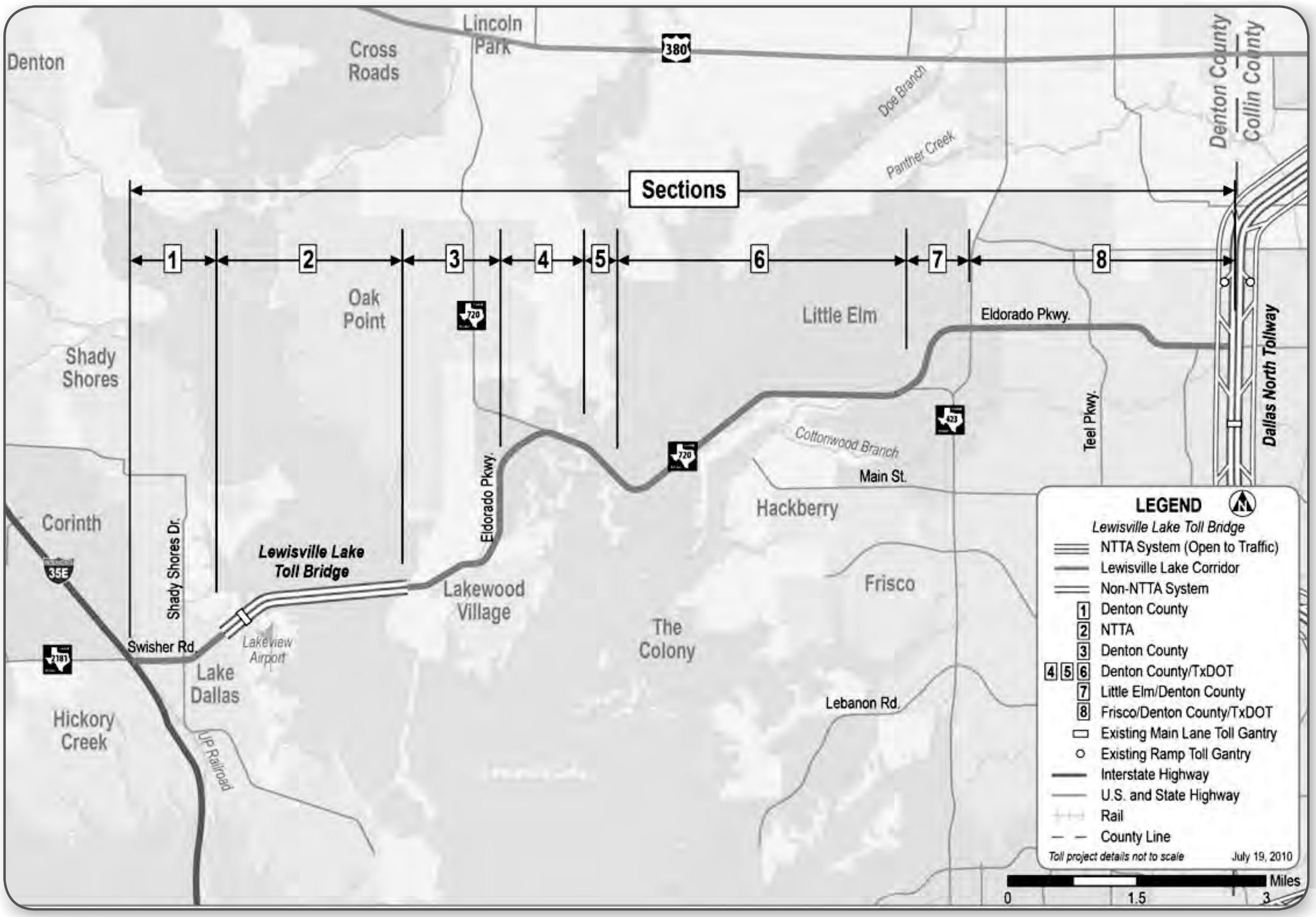
DESIGN AND CONSTRUCTION STATUS

The Project was separated into one construction and two main design contracts. One of the design contracts comprised the roadway and bridge portions of the Project; the second design contract addressed the toll gantry. Even though the project had multiple design contracts, a single contractor constructed the roadway, bridges and toll gantry. Landscape and irrigation design and construction were separate contracts.

As of the writing of this period’s progress report, a uniform perennial vegetative cover with a density of at least 70 percent of the native background vegetative cover has not yet been established by Jensen per the contract requirement for all unpaved areas within the right of way. Jensen is required to resolve this issue to an acceptable conclusion prior to release of remaining withheld retainage, allowing close-out of their contract. Additionally, NTTA is exploring options to modify or replace the installed bridge lighting for improved operation and maintenance capabilitiy, potentially funded by the LLTB construction fund.

From an historical perspective, heavy spring and early summer rains raised the lake level significantly in the first half of 2007. Due to restrictions set by the U.S. Army Corps of Engineers (USACE)

Figure 2: Lewisville Lake Toll Bridge Corridor Map



construction license, construction was halted on June 16, 2007, when the lake level rose to an elevation of 525 feet above sea level. Construction was not permitted to resume until Sept. 24, 2007, 100 days after work suspension. The delay caused the estimated contract completion date to move from April 24, 2009, to Aug. 2, 2009. On Nov. 20, 2007, the NTTA Board of Directors approved the issuance of an incentive to the contractor to attempt to recover the delay. This incentive allowed the contractor to potentially earn $12,700 for each day that the work was completed before the adjusted Aug. 2, 2009 completion date, up to a maximum aggregate incentive payment of $1,270,000, equal to 100 days of incentive payments. The contractor substantially completed construction of Section 2 on July 30, just three days before the revised substantial completion date; therefore, the contractor received $38,100 in incentive bonuses.

ESTIMATE OF PROJECT COSTS

The estimate at completion project funds required for the LLTB Project is $116,000,000, as shown in Table 6, which includes planning, engineering, construction and other agency costs. The estimate uses actual bid prices from the roadway and bridge contract including the change order for the toll gantry. Cost estimates for the toll-collection equipment and landscaping are based on actual costs. Tables 6 and 7, on pages 17 and 18 show the actual expenditures through June 2012 for the project.

The estimate of costs for the Project is based on the status of contracts and change orders issued-through June 2012 and is the best information available at the present time. The development of the current cost estimate represents the best good-faith judgment of a design professional familiar with the highway construction

Lewisville Lake Toll Bridge
Table 5 - Design and Construction Status Summary

Design				Construction					
Description	Design Contract	Consultatnt	Current Status of PS&E	Construction Contract	Contractor	Begin Construction	End Construction	Current Status of Construction	Open-to-traffic (Planned / Actual)
General Engineering Consultant	DNT-357 02005-NTT-00-PS-AD	HNTB Corporation	Ongoing						
Construction Management / Materials Testing	02058-NTT-00-PS-EN	Atkins North America, Inc.	Complete						
Roadway & Bridge	DNT-503	AECOM USA, Inc.	Complete	02030-LLB-00-CN-EN 1	Jensen Construction Co.	November 2006	Mid-2012	Complete [1]	April 2009 / August 2009
Toll Gantry	02069-LLB-00-PS-EN	Halff Associates, Inc.	Complete						
Landscape	02005-NTT-00-PS-MA-WA 17	HNTB Corporation	Complete	02792-LLB-00-CN-MA	Superscapes Landscapes, Inc.	August 2010	November 2010 [2] / November 2011 [3]	Complete	Sept. 2007 / Sept. 28, 2007
MSE Wall Independent Design Check	02547-NTT-00-PS-PM	Terracon Consultants, Inc.	Complete						
MSE Walls & Bridge Foundation Assessments	02589-NTT-00-PS-PM	Atkins North America, Inc.	Complete						

NOTES:

[1] Including change order for toll gantry. Waiting for Jensen to establish uniform perrennial vegetative cover prior to release of retainage and contract close-out.

[2] One-year landscape maintenance warranty period began upon completion of the landscape construction.

[3] The one-year landscape maintenance period ended on Nov. 15, 2011.

industry. It is recognized that neither the NTTA nor the consulting engineers have control over the cost of labor, materials or equipment; the contractors' methods of determining bid prices; or the competitive bidding, market or negotiating conditions. Therefore, neither the NTTA nor its consulting engineers warrant that the construction costs will not increase and thereby exceed the estimate of construction costs given in progress reports. These costs will be monitored as work progresses on the Project.

The semi-annual estimated amount of funds required for the remaining construction costs of the Project, including project contingencies, is shown in Table 7.

TABLE 6 – ESTIMATE OF PROJECT COSTS AT COMPLETION				
No.	Description	Engineering Report Estimate, March 2006	Estimated Cost, June 2012	Actual Expenditures, June 2012
1	Section 2	$92,900,000	$97,383,075	$97,299,672
2	Toll Plaza [1]	$6,100,000	$ -	$ -
3	Equipment [2]	$500,000	$616,847	$616,847
4	Construction Management	$5,900,000	$6,219,937	$6,219,937
Subtotal (1-4) Construction		**$105,400,000**	**$104,219,859**	**$104,136,456**
5	PS&E (Plans, Specifications, & Estimates)	$3,600,000	$4,172,118	$3,528,771
6	Other Agency Costs	$2,100,000	$5,128,369	$5,128,369
Subtotal (5-6) Engineering		**$5,700,000**	**$9,300,487**	**$8,657,140**
7	Project Contingencies	$11,100,000	$304,654	$ -
Original Project Total (1-7) [3]		**$122,200,000**	**$113,825,000**	**$112,793,596**
8	Sand Stockpile Design & Construction	$ -	$175,000	$ -
9	Bridge Aesthetic Lighting [4]	$ -	$2,000,000	$ -
New Project Total (1-9) [4]		**$ 122,200,000**	**$116,000,000**	**$112,793,596**

NOTES:

[1] Section 2 includes the cost of landscaping and the toll plaza.

[2] The Equipment line includes the costs for Intelligent Transportation System and Electronic Toll Collection equipment.

[3] The amount shown above does not include bond discounts, interest during and after construction, and other financing costs associated with the loan closing process.

[4] The NTTA may modify or replace bridge lighting to improve operations and maintenance capability.

TABLE 7 - CASH FLOW DRAW SCHEDULE						
Period Ending[1]	Original Semi-Annual Estimate, December 2006	Original Cumulative Estimate, December 2006	Semi-Annual Actual, June 2012	Cumulative Actual, June 2012	Semi-Annual Estimate, June 2012 [1,2]	Cumulative Estimate, June 2012
Dec. 31, 2006	$2,841,920	$2,841,920	$2,788,043	$2,788,043		
June 30, 2007	$28,314,850	$31,156,771	$13,586,152	$16,374,195		
Dec. 31, 2007	$32,746,912	$63,903,683	$17,088,688	$33,462,883		
June 30, 2008	$22,751,837	$86,655,520	$22,564,326	$56,027,209		
Dec. 31, 2008	$21,085,311	$107,740,831	$26,039,551	$82,066,760		
June 30, 2009	$9,548,177	$117,289,009	$15,989,796	$98,056,556		
Dec. 31, 2009			$8,406,326	$106,462,882		
June 30, 2010			$5,993,338	$112,456,220		
Dec. 31, 2010			$147,889	$112,604,109		
June 30, 2011			$67,175	$112,671,284		
Dec. 31, 2011			$64,193	$112,735,477		
June 30, 2012			$58,119	$112,793,596		
Dec. 31, 2012					$347,139	$113,140,736
June 30, 2013					$202,090	$113,342,826
Dec. 31, 2013					$2,657,174	$116,000,000

NOTES:

[1] Estimates above include a contingency that may or may not be expended.

[2] The NTTA may modify or replace bridge lighting to improve operations and maintenance capability.

CORRIDOR SCHEDULE

Status of the sections on the corridor is as follows:

Section 1: Opened to traffic in July 2007.

