PRELIMINARY REMARKETING MEMORANDUM DATED MARCH 31, 2014

NOT A NEW ISSUE - BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein**

*In the opinion of Co-Bond Counsel, upon the conversion into the Index Floating Rate Mode and remarketing of the Series 2011A Bonds, interest on the Series 2011A 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 2011A 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.*

$100,000,000
NORTH TEXAS TOLLWAY AUTHORITY
SYSTEM FIRST TIER VARIABLE RATE REVENUE REFUNDING BONDS, SERIES 2011A (SIFMA INDEX FLOATING RATE MODE)

Originally Dated:	**CUSIP***:	**2014 Conversion Date:**	**Interest Accrual:**	**Due:**
July 7, 2011	___________	**April 30, 2014**	**from Conversion Date**	**as shown on page (i)**

Dated Date: Date of Delivery

The North Texas Tollway Authority System First Tier Variable Rate Revenue Refunding Bonds, Series 2011A (the "*Series 2011A Bonds*") were originally issued on July 7, 2011 as first tier current interest bonds in a weekly interest rate mode. The Series 2011A Bonds are being remarketed in connection with a conversion to the Index Floating Rate Mode.

The Series 2011A Bonds are fully registered bonds, without coupons, and are being remarketed in the Index Floating Rate Mode in denominations of $5,000 and integral multiples thereof. Interest will accrue on the Series 2011A Bonds from the Conversion Date at the Index Floating Rate but not to exceed __% per annum, and will be calculated on the basis of a 365 or 366 day year, as applicable, for the number of days actually elapsed.

The Series 2011A Bonds were issued pursuant to a resolution adopted on June 15, 2011 (the "*Original Resolution*") by the Board of Directors (the "*Board*") of the North Texas Tollway Authority (the "*Authority*") and an Amended and Restated Trust Agreement dated as of April 1, 2008, between the Authority and Wells Fargo Bank, N.A., as Trustee, as supplemented and amended to date (the "*Trust Agreement*"). The Original Resolution will be amended and supplemented as of the Conversion Date by a resolution adopted by the Board on March 19, 2014 (together with the Original Resolution, the "*Resolution*"). The Series 2011A 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 (as defined 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 2011A Bonds are further described in this Remarketing Memorandum. See page (i) for additional information relating to the Series 2011A Bonds, including provisions relating to maturities, interest rates, optional and mandatory redemptions, optional and mandatory tenders and lien priorities.

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2011A 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 2011A 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 2011A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2011A BONDS ARE NOT SECURED BY THE REVENUES OF THE SPECIAL PROJECTS SYSTEM OR THE SPS TRUST AGREEMENT.