Section 2: Planned open to traffic date (prior to delays caused by heavy rains) was April 24, 2009, actual open to traffic was Aug. 1, 2009. Jensen Construction is required to establish uniform perennial vegetative cover to all unpaved areas within the right of way prior to release of final retainage and contract close-out. The NTTA Maintenance Department is evaluating the need for a sand stockpile facility for snow and ice remediation at the LLTB site, or to continue to support the bridge from other facilities in the area. Additionally, the NTTA is exploring options to modify or replace the installed bridge lighting for improved operation and maintenance capability.

Section 3: Opened to traffic in October 2008.

Sections 4, 5 and 6: A Finding of No Significant Impact (FONSI) was issued in January 2007 to complete the environmental evaluation process. TxDOT opened bids for this five-mile section on July 8, 2010. Construction began in late 2010 and is now expected to open to traffic in 2014, later than originally anticipated.

Section 7: Opened to traffic in April 2004.

Section 8: Opened to traffic on Nov. 15, 2009.

Sam Rayburn Tollway

Semi-Annual Progress Report No. 10

June 2012

Prepared by

HNTB

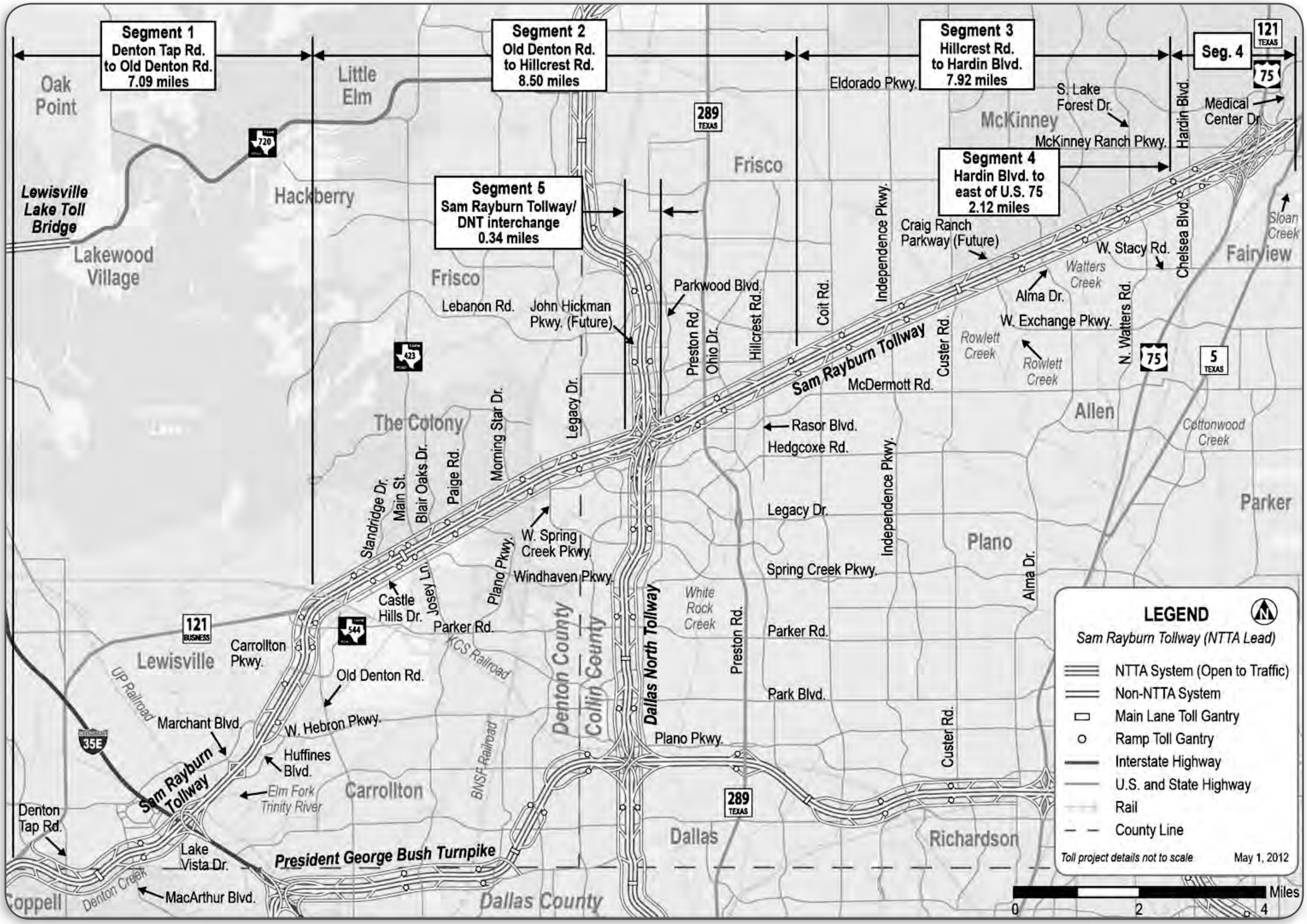
Issued August 15, 2012

GENERAL INTRODUCTION

The Sam Rayburn Tollway Project (the “Project”, “SRT”) location is from Business State Highway 121 (SH 121) in Denton County to United States Highway 75 (U.S. 75) in Collin County, a distance of approximately 26 miles. The Project serves as a primary northeast-southwest traffic artery between Interstate Highway 35 East (I-35E) and U.S. 75. The corridor area served by the SRT continues to experience significant growth in commercial, retail and residential development. The Project is also a primary arterial serving the Dallas/Fort Worth (DFW) International Airport. For purposes of managing and expediting the design and construction, the Project is broken into five segments *(refer to Figure 3).*

The entire SRT Project includes three main lane toll gantries (MLG) and 40 ramp toll gantries, plus four ramp gantries along the Dallas North Tollway (DNT). The DNT ramp gantries are part of the overall interchange improvements on their respective corridor and will operate as all-electronic toll collection (all-ETC) to maximize traffic flow. All-ETC main lane and ramp gantries are equipped with both TollTag and TxTag collection capability to accommodate compatibility with other toll agencies across the state of Texas. All toll collection lanes are dedicated, non-stop express lanes to expedite the flow of traffic through the gantries and provide for ease of maintenance. Refer to Figure 3 on the following page, which identifies each all-ETC location of the SRT corridor and the four ramp toll gantries to the DNT.

Figure 3 – Sam Rayburn Tollway Corridor Map



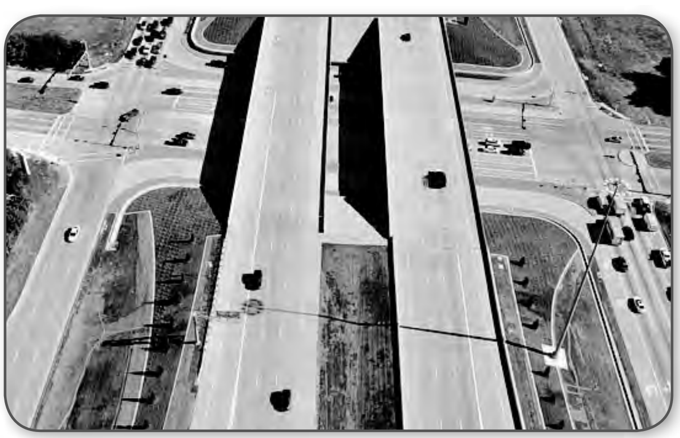
DESIGN AND CONSTRUCTION STATUS

Design and construction status information has been summarized by segment in Tables 8 and 9 on pages 23 and 24. Additional service providers key to the project are shown in Table 10.

The grade separated interchange at Exchange Parkway, located between Custer Road and Rowlett Creek, was been added to the Project through a partnership agreement with Collin County and the cities of Allen and McKinney to improve local access. The Exchange Parkway improvements were constructed under a separate contract within this overall Project, and the Segment 3N project length was reduced accordingly. As an unanticipated cost to the project, a sand stockpile was designed and constructed at the intersection of the Project and Exchange Parkway to enable the NTTA to more quickly respond to hazardous driving conditions during winter weather for the northern most portion of the Project.

ESTIMATE OF PROJECT COSTS

The current estimated cost of the SRT Project (Segments 1-5), for the six-lane section, is $638,810,700. This excludes an unadjusted amount of $59,309,300 previously estimated towards capacity improvements on Segments 1 through 4 to be scheduled at a later date as recommended by the NTTA's traffic and revenue engineers. The required 350- to 400-foot-wide project right of way was acquired by TxDOT, Collin, Dallas and Denton counties, and the cities of Plano, Frisco, Allen and McKinney. The estimated cost does not include funds for right of way acquired at the SRT/U.S.75 interchange and the SRT/DNT interchange, where a total of seven parcels (17.98 acres) were to be acquired by TxDOT at its cost. Under a separate agreement, TxDOT and the NTTA later agreed that the NTTA would acquire the right of way on TxDOT's behalf, and TxDOT would subsequently reimburse the NTTA.



Several factors, including unforeseen escalation of prices and wages, labor or material shortages and changes in economic conditions can significantly affect (escalate or reduce) construction costs. Appropriate contingencies are added to the cost of the Project to cover the unforeseen escalations and are not intended to cover scope additions. The estimated Project cost reflects our professional judgment of the construction industry; it is our belief that the Project can be constructed within the original scope and limits described for the estimated cost given herein. Due to the nature of the construction industry, neither the NTTA nor its consulting engineers warrant that the construction costs will not increase and thereby exceed the estimate of construction costs given in progress reports.

Cost estimates for the Project were prepared based on the status of contracts awarded to date. The cost estimate represents the best good-faith judgment from a design professional familiar with the highway construction industry. Neither the NTTA nor its consulting engineers have control over the labor, materials or equipment costs; the contractors' methods of determining bid prices; or competitive bidding, market or negotiating conditions. The estimate of the Project's construction cost given in progress reports will be monitored as work progresses.

The semi-annual estimated amount of funds required for the estimated period of construction to meet the cost of the Project, including funds allocated for project contingencies, is shown in Table 12.

Sam Rayburn Tollway
Table 8 - Design and Construction Status Summary

	Segment 1	Segment 2	Segment 3S	Segment 3N	Exchange Pkwy Improvements [1]	Segment 4	Segment 5
Category	Denton Tap Rd. / Denton Creek to FM 2281 (7.09 miles)	FM 2281 / Old Denton Rd. to east of Hillcrest Rd. (8.50 miles)	East of Hillcrest Rd. overpass to east of Custer Rd. overpass (3.78 miles)	East of Custer Rd. to west of Hardin Blvd. overpass (3.50 miles)	East of Custer Rd. overpass to east of Rowlett Creek (0.64 miles)	West of Watters Rd. to Medical Center Dr. east of U.S. 75 (2.12 miles)	Connecting Ramps from DNT to Sam Rayburn Tollway (0.34 miles)
Design Consultant	Huitt-Zollars, Inc.	Huitt-Zollars, Inc.	PB Americas, Inc.	Bridgefarmer & Associates, Inc.	Bridgefarmer & Associates, Inc.	Jacobs Engineering Group, Inc.	Rodriguez Transportation Group, Inc.
Design Notice to Proceed	May 21, 2007	May 21, 2007	May 21, 2007	May 21, 2007	Sept. 16, 2008	Oct.12, 2007	April 16, 2008
Current Status of PS&E	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Letting Dates	Nov. 2007 through Feb. 2008 Multiple Contracts	Nov. 2007 through Feb. 2008 Multiple Contracts	Feb. 13, 2008	Feb. 13, 2008	Oct. 23, 2008	Aug. 28, 2008	Nov. 19, 2009
Construction Contract	Multiple: 02320, 02325, 02334, 02238-SH121-00-CN-EN	Multiple: 02320, 02325, 02334, 02238-SH121-00-CN-EN	02240-SH121-03-CN-EN	02242-SH121-03-CN-EN	02578-SH121-03-CN-PM	02448-SH121-04-CN-EN	02559-SH121-05-CN-PM
Construction Contractor	Austin Bridge & Road LP Power Engineers, Inc. Brookfield Fabricating Corp	Austin Bridge & Road LP Power Engineers, Inc. Brookfield Fabricating Corp	Texas Sterling Construction, LP.	Balfour Beatty Infrastructure, Inc.	Texas Sterling Construction, LP	Webber, LLC	Williams Brothers Construction Co., Inc.
Construction Notice to Proceed	Nov. 30, 2007	Nov. 30, 2007	March 25, 2008	March 10, 2008	Dec. 1, 2008	Oct. 23, 2008	Feb. 4, 2010
Duration (Months)	6	6	22	22	13	25	22
Status of Construction	Complete 100%	Complete 100%	Complete 100%	Complete 100%	Complete 100%	Complete 100%	Complete100% [3]
Open-to-Traffic Date (Plan/Actual)	July 2006	August 2008 / Aug. 1, 2008	January 2010 / Sept. 1, 2009	January 2010 / September 29, 2009	January 2010 / Sept. 29, 2009	January 2011 In stages [2]	January 2012 / Nov. 14, 2011
Service Commencement Deadline	October 2008	October 2008	May 2010	May 2010	May 2010	May 2011	June 2012

NOTES:

[1] An additional grade separated interchange at Exchange Parkway was a cooperative project with Collin County and the cities of Allen and McKinney to improve local access.

[2] Four direct-connecting ramps, including those providing access from southbound U.S. 75 to southwest-bound SRT and from northeast-bound SRT to northbound U.S. 75 (the highest-volume direct-connectors), along with all main lanes were substantially complete in December 2010 and all ramps were completed by March 31, 2011.

[3] All eight direct-connecting ramps were fully open-to-traffic as of Nov. 14, 2011.

TABLE 9 - LANDSCAPE AND WOODLAND MITIGATION STATUS SUMMARY				
	Segments 1 - 3	Segments 4	Segments 5	Woodland Mitigation
Limits	Denton Tap Rd. to west of Hardin Blvd. overpass	West of Hardin Blvd. overpass to Medical Center Dr. east of U.S. 75	Connecting Ramps from DNT to Sam Rayburn Tollway	Segments 2, 3 & 4 from FM 423 to U.S. 75
Contractor	Valleycrest Landscape Development	Greener Pastures Landscape, Inc.	Valleycrest Landscape Development	Valleycrest Landscape Development
Contract	02353-SH121-00-CN-MA	033091-SRT-04-CN-MA	03090-SRT-05-CN-MA	03200-SRT-04-CN-MA
Construction Notice to Proceed	Aug. 2, 2010	NTP Issued Feb. 7, 2012	Advertised April 2012 NTP Anticipated August 2012	Advertised Feb. 2012 NTP Anticipated August 2012
Duration (Months)	18 Months	12 Months	12 Months	6 Months
Current Status of Construction	Complete Feb. 3, 2012	Notice To Proceed Issued Feb. 7, 2012 30% Complete	To Be Determined	To Be Determined
Current Status of Maintenance Warranty	On-going	To Be Determined	To Be Determined	To Be Determined
Maintenance Warranty Duration	18 Months Estimated Completion Aug. 4, 2013	18 Months	18 Months	18 Months

TABLE 10 – ADDITIONAL SERVICE PROVIDERS		
Contract Number	Firm	Description
02005-NTT-00-PS-AD WA15 PM	HNTB Corporation	General Engineering Consultant
02254-SH121-00-PS-EN	HDR Engineering, Inc.	Corridor Management
02255-SH121-00-PS-EN	Halff Associates, Inc.	Design Management
02005-NTT-00-PS-AD WA12 MA	HNTB Corporation	Landscape Design Services
02516-NTT-00-PS-PM	Kleinfelder Central, Inc.	MSE Wall Independent Design Check
02056-NTT-00-PS-EN WA 48	Kellogg Brown & Root Services, Inc.	Construction Manager
02888-SH121-00-PS-MA	Lamb-Star Engineering, LP	Seg. 1,2,3 & 4 Landscape Construction Manager
02389-SH121-00-PS-PM	Terracon Consultants, Inc.	Segment 4 Quality Control Materials Testing
02390-SH121-00-PS-PM	Rone Engineers, Inc.	Seg 1, 2, 3 & 5 Materials Testing
02547-NTT-00-PS-PM	Terracon Consultants, Inc.	MSE Wall Independent Design Check
02589-NTT-00-PS-PM WA 01	Atkins North America, Inc.	Wall Engineer Support Services

TABLE 11 – ESTIMATE OF PROJECT COSTS AT COMPLETION				
No.	Description	Engineering Report Estimate, November 2007	Estimated Cost, June 2012	Actual Expenditures, June 2012
1	Segments 1, 2	$14,163,718	$18,868,250	$18,868,250
2	Segments 3N [1]	$72,575,945	$64,011,520	$64,011,520
3	Segments 3S	$57,851,840	$52,602,322	$52,602,322
4	Exchange Parkway Improvements [1]	$ -	$15,793,523	$15,793,523
5	Segment 4	$155,085,553	$208,600,057	$200,207,536
6	Segment 5	$92,843,188	$81,365,263	$74,063,545
7	Toll Gantries, Equipment	$17,626,759	$13,176,766	$12,522,465
8	Construction Management	$33,138,619	$34,253,037	$33,747,554
9	Miscellaneous Construction [2]	$21,172,724	$57,442,924	$51,332,789
-	Reimbursement [3]	$ -	$(14,047,513)	$(14,047,513)
Subtotal (1-9) Construction		**$464,458,346**	**$532,066,149**	**$509,101,991**
10	PS&E (Plans, Specifications & Estimates) [1]	$37,213,460	$54,691,749	$54,587,712
11	PS&E (Administrative)	$11,437,618	$28,055,267	$26,282,772
12	Other Agency Costs	$150,000	$496,618	$444,230
Subtotal (10-12) Engineering		**$48,801,078**	**$83,243,634**	**$81,314,714**
13	Project Contingencies	$125,551,276	$23,500,916	$ -
Project Total (1-13) [4]		**$638,810,700**	**$638,810,700**	**$590,416,706**

NOTES:

[1] An Interlocal Agreement (ILA) with the cities of McKinney and Allen and Collin County was approved to fund a change to the Exchange Parkway intersection to improve access to the Sam Rayburn Tollway. A deductive change order was executed in the amount of $5.6M to remove the prior Exchange Parkway scope from the Segment 3N contract requirements. A separate contract was created to address the new requirements for the Exchange Parkway improvements.

[2] The estimated miscellaneous construction cost includes material testing, utility relocations, proposed right of way and easements, landscape and fiber optic cable installation. This line includes right of way purchases in the amount of $11.3M which are to be reimbursed to the Project by TxDOT.

[3] This line refers to reimbursements from Collin County and the cities of Allen and McKinney for Exchange Parkway improvements, Segment 2 sound wall coating improvements agreed to with the City of Coppell, Segment 4 third-party damage reimbursements and TxDOT ROW reimbursements.

[4] Future capacity improvements for Segments 1-5 are not included in the above estimate.

TABLE 12 - CASH FLOW DRAW SCHEDULE						
Period Ending[1]	Original Semi-Annual Estimate, December 2007	Original Cumulative Estimate, December 2007	Semi-Annual Actual, June 2012	Cumulative Actual, June 2012	Semi-Annual Estimate, June 2012 [1,2]	Cumulative Estimate, June 2012
Dec. 31, 2007	$12,804,925	$12,804,925	$12,804,925	$12,804,925		
June 30, 2008	$66,689,438	$79,494,363	$41,070,815	$53,875,740		
Dec. 31, 2008	$84,918,350	$164,412,713	$102,075,318	$155,951,059		
June 30, 2009	$103,636,169	$268,048,882	$128,276,304	$284,227,363		
Dec. 31, 2009	$106,341,227	$374,390,109	$74,454,634	$358,681,997		
June 30, 2010	$125,468,501	$499,858,610	$55,111,412	$413,793,409		
Dec. 31, 2010	$56,476,173	$556,334,783	$86,008,900	$499,802,309		
June 30, 2011	$31,527,887	$587,862,670	$44,459,339	$544,261,648		
Dec. 31, 2011	$25,383,916	$613,246,586	$36,136,206	$580,397,854		
June 30, 2012	$11,432,366	$624,678,952	$10,018,852	$590,416,706		
Dec. 31, 2012	$8,041,313	$632,720,265			$19,830,247	$610,246,952
June 30, 2013	$6,090,435	$638,810,700			$1,939,871	$612,186,824
Dec. 31, 2013					$654,726	$612,841,550
June 30, 2014					$871,660	$613,713,210
Dec. 31, 2014					$305,791	$614,019,002
June 30, 2015					$24,791,698	$638,810,700

NOTES:

[1] The last two years of projected costs above reflect mandatory landscape maintenance periods of 18 months (Segments 1, 2, 3, 4 & 5).

[2] The above estimate includes contingency that may or may not be expended.

CORRIDOR SCHEDULE

The major milestone dates for the SRT Project are as follows:

Segment 1 & 2: This part of the Project opened to traffic in July 2006 by TxDOT, and the NTTA service commencement occurred September 2008. The NTTA improvements are complete and contracts have been closed out by the NTTA.

Segment 3S: Main lanes are complete and open to traffic. The contract is complete and has been closed out by the NTTA.

Segment 3N: Main lanes are complete and open to traffic. The contract is complete and has been closed out by the NTTA.

Exchange Parkway Improvements: Main lanes and sand stockpile facility are complete and main lanes open to traffic. The contract is complete and has been closed out by the NTTA.

Segment 4: All improvements required for service commencement by the NTTA were substantially completed by Dec. 1, 2010 and opened to traffic. The landscape and irrigation improvements project for Segment 4 was advertised in August 2011. The landscape and irrigation improvement project is expected to be a 12-month construction period and an 18-month maintenance and warranty period. Notice to proceed was issued by the NTTA on Feb. 7, 2012 and construction is approximately 30% complete.

Segment 5: Notice to proceed was issued Feb. 4, 2010. The NTTA opened four direct-connection ramps on Oct. 31, 2011 and the remaining four direct-connection ramps opened in stages through Nov. 14, 2011. The interchange at the Dallas North Tollway is complete and open to traffic. The construction contract is complete and is being closed out by the NTTA, The landscape and irrigation improvements project for Segment 5 was advertised in April 2012, anticipated to be awarded in late July to early August and a notice to proceed issued in August 2012. The landscape and irrigation improvement project is expected to be a 12-month construction period and an 18-month maintenance and warranty period. The total construction period for the project would be 30 months.