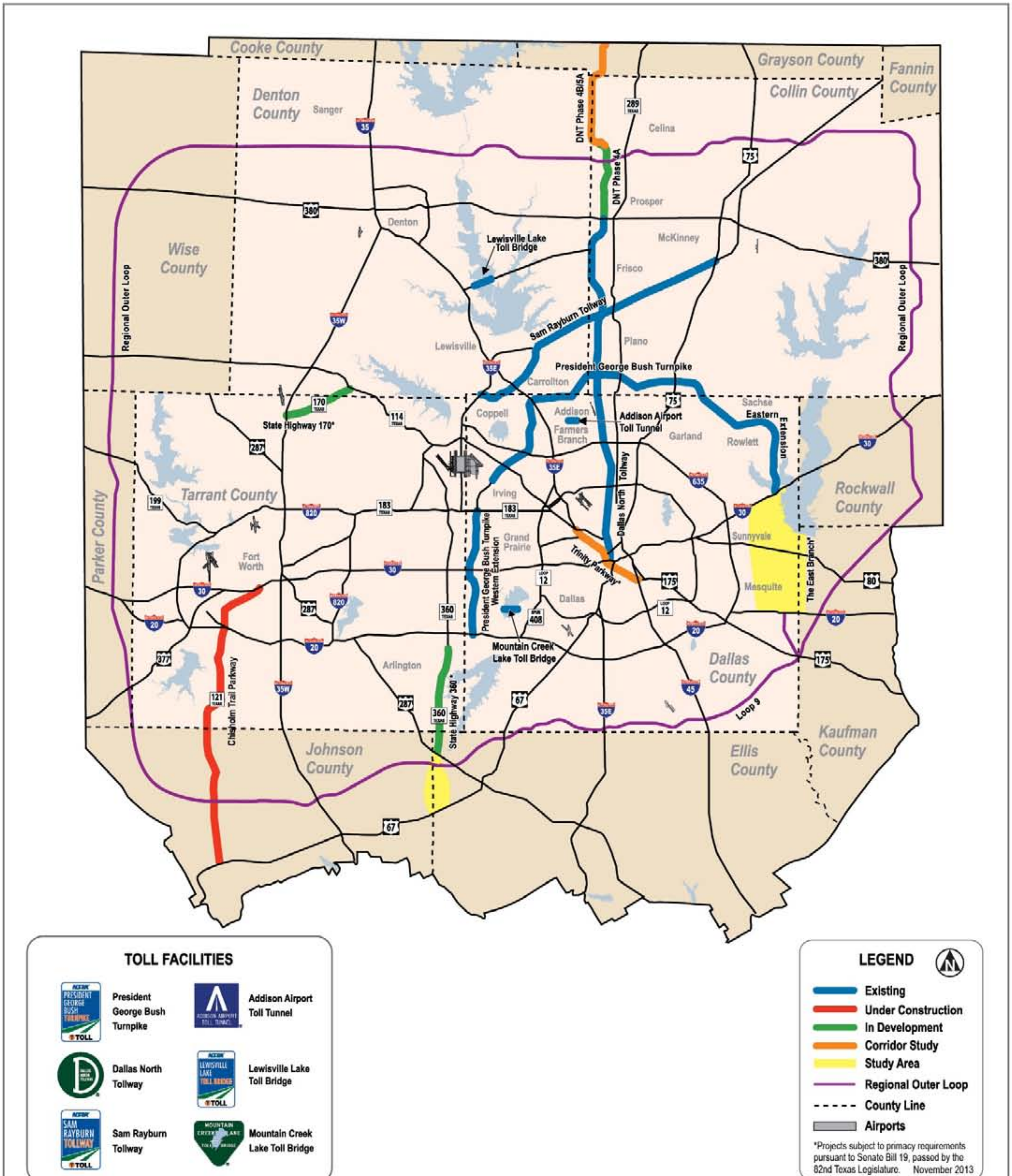
This cover page and page (i) contain information for quick reference only. Such pages do not contain a complete summary of the Series 2011A Bonds. Potential investors must read the entire Remarketing Memorandum to obtain information essential to making an informed investment decision. Investment in the Series 2011A Bonds is subject to certain investment considerations. See "**RISK FACTORS**."

The Series 2011A Bonds were initially delivered on July 7, 2011, and the validity of the Series 2011A Bonds was approved at such time by the Attorney General of the State of Texas and McCall, Parkhurst & Horton L.L.P. and Mahomes Bolden PC, 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 for the Authority and Andrews Kurth LLP, Houston, Texas and West & Associates L.L.P., Dallas, Texas, Co-Counsel for the Remarketing Agents. It is expected that delivery of the Series 2011A Bonds will be made through DTC in New York, New York on or about April 30, 2014.

RBC Capital Markets **Loop Capital Markets**

The date of this Remarketing Memorandum is April __, 2014.

* Registered trademark of the American Bankers Association. See page (iv) herein.



Facility Map of the North Texas Region

NORTH TEXAS TOLLWAY AUTHORITY

MATURITIES, INTEREST RATES, REDEMPTIONS, TENDERS, AND ADDITIONAL INFORMATION REGARDING THE SERIES 2011A BONDS

THIS REMARKETING MEMORANDUM DESCRIBES THE SERIES 2011A BONDS IN THE INDEX FLOATING RATE MODE ONLY. AT THE TERMINATION OF THE INDEX FLOATING RATE PERIOD, THE SERIES 2011A BONDS ARE SUBJECT TO MANDATORY TENDER AND PURCHASE. UPON SUCH MANDATORY TENDER AND PURCHASE, THE SERIES 2011A BONDS ARE EXPECTED TO BE REMARKETED. AT THE TIME OF SUCH REMARKETING, A NEW REMARKETING MEMORANDUM OR SUPPLEMENT TO THIS REMARKETING MEMORANDUM WILL BE PREPARED FOR REMARKETING THE SERIES 2011A BONDS. SEE **"THE SERIES 2011A BONDS - CONVERSION."**

General. The North Texas Tollway Authority System First Tier Variable Rate Revenue Refunding Bonds, Series 2011A (the "*Series 2011A Bonds*") will be converted and remarketed as fully registered bonds, without coupons, in denominations of $5,000 and integral multiples thereof. From April 30, 2014 (the "*2014 Conversion Date*"), the Series 2011A Bonds will be in the Index Floating Rate Mode and interest will accrue on the Series 2011A Bonds at the Index Floating Rate. Principal will come due on January 1, 2050 or upon the earlier redemption as described herein. The Series 2011A Bonds will be sold at par.