PGBT Eastern Extension

Semi-Annual Progress Report No. 8

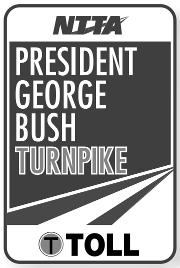
June 2012

Prepared by

HNTB

Issued August 15, 2012

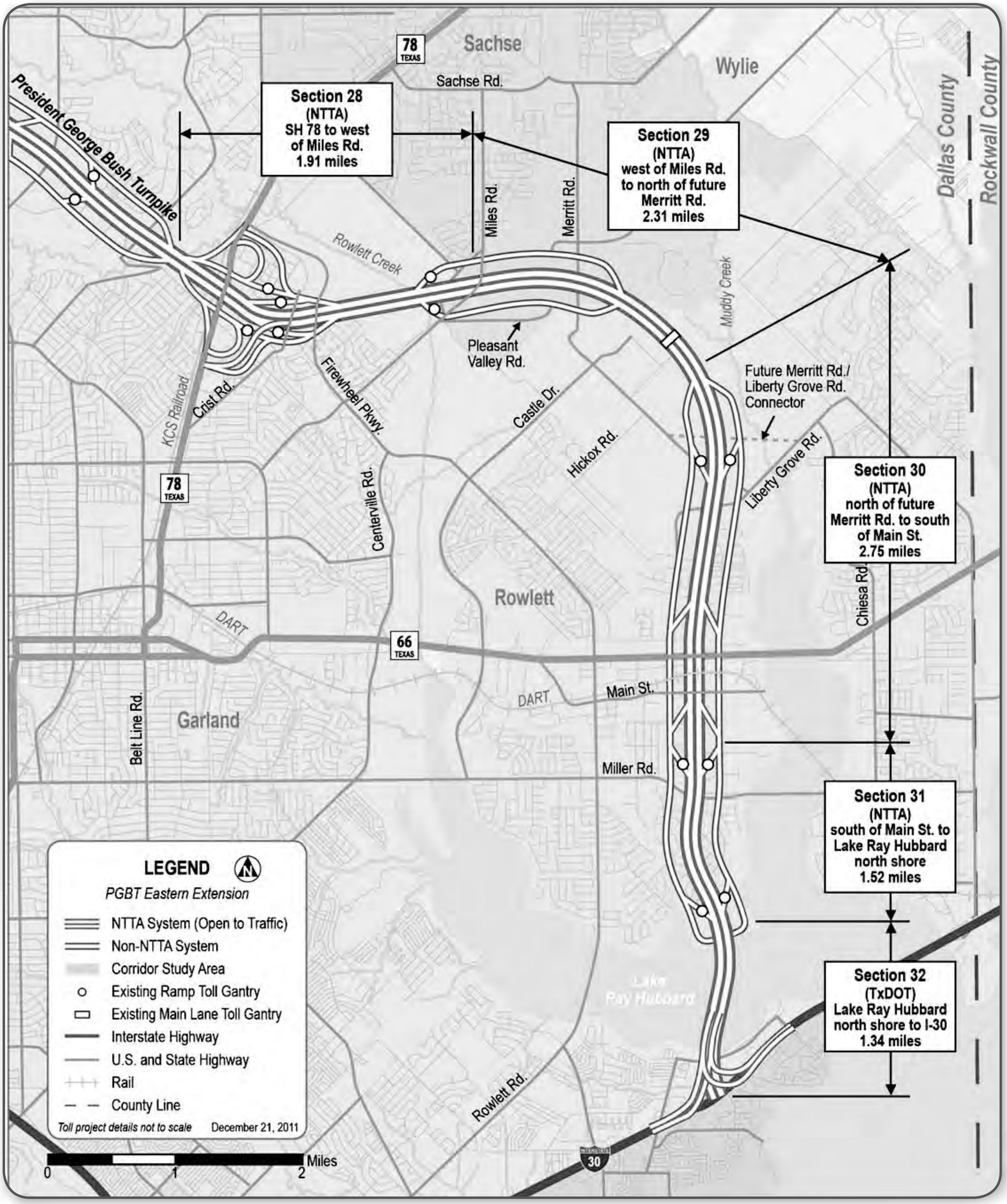
GENERAL INTRODUCTION



The President George Bush Turnpike (PGBT) Eastern Extension Project (the "Project", "PGBT EE") is located entirely in Dallas County, beginning from the existing terminus of PGBT at State Highway (SH) 78 in Garland, extending east through the City of Sachse, turning south through the cities of Rowlett and Dallas, and terminating at Interstate Highway (I) 30 in Garland, a distance of approximately 9.9 miles.

Prior to the start of this project in late 2005, the NTTA completed construction and opened to traffic the frontage roads from SH 78 to Firewheel Parkway in Garland in conjunction with the opening of Firewheel Mall. The advanced frontage road project is adjacent to the northwest portion of the Project in Section 28. The six-lane project (expandable to eight) is divided into five sections for the purposes of managing and expediting design and construction *(refer to Figure 4 on page 30)*. Sections 28-31 were designed and constructed by the NTTA, while Section 32 was designed and constructed by TxDOT. A total of 12 ramp connections to or from the Project have an overhead gantry allowing placement of all electronic toll collection (all-ETC) equipment. One main lane All-ETC gantry, located northwest of future Merritt Road in Section 29, provides six toll collection lanes (three each direction with provision for expansion to eight total lanes). All lanes are dedicated non-stop express lanes to expedite the flow of traffic through the gantries, improve traffic safety and air quality, and provide for ease of maintenance.

Figure 4: President George Bush Turnpike Eastern Extension Corridor Map



DESIGN AND CONSTRUCTION STATUS

Design and construction status information has been summarized by segment in Tables 13 and 14 on pages 32 and 33. Additional service providers key to the project are shown in Table 15.

ESTIMATE OF PROJECT COSTS

The original estimated cost of the Project (Sections 28-32) was $1,037,150,116, plus $2,601,438 for ITS equipment, for a total of $1,039,751,554. In the fall of 2010, the General Engineering Consultant (GEC) re-evaluated the project cost based upon bids received as well as construction and construction change orders to date. The Project total at completion was estimated at $958 million at that time. Again, in February 2011, the GEC re-evaluated the project resulting in a new estimate at completion cost for the Project of $834,500,000.

TxDOT committed to fund the design and construction of Section 32 (originally estimated at approximately $254M, currently estimated to be approximately $205.5M). In addition to constructing Section 32 of the Project, TxDOT provided a Toll Equity Grant (approximately $160M) to be used primarily for right of way acquisition and utility relocations. Based on the current outlook of the Project, the entire Toll Equity Grant will not be required for right of way, utility relocation and similar costs. Within the agreement authorizing the Toll Equity Grant, TxDOT and the NTTA agreed to allow the unused portion of the grant to be applied to other Project costs so that the entire amount of that grant would be applied to the Project. In turn, the NTTA agreed to revenue-sharing with TxDOT on the Project, subject to the terms agreed to in the Second Amendment to the Project Agreement dated Dec. 21, 2011.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages and changes in economic conditions can significantly affect (escalate or reduce) construction costs. Appropriate contingencies are added to the cost of the Project to mitigate the impact of unforeseen escalations. The estimated Project cost reflects the most current bids, approved change orders and our professional judgment of the construction industry; it is our belief that the Project can be constructed within the limits

described for the estimated cost given herein. However, the nature of the construction industry precludes the provision of a guarantee that the actual Project cost will not vary from the estimated cost.

The current cost estimate represents the best good-faith judgment from design professionals familiar with the highway construction industry. Neither the NTTA nor its consulting engineers have control over the labor, materials or equipment costs, the contractors' methods of determining bid prices, competitive bidding, market or negotiating conditions. The estimate of construction costs given in progress reports will be monitored as work progresses on the Project. The draw schedule of expected costs are shown in semi-annual increments for the estimated period of construction to meet the cost of the PGBT Eastern Extension Project, including funds allocated for project contingencies, is shown in Table 17.

TABLE 13 - DESIGN AND CONSTRUCTION STATUS SUMMARY					
Category	Segment 28 West of SH 78 to west of Miles Rd. (1.91 miles)	Segment 29 West of Miles Rd. to north of future Merritt Rd. Connector (2.31 miles)	Segment 30 North of future Merritt Rd. to south of Main St. (2.75 miles)	Segment 31 South of Main St. to north shore of Lake Ray Hubbard (1.52 miles)	Segment 32 North shore of Lake Ray Hubbard to IH 30 (1.34 miles)
Design Consultant	Jacobs Engineering Group, Inc.	Halff Associates, Inc.	PB Americas, Inc.	Atkins North America, Inc.	HDR Engineering, Inc. (for TxDOT)
Design Notice to Proceed	Aug. 15, 2005	Aug. 15, 2005	Aug. 15, 2005	Aug. 15, 2005	Information Not Available
Current Status of PS&E	Complete	Complete	Complete	Complete	Complete
Letting Dates	Aug.14, 2008	Sept. 25, 2008	April 17, 2008	Nov. 06, 2008	Aug. 07, 2008
Construction Contract	02007-PGB-06-CN-EN	02009-PGB-06-CN-EN	02011-PGB-06-CN-EN	02013-PGB-06-CN-EN	TxDOT Contract
Contractor	Webber, LLC	Texas Sterling Construction, LP	Zachry Construction Corporation	Williams Brothers Construction Co., Inc.	Austin Bridge & Road, LP (for TxDOT)
Construction Notice to Proceed	January 2009	January 2009	August 2008	March 2009	December 2008
Current Status of Construction	99% Complete. Substantially Complete, pending punch list items	99% Complete. Substantially Complete, pending punch list items	99% Complete. Substantially Complete, pending punch list items	98% Complete. Substantially Complete, pending punch list items	98% Complete. Substantially Complete, pending punch list items (TxDOT managing)
Open-to-Traffic Date (Original/Actual)	Late 2011 / Dec. 21, 2011	Late 2011 / Dec. 21, 2011	Late 2011 / Dec. 21, 2011	Late 2011 / Dec. 21, 2011	Late 2011 / Dec. 21, 2011

TABLE 14 - LANDSCAPE STATUS SUMMARY			
	Section 28 Landscape & Irrigation Improvements	Section 29 Landscape & Irrigation Improvements	Sections 30, 31 & 32 Landscape & Irrigation Improvements
Contractor	TBD	TBD	TBD
Construction Contract	02435-PGB-06-CN-MA	02942-PGB-06-CN-MA	02943-PGB-06-CN-MA
Advertisement Date	TBD	TBD	TBD
Construction Notice to Proceed	TBD	TBD	TBD
Construction Duration	6 Months	6 Months	6 Months
Status of Construction	Pending Notice to Proceed	Pending Notice to Proceed	Pending Notice to Proceed
Warranty Duration	18 Months	18 Months	18 Months

TABLE 15 – ADDITIONAL SERVICE PROVIDERS		
Contract Number	Firm	Description
02005-NTT-00-PS-AD	HNTB Corporation	General Engineering Consultant
FSF-73, 02023-NTT-00-PS-MA	Jacobs Engineering Group, Inc.	Schematics, Section 30 MSE Wall Design
02005-NTT-00-PS-AD WA 11 MA	HNTB Corporation	Landscape Design Services
02056-NTT-00-PS-EN WA 06	Kellogg Brown & Root Services, Inc.	Section 28-A Construction Management Services
02057-PGB-06-IL-EN TO 01	Dallas, Garland & Northeastern Railroad	Signal Design, Construction, RR Construction Oversight
02418-NTT-00-PS-PM WA 01	HDR Engineering, Inc.	Section 28 Construction Management Services
02424-NTT-00-PS-PM WA 01, 02	Tollway Transportation Team	Section 29 Construction Management Services
02058-NTT-00-PS-EN WA 08 EE	Atkins North America, Inc.	Section 30 and Corridor Construction Management Services
02424-NTT-00-PS-PM WA 02	Tollway Transportation Team	Section 31 Construction Management Services
02394-PGB-00-PS-PM	AMEC Environmental & Infrastructure, Inc.	Section 30 Quality Control Materials Testing
02395-PGB-00-PS-PM	Southwestern Testing Laboratories, LLC	Sections 28-31 Quality Assurance Materials Testing
02402-PGB-00-PS-PM	Michael Baker Jr., Inc.	Environmental Compliance Team
02557-NTT-00-PS-PM WA 01	Kleinfelder Central, Inc.	Retaining Wall System Engineering Services
02547-NTT-00-PS-PM TO 02	Terracon Consultants, Inc.	MSE Wall Independent Design Check
02589-NTT-00-PS-PM WA 03	Atkins North America, Inc.	Additional Shop Drawing Review & Coordination for MSE Wall Evaluations
02644-NTT-00-PS-PM WA 01	Raba-Kistner Infrastructure, Inc.	Quality Assessment Program

TABLE 16 – ESTIMATE OF PROJECT COSTS AT COMPLETION				
No.	Description	Proposed Engineering Report Estimate, August 2008 [5]	Estimated Cost, June 2012	Actual Expenditures, June 2012
1	Section 28	$124,785,106	$117,270,181	$115,097,862
2	Section 29	$86,658,563	$59,798,691	$58,248,500
3	Section 30	$160,936,511	$130,098,910	$126,043,406
4	Section 31	$65,980,548	$59,580,301	$56,647,571
5	Toll and ITS Equipment [1]	$9,817,500	$4,468,544	$3,715,191
6	Construction Management	$31,371,535	$26,186,447	$21,328,354
7	Miscellaneous Construction [2]	$8,235,919	$20,118,527	$8,318,700
Subtotal (1-7) Construction		**$487,785,682**	**$417,371,601**	**$389,399,584**
8	PS&E (Plans, Specs, Estimates) & Admin.	$30,367,525	$52,833,119	$50,829,280
9	ROW Acquisition and Utility Relocations	$166,844,730	$124,225,455	$123,485,797
10	Other Agency Costs	$11,095,916	$3,365,571	$2,682,421
Subtotal (8-10) Engineering and Agency Costs		**$208,308,171**	**$180,424,145**	**$176,997,498**
11	Project Contingency	$92,643,362	$31,231,355	$ -
Costs (1-11) [3]		**$788,737,215**	**$629,017,100**	**$566,397,081**
12	Section 32 [4]	$251,014,339	$205,482,900	
Project Total (1-12)		**$1,039,751,554**	**$834,500,000**	

NOTES:

[1] The cost of toll gantry and ITS infrastructure construction is included within the construction cost of each section.