Index Floating Rate Mode. The Series 2011A Bonds are being converted on the 2014 Conversion Date to the Index Floating Rate Mode in which the interest rate changes weekly as described herein during the Index Floating Rate Period. The Index Floating Rate Period commences on the 2014 Conversion Date and terminates on _________ __, ____ (the "*Index Floating Rate Mode Tender Date*"). See "**THE SERIES 2011A BONDS — Interest on the Series 2011A Bonds**."

Index Floating Rate. The Series 2011A Bonds will accrue interest at a variable per annum interest rate equal to the sum of (1) the SIFMA Index as of the day of determination plus (2) the Applicable Spread. All calculations of interest on the Series 2011A Bonds shall be computed on the basis of a 365 or 366 day year, as applicable, for the number of days actually elapsed. In no event may any Series 2011A Bond bear interest at an interest rate higher than the Maximum Rate, which shall mean a rate of interest of __% per annum while in the Index Floating Rate Mode, and in no event to exceed the highest rate allowed by law. See "**THE SERIES 2011A BONDS – Interest on the Series 2011A Bonds**."

SIFMA Index. The SIFMA Index is the Securities Industry and Financial Markets Association ("*SIFMA*") Municipal Swap Index announced weekly by Municipal Market Data (or its successor) 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. See "**THE SERIES 2011A BONDS – Definitions**."

Applicable Spread. The Applicable Spread means _____ basis points. The Applicable Spread shall remain constant for the duration of the Index Floating Rate Period. See "**THE SERIES 2011A BONDS – Definitions" and " – Interest on the Series 2011A Bonds**."

Interest Payment Date. Interest on the Series 2011A Bonds will be payable on the first Business Day of each calendar month, beginning June 2, 2014, and accruing from, but not including, the 2014 Conversion Date. See "**THE SERIES 2011A BONDS – Interest on the Series 2011A Bonds**."

Index Floating Rate Mode Tender Date. The Series 2011A Bonds shall be subject to mandatory tender for purchase on the Index Floating Rate Mode Tender Date if the Series 2011A Bonds have not been previously purchased in connection with a conversion to another interest rate mode (including another Index Floating Rate Period) or redeemed. See "**THE SERIES 2011A BONDS – Optional and Mandatory Tender**."

Failed Remarketing. Upon the occurrence of a failure to redeem or to remarket the Series 2011A Bonds on the Index Floating Rate Mode Tender Date, none of the Series 2011A Bonds will be purchased on such date; thereafter, the Series 2011A Bonds will accrue interest at ___% (the "*Index Floating Rate Mode Delayed Remarketing Period Rate*") until remarketed or redeemed. The failure to remarket the Series 2011A Bonds on the Index Floating Rate Mode Tender Date or any other mandatory tender date shall not constitute an Event of Default under the Trust Agreement. See "**THE SERIES 2011A BONDS – Optional and Mandatory Tender**."

Other Mandatory Tenders. The Series 2011A Bonds may, during the period beginning 6 months prior to the Index Floating Rate Mode Tender Date, be called for mandatory tender, upon at least 15 days prior written notice to the Bondholders, in connection with a conversion to another interest rate mode (including another Index Floating Rate Period) as provided in the Resolution. See "**THE SERIES 2011A BONDS – Conversion"** and "**– Optional and Mandatory Tender**."

Optional Tenders. While in the Index Floating Rate Mode, the Series 2011A Bonds are not subject to tender at the option of the Bondholder. See "**THE SERIES 2011A BONDS – Optional and Mandatory Tender**."

Optional Redemption. The Series 2011A Bonds are subject to redemption, at the option of the Authority, in whole or in part, on any Business Day, upon at least 15 days (5 days if during an Index Floating Rate Mode Delayed Remarketing Period) prior written notice to the Bondholders, during the period beginning 6 months prior to the Index Floating Rate Mode Tender Date to and including the last day of the Index Floating Rate Period, at a redemption price of 100% of the principal amount of Series 2011A Bonds called for redemption, plus accrued interest, if any, to the date of redemption. See "**THE SERIES 2011A BONDS – Redemption**."

Mandatory Sinking Fund Redemption. The Series 2011A Bonds are subject to mandatory sinking fund redemption as described herein. See "**THE SERIES 2011A BONDS – Redemption**."

Lien Priority. The Series 2011A Bonds constitute First Tier Bonds under the Trust Agreement. See "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011A BONDS – Priority of Payment**."

Remarketing Agents. RBC Capital Markets, LLC and Loop Capital Markets are acting as remarketing agents for the Series 2011A Bonds in connection with the conversion to the Index Floating Rate Mode.