[2] Miscellaneous construction cost includes landscaping, materials testing and other special features.

[3] A Toll Equity Grant in the amount of $160 M has been supplied by TxDOT to be used primarily for ROW acquisitions, utility relocations or any other costs for the Project agreed to mutually between The NTTA and TxDOT. The City of Rowlett has provided $788,000 for requested design and construction accommodations.

[4] Under the two-party agreement, TxDOT is responsible for the design, construction and construction management of Section 32.

[5] The amount shown above for the Proposed Engineering Report Estimate does not include bond discounts, interest during and after construction, and other costs associated with Bond closing costs. The amount includes additional tolling and ITS equipment that was not incorporated into the original estimate of $1,037,150,116.

TABLE 17 - CASH FLOW DRAW SCHEDULE						
Period Ending[1]	Original Semi-Annual Estimate, December 2008	Original Cumulative Estimate, December 2008	Semi-Annual Actual, June 2012	Cumulative Actual, June 2012	Semi-Annual Estimate, June 2012 [2, 3]	Cumulative Estimate, June 2012
June 30, 2005 [1]	$4,582,276	$4,582,276	$4,582,276	$4,582,276		
Dec. 31, 2005 [1]	$9,708,328	$14,290,603	$9,708,328	$14,290,603		
June 30, 2006 [1]	$2,043,202	$16,333,806	$2,043,202	$16,333,806		
Dec. 31, 2006 [1]	$164,407	$16,498,212	$164,407	$16,498,212		
June 30, 2007 [1]	$298,728	$16,796,941	$298,728	$16,796,941		
Dec. 31, 2007 [1]	$39,736	$16,836,677	$39,736	$16,836,677		
June 30, 2008 [1]	$ -	$16,836,677	$ -	$16,836,677		
Dec. 31, 2008	$124,031,352	$140,868,029	$124,031,352	$140,868,029		
June 30, 2009	$120,169,173	$261,037,203	$106,566,929	$247,434,959		
Dec. 31, 2009	$77,128,238	$338,165,441	$56,003,487	$303,438,446		
June 30, 2010	$127,802,395	$465,967,836	$65,227,194	$368,665,639		
Dec. 31, 2010	$56,109,695	$522,077,531	$65,204,966	$433,870,604		
June 30, 2011	$51,948,261	$574,025,791	$43,065,165	$476,935,769		
Dec. 31, 2011	$47,803,671	$621,829,462	$69,367,404	$546,303,173		
June 30, 2012	$166,907,753	$788,737,215	$20,093,907	$566,397,081		
Dec. 31, 2012					$11,830,241	$578,227,322
June 30, 2013					$6,916,224	$585,143,546
Dec. 31, 2013					$1,531,201	$586,674,747
June 30, 2014					$1,193,964	$587,868,711
Dec. 31, 2014					$41,148,389	$629,017,100

NOTES:

[1] In 2005, the NTTA completed construction and opened to traffic frontage roads from SH 78 to Firewheel Parkway prior to the opening of Firewheel Mall on the north side of the Project, as indicated above between June 30, 2005 and June 30, 2008.

[2] The last one year and six months of projected costs above reflect the costs of a mandatory 18-month landscape maintenance period.

[3] This estimate includes contingency that may or may not be expended.

CORRIDOR SCHEDULE

Per the 2008 Engineering Report, PGBT EE was targeted to open late in 2011. The actual open to traffic date for all sections was Dec. 21, 2011. Activities remaining for the corridor include landscaping and a sand stockpile facility for snow and ice mitigation.

There are three landscape and irrigation improvement projects that will be let for the corridor, one for Section 28, one for Section 29 and one for Sections 30, 31 and 32. The original projected date to let the three projects was June 2012. However, they have been temporarily postponed to allow the NTTA to study noise level concerns raised by several communities along the corridor. Once the NTTA completes their assessment of the claims by homeowner groups in light of compliance with the approved environmental plan for the corridor, the NTTA will formulate a response to the various communities that may include additions to the original landscape plans for the corridor. Each landscape installation is envisioned to require a six-month construction period, which would then transition to an 18-month maintenance and warranty period which would result in total project duration of 24 months.

The snow and ice sand stockpile facility location is a site currently occupied by TxDOT, which is supporting their construction activities for Section 32. It is anticipated that TxDOT will complete their activities for Section 32 and vacate the future sand stockpile location late in 2012, allowing the NTTA to potentially design and construct the facility late in 2012 to early in 2013.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT

The following constitutes a summary of certain provisions of the Resolution and the Amended and Restated Trust Agreement as amended and supplemented through the date of issuance of the Series 2012 Bonds (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 the Authority.

Definitions

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

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

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

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

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

"*Alternate Credit Facility*" – any substitute or replacement irrevocable letter of credit, surety bond, insurance policy or similar instrument securing the payment of the principal of, premium, if any, and interest on, and the purchase price of, a series of Variable Rate Demand Bonds, delivered in accordance with the provisions of the Resolution in substitution and replacement for the existing Credit Facility for such Series;

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

"*Assumed Variable Rate*" – in the case of:

(a) bonds bearing interest at a Variable Rate, the greater of:

(1) the average interest rate on such bonds for the most recently completed sixty (60) month period or the period such bonds have been Outstanding if it is less than sixty (60) months, or

(2) the rate to be determined pursuant to *clause (b)* below assuming the Outstanding bonds bearing interest at a Variable Rate were being issued on the date of calculation; and

(b) proposed Additional Bonds to be issued at a Variable Rate:

(1) on the basis that, in the opinion of Bond Counsel to be delivered at the time of the issuance thereof, interest on such Additional Bonds would be excluded from gross income for federal income tax purposes, the greater of (i) the average of the Security Industry and Financial Markets Association Municipal Swap Index ("*SIFMA Index*") for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of the SIFMA Index for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and

(2) on a basis other than as described in *clause (1)*, the greater of (i) the average of the London Interbank Offered Rate ("*LIBOR*") for the time period most closely resembling the reset period for the Additional Bonds for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of LIBOR for the time period most closely resembling the reset period for the Additional Bonds for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and provided that if the SIFMA Index or LIBOR ceases to be published, the index to be used in its place will be the index which the Authority, in consultation with the Financial Consultant, determines most

closely replicates such index, as set forth in a certificate of the Chief Financial Officer filed with the Trustee. Notwithstanding the foregoing, in no event may the Assumed Variable Rate be in excess of the maximum interest rate allowed by law on obligations of the Authority;

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

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

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

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

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

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

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

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

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

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

(4) the repurchase agreement has a term of six months or less, or the Authority will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation,

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

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

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

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

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

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

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

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

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

"*Board*" – the Board of Directors of the Authority;

"*Board Representative*" – the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Treasurer and the Director of Finance or such other individuals so designated by the Authority to perform the duties of the Board Representative for the specific purpose under the 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 the Authority to effect a conversion;

"*bond*," "*bonds*" or "*Turnpike Revenue Bond*" – unless otherwise specifically stated, the Existing Bonds and the Additional Bonds (including the Series 2008F Bonds);

"*Bondholder*," or "*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 and with respect to bonds outstanding in any Mode except the fixed rate mode, a day on which the primary office of the Remarketing Agent is located, if required or authorized by law to remain closed, or the New York Stock Exchange is closed;

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

"*CIP Projects*" – those certain capital improvement projects on portions of the NTTA System other than the SRT, PGBT EE and the LLTB which are in the Authority capital improvement plan;

"*Consulting Engineers*" – the consulting civil engineer or engineering firm or corporation employed by the Authority 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 the Authority for the acquisition of such equipment, which manufacturer will offer the most advantageous terms to the Authority. The acquisition of toll collection equipment has been determined and declared to be a capital expenditure, and a proper "cost." It is specially provided, however, that if, in the discretion of the Authority, it will be to the advantage of the Authority to do so, and upon the written recommendation of the Consulting Engineers, the Authority may enter into lease-purchase or lease-rental agreements for the acquisition of such equipment with a term not to exceed three years from the date of acceptance of such equipment by the Authority. In such event the Authority is required to so advise the Trustee, and the Trustee is required to set aside and retain the amounts required for the payments under such agreements in the Construction Fund, and is required to make such payments as so required, upon requisitions from the Construction Fund. Any such payments will constitute proper items of "cost" for all purposes;

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

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

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

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

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

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

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

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

"*Credit Facility*" – the irrevocable letter of credit, surety bond, insurance policy or similar instrument securing the payment of the principal of, premium, if any, and interest on, and the Purchase Price of, a series of Variable Rate Demand Bonds, designated in the Board Representative's Certificate for such series, until such time as an Alternate Credit Facility has been issued in substitution and replacement for such Credit Facility and thereafter "Credit Facility" means such Alternate Credit Facility;

"*Credit Provider*" – the bank or other financial institution designated by the Board Representative acting in its capacity as issuer of the initial Credit Facility with respect to a series of Variable Rate Demand Bonds, and if an Alternate Credit Facility is issued, the issuer of such Alternate Credit Facility, and its successors and assigns;

"*Credit Provider Bonds*" – Variable Rate Demand Bonds purchased with moneys drawn on a Credit Facility and held for the benefit of a Credit Provider;

"*Current Expenses*" – the Authority's reasonable and necessary accrued current expenses of maintaining, repairing and operating the Tollway including, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance and repair, insurance, bridge painting, all operating, policing, administrative and engineering expenses, all payments and deductions as provided in the laws pertaining to the State Retirement System, fees and expenses of the Trustee, legal and accounting expenses, and any other expenses or obligations required to be paid by the Authority under the 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:

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

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;

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;

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;

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

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

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

"*Effective Date*" – the date on which a new Interest Rate Period for a Bond takes effect;

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

"*Existing Bonds*" – after the issuance of the Series 2012C Bonds and the Series 2012D Bonds, the Authority's Series 2005C Bonds, the Series 2008A Bonds, the Series 2008B Bonds, the Series 2008D Bonds, the Series 2008E Bonds, the Series 2008I Bonds, the Series 2008K Bonds, the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C Bonds, the Series 2009D Bonds, the Series 2010 Bonds, the Series 2011A Bonds, the Series 2011B Bonds, the Series 2012A Bonds, the Series 2012B Bonds, the Series 2012C Bonds, the Series 2012D Bonds, the Payment Obligations of the Authority under the Letter of Credit and Reimbursement Agreement entered into between the Authority and JPMorgan Chase Bank, National Association relating to the Series 2009D Bonds, the Payment Obligations of the Authority under the Letter of Credit and Reimbursement Agreement entered into between the Authority and Morgan Stanley Bank, N.A., relating to the Series 2011A Bonds and the Payment Obligations of the Authority under the ISDA Master Agreements entered into between the Authority and each of JPMorgan Chase Bank, N.A. and Citibank N.A., New York, with an aggregate notional amount of $178,290,000;

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

"*First Tier Bonds*" – unless otherwise specifically stated, all Existing Bonds (other than the termination payments under the ISDA Master Agreements between the Authority and each of JPMorgan Chase Bank, N.A. and Citibank N.A.), 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 the Authority as a First Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the First Tier Bonds in connection with which it is executed;

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

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

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

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

"*Maximum Rate*" the maximum rate authorized by law including Chapter 1204 of the Texas Government Code;

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

"*Projects*" – the SRT, the PGBT EE, the LLTB and the CIP Projects;

"*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*" – the Series 2008F Bonds, and unless otherwise specifically stated, any bond, bonds, note, notes, other obligation or obligations, including any Second Tier Credit Agreement, issued, incurred or entered into pursuant to the 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 the Authority as a Second Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the bonds in connection with which it is executed;

"*Second Tier Payment Obligations*" – unless otherwise specifically stated, all amounts payable by the Authority under a Second Tier Credit Agreement less any amounts of principal or interest payable with respect to any Additional Second Tier Bonds pledged under a Second Tier Credit Agreement as collateral for the amounts due thereunder; and all such Second Tier Payment Obligation payments will be deemed to constitute principal payments of Second Tier Bonds, and will be paid from the Second Tier Redemption Account as provided in the Trust Agreement; provided, however, that, if so provided in a Second Tier Credit Agreement or in the proceedings approved by the Authority in connection therewith, some or all of the amounts payable under a Second Tier Credit Agreement may be designated to be Third Tier Payment Obligations; and provided further, that, all payment obligations under a First Tier Credit Agreement which are designated to be Second Tier Payment Obligations will be treated as and constitute Second Tier Payment Obligations for all purposes under the 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 the Authority has undertaken a commercial paper or similar program, only amounts actually borrowed under such line of credit or program and repayable in less than 365 days will be considered Short-Term Indebtedness and the full amount of such commitment or program will not be treated as Short-Term Indebtedness 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 the Authority as a Third Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the bonds in connection with which it is executed;

"*Third Tier Payment Obligations*" – unless otherwise specifically stated, all amounts payable by the Authority under a Third Tier Credit Agreement less any amounts of principal or interest payable with respect to any Additional Third Tier Bonds pledged under a Third Tier Credit Agreement as collateral for the amounts due thereunder; and all such Third Tier Payment Obligation payments will be deemed to constitute principal payments of Third Tier Bonds, and will be paid from the Third Tier Redemption Account or sub-account therein as provided in the 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 the Authority 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 the Authority has deemed necessary for the operation of the presently existing Tollway), together with all property rights, easements and interests acquired by the Authority for the construction or the operation of the presently existing Tollway, and together with all future improvements, extensions, and enlargements or additions of the presently existing Tollway, and together with any other turnpike project or facilities added to, grouped with, or otherwise constituted and declared to be a part of the Tollway by the Authority in accordance with law and pursuant to resolutions adopted by the Board;

"*Traffic Engineers*" – the traffic engineer or engineering firm or corporation employed by the Authority pursuant to the 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; and

"*Variable Rate Demand Bonds*" – Bonds in the Flexible Mode, Daily Mode and Weekly Mode.

Certain Covenants of the Authority

Payment of Principal, Interest, and Premium. The Authority has covenanted that it will promptly pay the principal of and the interest on every bond, including Payment Obligations, at the places, on the dates and in the manner provided in the 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. The Authority has covenanted that, at least once in every six-month period during the construction of any portion of the Tollway which it finances in whole or in part with bonds, it will cause the Consulting Engineers to prepare a progress report in connection with the acquisition of real property for any project, and a progress report in connection with such construction, including their then current estimates of the:

(a) date on which such project will be opened for traffic, unless such project has been opened for traffic prior to the date of such report,

(b) date on which the construction of such project will be completed,

(c) cost of the project but excluding any bond discount and the interest during construction and for one year after completion of construction, and

(d) amount of funds required each six (6) months during the remaining estimated period of construction to meet the aforesaid cost of such project exclusive of funds provided for construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between the actual times elapsed and the actual costs, and the original estimates of such times and costs. Copies of such progress reports are required to be filed with the Trustee and the Authority and mailed by the Authority to each bondholder who has filed his name with the Board Representative.

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

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

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

If the holders of at least five percent (5%) in aggregate principal amount of the bonds then Outstanding request in writing on or before the 60th day prior to the end of any Fiscal Year, the Authority is required to hold a public hearing on or before the 30th day prior to the end of such Fiscal Year at which any bondholder may appear in person or by agent or attorney and present any objections he may have to the final adoption of such budget. Notice of the time and place of such hearing is required to be mailed, at least ten (10) days before the date fixed by the Authority for the hearing by the Authority, to the Trustee, the Consulting Engineers, and each bondholder who has filed his name and address with the Board Representative. The Authority has further covenanted that on or before the first day of each Fiscal Year it will finally adopt the budget of Current Expenses and payments into the Reserve Maintenance Fund for such Fiscal Year (hereinafter sometimes called the "*Annual Budget*"). Copies of the Annual Budget are required to be filed with the Trustee and mailed by the Authority to the Consulting Engineers and each bondholder who has filed his name and address with the Board Representative.

If for any reason the Authority has not adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year or, if there is none prepared, the budget for the preceding Fiscal Year, will, until the adoption of the Annual Budget, be deemed to be in force and will be treated as the Annual Budget as herein described.

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, and when so adopted the Annual Budget as so amended or supplemented will be treated as the Annual Budget under the Trust Agreement; provided, however, that before the adoption of any such amended or supplemental Annual Budget, the Authority is required to have obtained and filed with the Trustee the recommendations of the Consulting Engineers in connection therewith. Copies of any such amended or supplemental Annual Budget are required to be filed with the Trustee and mailed by the Authority to the Consulting Engineers and each bondholder who has filed his name and address with the Board Representative.

The Authority covenants that all payments for maintenance, repair and operation in any Fiscal Year will not exceed the reasonable and necessary amount required therefor, and that it will not expend any amount or incur any obligations for maintenance, repair, and operation in excess of the amounts provided for Current Expenses in the Annual Budget, or amended or supplemental Annual Budget, except as provided in the Trust Agreement and except amounts payable from the Reserve Maintenance Fund and Capital Improvement Fund. Nothing described herein limits the amount which the Authority may expend for Current Expenses in any Fiscal Year provided any amounts expended therefor in excess of the Annual Budget are received by the Authority from some source other than the Net Revenues of the Tollway for such Fiscal Year.

Compliance with Requirements; No Liens or Charges upon Tollway, Tolls or Other Revenues; Payment of Charges. The Authority has covenanted that it will duly observe and comply with all valid requirements of any governmental authority relative to the Tollway or any part thereof, that it will not create or suffer to be created any lien or charge upon the Tollway or any part thereof or upon the tolls or other revenue therefrom except the lien and charge of the bonds secured by the 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 the Authority may issue bonds, notes, or other obligations payable from, or secured by, money in the Capital Improvement Fund to the extent now or hereafter permitted by law without violating the foregoing covenant. The Authority has further covenanted that, from such revenues or other available funds, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Tollway or any part thereof or the tolls or other revenue therefrom; provided, however, that nothing will require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Accurate Records; Monthly Reports; Annual Audits; Additional Reports or Audits, Annual Report. The Authority has covenanted that it will keep an accurate record of the daily tolls and other revenues collected, of the number and class of vehicles using the Tollway and of the application of such tolls. Such record will be open to the inspection of the bondholders and their agents and representatives.

The Authority has further covenanted that once each month it will cause to be filed with the Trustee and mailed to the Consulting Engineers, the Traffic Engineers, and each bondholder who has filed his name with the Board Representative, copies of any revision of the Toll Rate Schedule during the preceding calendar month and a report setting forth in respect of the preceding calendar month:

(a) the income and expense accounts of the Tollway,

(b) the number of vehicles in each class using the Tollway,

(c) all payments, deposits and credits to and any payments, transfers and withdrawals from each Fund and Account created under the Trust Agreement,

(d) all bonds issued, paid, purchased or redeemed,

(e) the amounts at the end of such month to the credit of each Fund and Account, showing the respective amounts to the credit of each such Fund and Account, and any security held therefor, and showing the details of any investments thereof, and

(f) the amounts of the proceeds received from any sales of property described herein under the caption "*Covenant Against Sale or Encumbrance; Exception*."

The Authority has further covenanted that during the month following the end of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the Tollway for the previous Fiscal Year by an independent certified public accountant of recognized ability and standing. Promptly thereafter reports of each audit are required to be filed with the Authority and the Trustee, and copies of such report are required to be mailed by the Authority to the Consulting Engineers, the Traffic Engineers, and each bondholder who has filed his name with the Board Representative. Each such audit is required to set forth in respect to the preceding Fiscal Year the same matters as are hereinabove required for the monthly reports, and also the findings of such certified public accountants whether the money received by the Authority under the Trust Agreement have been applied in accordance therewith. Such monthly reports and annual audit reports are required to be open to the inspection of the bondholders and their agents and representatives.

The Authority has further covenanted to furnish to the Trustee such other information concerning the Tollway or the operation thereof as the Trustee may reasonably request.

Covenant Against Sale or Encumbrance; Exception. The Authority has covenanted that, until the bonds and interest thereon have been paid or provision for such payment has been made, and except as otherwise permitted in the 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 the Authority may lease or contract with respect to the operation of service stations or other facilities referred to in Section 12 of the Turnpike Act. The Authority may, however, from time to time, sell, exchange or otherwise dispose of any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of bonds issued on account of the Tollway or from the revenues thereof or otherwise, if the Authority determines that such articles are no longer needed or are no longer useful in connection with the construction or operation and maintenance of the Tollway, and the proceeds thereof are applied to the replacement of the properties so sold or disposed of or are paid to the Trustee to be held for the credit of the Construction Fund, the Reserve Maintenance Fund, the Capital Improvement Fund or the Sinking Funds, as the Authority directs. The Authority may from time to time sell, exchange or otherwise dispose of any real property or release, relinquish or extinguish any interest therein as the Authority by resolution declares is not needed or serves no useful purpose in connection with the maintenance and operation of the Tollway, and the proceeds thereof, if any, are required to be applied as provided above for the proceeds of the sale or disposal of movable property. Notwithstanding the foregoing, it is acknowledged and agreed that nothing in the Trust Agreement will prevent the Authority from re-conveying or allowing the reversion of property leased or otherwise acquired upon the termination of the lease or agreement pursuant to which such property was originally acquired.

Upon any disposition of property as described herein, the Authority is required to notify the Trustee thereof and the amount and disposition of the proceeds thereof.

Insurance

Recommendations. The Authority 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. The Authority covenants that it will follow the recommendations of the Consulting Engineers with respect to insurance, and will carry with a qualified and responsible insurance company or companies such insurance with respect to the Tollway as is then required by law and otherwise as is recommended by the Consulting Engineers in accordance with the Trust Agreement.

Self Insurance. The Authority may, upon the recommendation of the Consulting Engineers, establish programs for self insurance against various risks and losses, to the extent and in the manner as may be deemed advisable.

Schedule of Insurance Policies; Settlement of Insurance Claims. Within the first three (3) months of each Fiscal Year the Authority is required to mail to the Consulting Engineers and the Trustee a schedule of all insurance policies or self insurance plans which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and risks covered thereby, and also stating the details of each self insurance program established by the Authority. All such insurance policies are required to be open to the inspection of the bondholders and their representatives at all reasonable times. The Trustee is authorized, but is not obligated, in its own name to demand, collect, sue and receipt for any insurance money which may become due and payable under any policies payable to it. Any appraisement or adjustment of any loss or damage under any policy payable to the Trustee and any settlement or payment of indemnity under such policy which may be agreed upon between the Authority and any insurer is required to be evidenced to the Trustee by a certificate, signed by the Chairman or Vice Chairman and a Board Representative, which certificate may be relied upon by the Trustee as conclusive. The Trustee will in no way be liable or responsible for the collection of insurance money in case of any loss or damage.

Insurance During Construction. The Authority agrees that during the construction of the SRT and the PGBT EE that it will carry such builders' risk insurance, if any, that is recommended by the Consulting Engineers, and that from the time when the contractors engaged in constructing any bridge or elevated structure, the construction cost of which is in excess of $1,000,000, will no longer be responsible under the respective contracts for the construction of the bridge or elevated structure, for loss or damage to the bridge or elevated structure occurring from any cause, the Authority will insure the bridge, or elevated structure, until the bonds and the interest on the bonds, have been paid or provision for such payment has been made, with a responsible insurance company authorized under the laws of the State of Texas to assume the risk thereof, against physical loss or damage, with such exceptions as are ordinarily required by insurers of structures or facilities of similar type, in an amount not less than 80% of the replacement value of each such bridge or elevated structure, less depreciation, as certified by the Consulting Engineers. The amount of insurance, however, must at all times comply with any legal or contractual requirement which, if broken, would result in assumption by the Authority of a portion of any loss or damage as a co-insurer, and that such insurance may provide for the deduction from each claim for loss or damage (except in case of a total loss) of not more than 2% of the total amount of insurance required by the application of the co-insurance clause, unless the Consulting Engineers shall recommend a higher deduction. Moreover, if the Authority shall be unable to obtain such insurance to the extent required, either in the amount or as to the risks covered thereby, it will not constitute an event of default under the provisions of the Trust Agreement if the Authority shall maintain such insurance to the extent reasonably obtainable.

All insurance policies will be for the benefit of the Trustee and the Authority, and the insurance policies will be made payable to the Trustee, and will be held by the Trustee. The Trustee will have the sole right to receive the proceeds of such insurance. The proceeds of any insurance will be held by the Trustee as security for the bonds until the bonds are paid out in accordance with the Resolution.

The Authority agrees that, immediately after any damage to or destruction of the NTTA System or any part thereof, competent engineers will prepare plans and specifications for repairing, replacing, or reconstructing the damaged or destroyed property (either in accordance with the original or a different design) and an estimate of the cost thereof. Copies of such estimate will be mailed by the Authority to the Trustee and to the Consulting Engineers unless such engineers are the Consulting Engineers.

The proceeds of all insurance will be available for, and to the extent necessary be applied to, the repair, replacement, or reconstruction of the damaged or destroyed property, and will be disbursed by the Trustee. If the proceeds are more than sufficient for such purpose, the balance remaining will be placed in the Revenue Fund. If the insurance proceeds are insufficient for such purpose, the deficiency will be supplied by the Authority from any surplus unpledged, uncommitted, and available moneys in the Capital Improvement Fund and the Reserve Maintenance Fund, in that order, to the extent required or available.

The Authority agrees that, if the cost of repairing, replacing, or reconstructing the damaged or destroyed property as estimated does not exceed the proceeds of insurance and other moneys available for such purpose, it will commence with the repair, replacement, or reconstruction of the damaged or destroyed property according to plans and specifications prepared or approved by the Consulting Engineers.

The proceeds of any insurance not applied within 18 months after their receipt to repairing, replacing, or reconstructing the damaged or destroyed property must be deposited to the credit of the Reserve Maintenance Fund, unless the Authority advises the Trustee that it has been prevented from so repairing, replacing, or reconstructing because of conditions beyond its control, or unless the Authority, with the consent of the holders of a majority in principal amount of all the bonds then outstanding, shall otherwise direct.

Covenants Regarding Tax Exemption

Except with respect to Bonds issued as "taxable bonds," the Authority agrees to refrain from taking any action which would adversely affect, and to take any action required to ensure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation (other than with respect to the taxable Bonds).

Construction and Completion of the Projects

The Authority has agreed that it will acquire any property as may be necessary to construct the SRT and the PGBT EE and when deemed necessary and feasible, it will exercise the right of condemnation in order to acquire any real property or other property located either within or outside the boundaries of any county, city, town, village, or other political subdivision of the State of Texas and owned either privately or by any county, city, town, village, or other political subdivision of the State of Texas, provided that such right to condemnation will be exercised as to land, only when the acquisition of such land is deemed necessary by the Authority for highway and right-of-way purposes for the SRT and the PGBT EE, including land necessary for access, approach, and interchange roads.

The Authority has agreed that it will construct and complete the SRT and the PGBT EE substantially as described in the engineering reports of the Consulting Engineers with such changes or additions to the SRT and the PGBT EE as may be recommended by such firms or the Consulting Engineers and approved by the Authority, provided that such changes or additions will not, in the opinion of the Traffic Engineers, substantially adversely affect the revenues of the NTTA System or the volume or character of the traffic expected to use the NTTA System. The Authority agrees that the SRT and the PGBT EE will be constructed and completed with all expedition practicable in accordance with plans and specifications approved by the Authority and by the Consulting Engineers and in conformity with law.

The Authority will use its best efforts to issue any additional revenue bonds or other debt necessary for the purpose of completing the SRT and the PGBT EE and placing them in operation, and that such bonds will be issued pursuant to the provisions of the Act or other applicable law, as it then exists.

The Authority has agreed that before entering into any construction contract it will get the approval of the Consulting Engineers of the contract and of the plans and specifications referred to in the contract, and that it will require each person, firm, or corporation with whom it may contract for labor or materials to furnish a performance bond and payment bond in the full amount of any contract exceeding $25,000 and to carry such insurance as may be required by law and by the Authority. The Authority further agrees that the proceeds of any such performance bond will be applied toward the completion of the pertinent contract. No such contract may provide that payments must be made by the Authority in excess of 98% of monthly estimates approved by the Consulting Engineers of moneys due the contractor for work performed or materials furnished during the preceding month except payment of the final balance due under any such contract.

Investments

Investment of Money in Funds and Accounts. All money held for the credit of the Construction Fund will, as nearly as may be practicable, be invested and reinvested by the Trustee, as directed by the Authority, in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, in such amounts and at such times as will be required to provide money when needed to pay the Costs payable from the Construction Fund. Money held for the credit of the Reserve Accounts will, as nearly as may be practicable, be invested and reinvested by the Trustee, as directed by the Authority, in Authorized Investments which will mature, or will be subject to redemption by the holder thereof at the option of such holder, not later than five years after the date of such investment. Money held for the credit of the Reserve Maintenance Fund may be invested and reinvested by the Authority in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, not later than five years after the date of such investment. Money held for the credit of the Capital Improvement Fund may be invested in any of the Authorized Investments or in any other manner authorized by the Board. Money held for the credit of the Operation and Maintenance Fund will be invested and reinvested by the Authority, and the Revenue Fund, the Bond Interest Accounts, and the Redemption Accounts will be invested and reinvested by the Trustee, as directed by the Authority, in Authorized Investments which will mature, or which will be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates which will allow money to be available in each of said Funds and Accounts for use at the appropriate times and for the purposes for which they were created.

In lieu of the investments as provided above, and at the option of the Authority, and in any other case where the Authority deems it advisable, the Authority may make interest bearing time deposits, invest in certificates of deposit, or make other similar arrangements with the Trustee or any other depositary 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 the Authority, during the period of construction or completion of construction of any project, the Authority may direct the Trustee to transfer from the Construction Fund and deposit to the credit of the applicable Bond Interest Account, from the investment earnings deposited in the Construction Fund and/or the Reserve Maintenance Fund all or any part of an amount, which, together with the amount then available in the applicable Bond Interest Account, will be sufficient to pay the interest coming due on the bonds on each interest payment date, respectively. The Trustee is required to account for all amounts at any time on hand in the Construction Fund attributable to all investment earnings, regardless of their source, and to make the deposits required above to the extent of such investment earnings on hand at the time each such deposit is required to be made. In the event that such investment earnings are not sufficient to supplement the applicable Bond Interest Account in an amount required to enable the Trustee to pay from the applicable Bond Interest Account the interest coming due on the bonds on any interest payment date, then the Trustee, without further authorization or requisition, is required to use the corpus of the Construction Fund (original bond proceeds) to the extent necessary to provide the required supplement to the applicable Bond Interest Account.

The Trustee, any other depositaries, and the Authority, as the case may be, are required to sell at the best price obtainable in the exercise of reasonable diligence, or present for payment or redemption, any obligations so purchased, whenever and to the extent it is necessary so to do, in order to provide money required to meet any payment or transfer from any Fund or Account. The Trustee, any other depositaries, and the Authority, as the case may be, are required to present for payment all such obligations when they mature or when they are called for redemption and the proceeds thereof are required to be reinvested promptly, unless needed to meet any such payment or transfer. Neither the Trustee, any other depositaries, nor the Authority will be liable or responsible for making any such investment or for any loss resulting from any such investment, but any resulting deficiency in any Fund or Account is required to be restored from the first money available therefor in accordance with the Trust Agreement. The Trustee and any other depositaries are required to advise the Authority in writing, on or before the fifth day of each month, of the details of all money and investments held by them for the credit of any such Fund or Account.

The provisions of the Trust Agreement which relate to the deposit and to the investment of money are subject to any applicable laws of the State of Texas.

All Authorized Investments purchased as an investment of any Fund or Account are required to be valued at the Value of Authorized Investments. Reserve Accounts are required to be valued by the Authority as of the last Business Day of the current Fiscal Year, and semiannually thereafter as of the last Business Day of the sixth and twelfth months, respectively, of each Fiscal Year.

Notwithstanding any other provisions of the Trust Agreement, if investment income derived from any Fund or Account maintained pursuant hereto is required to be rebated to the United States of America, as required by the tax covenants of the Authority in order to prevent any bonds from being "arbitrage bonds", such investment income will be so rebated from the appropriate Fund or Account, and the amount of such rebate will not be considered to be revenues of the Tollway. The Trustee is required, upon the request and direction of the Authority, to transmit any such rebate amounts held by it to the United States of America.

Events of Default and Remedies

Events of Default. Each of the following events is hereby declared an "*Event of Default*," that is to say: if

(a) the Authority defaults in the payment of the principal of or premium, if any, on any of the bonds when the same become due and payable, either at maturity or by proceedings for redemption; or

(b) the Authority defaults in the payment of any installment of interest on any bond when the same becomes due and payable; or

(c) any part of the Tollway is destroyed or damaged to the extent of impairing its efficient operation and adversely affecting its gross or net revenues and is not promptly repaired, replaced or reconstructed (whether such failure to repair, replace or reconstruct the same be due to the impracticability of such repair, replacement or reconstruction or to lack of funds therefor or for any other reason); or

(d) judgment for the payment of money is rendered against the Authority if such judgment is under any circumstances payable from the revenues of the Tollway and any such judgment is not discharged within ninety (90) days from the entry thereof or an appeal is not taken therefrom or from the order, decree or process upon which or pursuant to which such judgment has been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, decree or process or the enforcement thereof; or

(e) an order or decree is entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of the Tollway or any part thereof or of the tolls or other revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Authority, is not vacated or discharged or stayed within ninety (90) days after the entry thereof; or

(f) any proceeding is instituted, with the consent or acquiescence of the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the revenues of the Tollway; or

(g) the Authority defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the bonds or in the Trust Agreement on the part of the Authority to be performed, and such default continues for sixty (60) days after written notice specifying such default and requiring it to be remedied has been given to the Authority by the Trustee, which may give such notice in its discretion and is required to give such notice at the written request of the holders of not less than ten percent (10%) in principal amount of the bonds then Outstanding; and the Trustee is required to investigate and consider any allegation of such default or Event of Default of which any Bond Insurer of record notifies the Trustee in writing; or

(h) the occurrence and continuance of an event of default by the Authority under a Credit Agreement or Reserve Surety Agreement.

A payment default under paragraphs (a) or (b) above with respect to a Second or Third Tier Bond will not constitute an Event of Default with respect to First Tier Bonds. A payment default under paragraphs (a) or (b) above with respect to a Third Tier Bond will not constitute an Event of Default with respect to Second Tier Bonds.

Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified under the caption "*Events of Default*," then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding is required to proceed (subject to receiving adequate indemnity), to protect and enforce its rights and the rights of the bondholders under the Turnpike Act and under the 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 the Authority 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 the Authority, 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 the Authority, to any bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with the Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it is required to fix the date (which will be an interest payment date unless the Trustee deems another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date will cease to accrue. The Trustee is required to give such notice as it deems appropriate of the fixing of any such date, and is not required to make payment to the holder of any unpaid bond or the interest thereon unless such bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Effect of Discontinuance of Proceedings. In case any action taken by the Trustee on account of any default is discontinued or abandoned for any reason, then the Authority, the Trustee, any Bond Insurer of record, and the bondholders will be restored to their former positions and rights under the 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 the Authority authorizing the issuance of bonds, or any right under the Turnpike Act or the laws of Texas, excepting only an action for the recovery of overdue and unpaid principal, interest or redemption premium, unless such holder has previously given to the Trustee written notice of the Event of Default or breach of trust or duty on account of which such suit or action is to be taken, and unless the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, have accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted under the 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.

The Authority 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 the Authority 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 the Authority is required to reimburse the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority fails to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the 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 the Authority and mailed to each bondholder of record not less than sixty (60) days before the resignation is to take effect, but such resignation will take effect immediately upon the appointment of a new Trustee, if such new Trustee is appointed before the time limited by such notice and accepts such trusts; provided, however, such resignation will not become effective until and unless a successor trustee is appointed and accepts such trusts. If no successor trustee has been appointed and accepted such trusts within ninety (90) days after the date the resignation is to take effect, the schedule of fees and charges of the Trustee then in effect will terminate, and the Trustee may establish such fees and charges for its services as it deems necessary to reasonably compensate it for such services under the circumstances then existing.

Removal of Trustee. The Trustee may be removed at any time by an instrument or instruments in writing, signed by the holders of not less than a majority in principal amount of the bonds secured under the Trust Agreement and Outstanding and filed with the Authority. No removal of a Trustee will be effective until and unless a qualified successor trustee has been appointed and accepted the trusts under the Trust Agreement. The Trustee may also be removed at any time, for any reason, in the sole discretion of the Authority, by a resolution duly adopted by the Authority; provided that such resolution names a successor Trustee as described below, and directs the successor Trustee to mail written notice of such change in Trustee to each registered bondholder on or before the next interest payment date or redemption date, whichever is first.

Appointment of Successor Trustee. If at any time the Trustee resigns, or is removed, dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee will thereupon become vacant. If the position of Trustee becomes vacant for any reason, the Authority is required to appoint a Trustee to fill such vacancy. The Authority is required to publish notice of any such appointment once in each week for four successive weeks in a financial journal of general circulation published in the Borough of Manhattan, City and State of New York or mail notice to each bondholder of record.

At any time within one year after any such vacancy has occurred, the owners of a majority in principal amount of the bonds then Outstanding, by an instrument or instruments in writing, signed by such bondholders or their attorneys in fact, may appoint a successor Trustee, which will supersede any Trustee theretofore appointed by the Authority. If no appointment of a successor Trustee is made, the owner of any bond Outstanding under the 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 Authority and Trustee. The Authority and the Trustee may, from time to time and at any time, without the consent of the owners of the bonds, enter into such agreements supplemental to the 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 Standard & Poor's, Fitch or Moody's, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Authority, materially adversely affect the interests of the owners of the Outstanding bonds or any Bond Insurer of record, or

(h) to the extent permitted by law, to permit the Authority to enter into Qualified Credit Agreements or to issue Additional Bonds in foreign denominated currencies; provided, however, no such amendment may be made unless the Authority has received a letter from Standard & Poor's, Fitch and Moody's to the effect that such amendment will not result in any of such rating agencies lowering the assigned rating on the then Outstanding bonds, or

(i) upon direction of the Authority, provided that the Trustee receives a written confirmation from each rating agency then maintaining a rating on the First Tier Bonds and the Second Tier Bonds to the effect that the execution and delivery of such Supplemental Agreement will not in and of itself cause such rating agency to reduce or withdraw the then current rating on the First Tier Bonds and the Second Tier Bonds, together with the prior written consent of each Bond Insurer and other Credit Provider then providing credit support for any series of bonds, provided, however, that no such amendment will have the effect of amending a provision of the Trust Agreement that would otherwise require the consent of the holders of not less than 51% in aggregate principal amount of bonds Outstanding.

Modification of Agreements with Consent of Holders of 51% of Bonds; Restrictions on Modification; Notices. Except as set forth below and except as set forth above under the caption "Supplemental Agreements by Authority and Trustee," the holders of not less than 51% in aggregate principal amount of the bonds then Outstanding, or if less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding, will have the right, from time to time, notwithstanding anything contained in the Trust Agreement to the contrary, to consent to and approve the execution by the Authority and the Trustee of such agreement or agreements supplemental to the Trust Agreement as is deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the 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 the Authority requests that the Trustee to enter into a Supplemental Agreement for the purposes described herein, the Trustee is required, at the expense of the Authority, to cause notice of the proposed execution of such Supplemental Agreement to be published once in each week for four successive weeks in a financial journal of general circulation published in the Borough of Manhattan, City and State of New York or to cause such notice to be mailed, postage prepaid, to all registered owners of bonds then Outstanding at their addresses as they appear on the registration books. Said notice is required to briefly set forth the nature of the proposed Supplemental Agreement and to state that a copy thereof is on file at the office of the Trustee for inspection by all bondholders. The Trustee will not be subject to any liability to any bondholder by reason of its failure to mail the notice described herein, and any such failure will not affect the validity of such Supplemental Agreement when consented to and approved as provided for herein.

Whenever, at any time within one year after the date of the first publication of such notice or the date of mailing of such notice, as applicable, the Authority is required to deliver to the Trustee an instrument or instruments purporting to be executed by the holders of not less than 51% in aggregate principal amount of the bonds then Outstanding (or, in the case that less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding at the time of the execution), which instrument or instruments are required to refer to the proposed Supplemental Agreement described in such notice and to specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such Supplemental Agreement in substantially such form, without liability or responsibility to any holder of any bond, whether or not such holder has consented thereto.

If the holders of not less than 51% in aggregate principal amount of the bonds Outstanding at the time of the execution (or, in the case that less than all of the bonds then Outstanding are affected by the modification or amendment, the holders of not less than 51% in aggregate principal amount of the bonds so affected and Outstanding at the time of the execution) of such Supplemental Agreement have consented to and approved the execution thereof, no holder of any bond will have any right to object to the execution of such Supplemental Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Supplemental Agreement as described herein, the Trust Agreement will be modified and amended in accordance therewith, and the respective rights, duties, and obligations under the Trust Agreement of the Authority and the Trustee and all holders of bonds then Outstanding will thereafter be determined, exercised and enforced thereunder, subject in all respects to such modifications and amendments.

Modification of Trust Agreement with Consent of all Holders. Notwithstanding anything contained in the Trust Agreement, the rights and obligations of the Authority and of the holders of the bonds and the terms and provisions of the bonds and the Trust Agreement or any Supplemental Agreement, may be modified or altered in any respect with the consent of the Authority and the consent of the holders of all of the bonds then Outstanding.

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APPENDIX F

AMORTIZATION SCHEDULE FOR THE ISTEA LOAN

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AMORTIZATION SCHEDULE FOR THE ISTEA LOAN

The ISTEA Loan. The ISTEA Loan is subordinate to the Third Tier Bonds and its payment schedule is as follows (see "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS—ISTEA Loan Payments**"):

12 Months Ending January 1[1]	Estimated Net Revenues Available for ISTEA Loan Payments [2]	Scheduled ISTEA Loan Payments	Estimated Revenues Remaining After ISTEA Loan Payments [3]
2013	$ 63,201,937	$ 8,250,000	$ 54,951,937
2014	78,083,788	8,000,000	70,083,788
2015	68,280,783	8,000,000	60,280,783
2016	70,274,262	8,000,000	62,274,262
2017	81,535,513	8,000,000	73,535,513
2018	78,074,127	9,000,000	69,074,127
2019	74,729,466	10,500,000	64,229,466
2020	123,698,374	12,250,000	111,448,374
2021	170,835,124	15,322,396	155,512,728
2022	178,118,075	15,322,396	162,795,679
2023	207,190,845	15,322,396	191,868,449
2024	227,771,186	15,322,396	212,448,790
2025	217,809,480	15,322,396	202,487,084
2026	216,929,257	15,322,396	201,606,861
2027	229,857,790	15,322,396	214,535,394
2028	262,182,215	15,322,396	246,859,819
2029	289,891,452	15,322,396	274,569,056

(1) The Trust Agreement provides for debt service coverage to be calculated using Net Revenues for the 12 months ending December 31 in any given year and Debt Service Requirements (as defined in the Trust Agreement) for the 12 months ending on the immediately following January 1. For the purpose of this table, amounts shown for net revenues available for ISTEA Loan Payments are for the 12 months ending on December 31 (the day immediately preceding the January 1 date as shown in the table).

(2) Estimated net revenues available for ISTEA Loan Payments equals net revenues less debt service on bonds and CP Notes less amounts, if any, deposited in Reserve Maintenance Fund and the Debt Service Reserve Accounts.

(3) See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2012 BONDS – ISTEA Loan**."

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APPENDIX G

FORM OF CO-BOND COUNSEL OPINION

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FORM OF CO-BOND COUNSEL OPINION
SERIES 2012

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 Mahomes Bolden PC, Co-Bond Counsel, upon the delivery of a series of the Series 2012 Bonds, assuming no material changes in facts or law.

______________, 2012

NORTH TEXAS TOLLWAY AUTHORITY SYSTEM
FIRST TIER REVENUE REFUNDING BONDS, SERIES 2012[C][D]

DATED ___________ ____, 2012
$___________________

AS CO-BOND COUNSEL for the North Texas Tollway Authority (the "*Authority*"), we have examined the legality and validity of the issue of bonds described above (the "*Bonds*"), which bear interest from the dates and mature on the dates specified on the face of the Bonds, all in accordance with the resolution (the "*Bond Resolution*") of the Board of Directors of the Authority (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 the Authority, and other pertinent instruments relating to the authorization, issuance, and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Authority upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Authority is a body corporate and politic and a political subdivision of the State of Texas, created by Senate Bill 370 enacted by the 75th Legislative Session of the Texas Legislature and functioning under Chapter 366, Texas Transportation Code, as amended (the "*Act*"); that the Bonds have been duly authorized; and that the Bonds have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Authority which are payable as to principal and interest from the sources provided in the Bond Resolution and the Amended and Restated Trust Agreement between the Authority and Wells Fargo Bank, 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 the Authority, (iii) the Bonds constitute valid and legally binding obligations of the Authority secured as First Tier Bonds, on a parity with other Outstanding First Tier Bonds, under the 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.

THE AUTHORITY 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.

THE AUTHORITY 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 the Authority 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 the Authority to comply with such representations and covenants may cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds is 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 the Authority as the taxpayer. We observe that the Authority has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE HAVE ACTED AS CO-BOND COUNSEL for the Authority for the purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes. We have not been requested to investigate or verify, and have not investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Authority and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

/s/ McCall, Parkhurst & Horton L.L.P.

/s/ Mahomes Bolden PC

NTTA

NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY AUTHORITY • SYSTEM REVENUE REFUNDING BONDS, SERIES 2012
FIRST TIER PUT BONDS, SERIES 2012C AND FIRST TIER CURRENT INTEREST BONDS, SERIES 2012D