Tax Status. In the opinion of Co-Bond Counsel to the Authority, upon the conversion and remarketing of the Series 2011A Bonds into the Index Floating Rate Mode, interest on the Series 2011A Bonds will be excludable from the gross income of the holders thereof 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. It should be noted that in the opinion, Co-Bond Counsel will note that the interest on the Series 2011A Bonds will be includable in the adjusted current earnings of corporations under section 56(g) of the Code. See "**TAX MATTERS**."

THIS REMARKETING MEMORANDUM DESCRIBES THE SERIES 2011A BONDS IN THE INDEX FLOATING RATE MODE ONLY. IF THE SERIES 2011A BONDS ARE CONVERTED TO AN INTEREST RATE MODE OTHER THAN THE INDEX FLOATING RATE MODE, A NEW REMARKETING MEMORANDUM OR SUPPLEMENT TO THIS REMARKETING MEMORANDUM WILL BE PREPARED FOR REMARKETING SUCH SERIES 2011A BONDS IN SUCH DIFFERENT INTEREST RATE MODE. THE SERIES 2011A BONDS ARE SUBJECT TO MANDATORY TENDER ON EACH CONVERSION DATE.

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	5 years	2015	Tarrant County	Businessman
William Moore, Vice Chairman	4 years	2015	Collin County	Businessman
Michael R. Nowels	6 years	2014	Denton County	Businessman
Jane Willard	3 years	2014	Collin County	Community Advocate
George "Tex" Quesada	2 years	2015	Dallas County	Attorney
Matrice Ellis-Kirk	2 years	2014	Dallas County	Businesswoman
William Elliott	1 year	2015	Governor	Attorney
Mojy Haddad	1 year	2014	Tarrant County	Businessman
Gary Kloepper	4 months	2015	Denton County	Businessman

Administration[3]

Name	Position
Gerald E. Carrigan	CEO/Executive Director
Horatio Porter	Assistant Executive Director of Finance and Chief Financial Officer
Magdalena M. Brady	Director of Internal Audit
James Hofmann	Assistant Executive Director of Operations
Thomas Bamonte	General Counsel
Elizabeth Mow	Assistant Executive Director of Infrastructure
Lorelei Griffith	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	Atkins North America Dallas, Texas
	VRX Engineering, Inc. Plano, Texas
Financial Advisor	First Southwest Company Dallas, Texas
Co-Financial Advisor	TKG & Associates LLC Dallas, Texas
Trustee	Wells Fargo Bank, N.A. Dallas, Texas
Issuing and Paying Agent	U.S. Bank National Association Dallas, Texas

For additional information regarding the Authority, please contact:

Mr. Horatio Porter	Mr. Ron Davis
Chief Financial Officer	Senior Vice President
North Texas Tollway Authority	First Southwest Company
5900 West Plano Parkway, Suite 100	325 N. Saint Paul, Suite 800
Plano, Texas 75093-4694	Dallas, Texas 75201
(214) 461-2000	(214) 953-4000

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(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 REMARKETING MEMORANDUM

No dealer, broker, salesman, or other person has been authorized by the Authority or RBC Capital Markets, LLC or Loop Capital Markets (the "*Remarketing Agents*") to give any information or to make any representation other than those contained in this Remarketing Memorandum, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or the Remarketing Agents. This Remarketing Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2011A 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 Remarketing Memorandum, nor any sale of the Series 2011A 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 Remarketing Memorandum is submitted in connection with the remarketing of the Series 2011A Bonds and in no instance may this Remarketing Memorandum be reproduced or used for any other purpose.

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 Remarketing Agents and are included solely for the convenience of the holders of the Series 2011A Bonds. None of the Authority, its Financial Advisors nor the Remarketing Agents are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2011A 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 2011A 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 2011A Bonds.

THIS REMARKETING MEMORANDUM IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS REMARKETING MEMORANDUM 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 REMARKETING MEMORANDUM AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE SERIES 2011A 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 REMARKETING MEMORANDUM AND HAS NOT REVIEWED OR UNDERTAKEN TO VERIFY ANY INFORMATION CONTAINED IN THIS REMARKETING MEMORANDUM.

NONE OF THE AUTHORITY, THE FINANCIAL ADVISOR, THE CO-FINANCIAL ADVISOR, OR THE REMARKETING AGENTS MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS REMARKETING MEMORANDUM REGARDING THE DEPOSITORY TRUST COMPANY ("*DTC*") OR ITS BOOK-ENTRY ONLY SYSTEM, AS SUCH INFORMATION WAS FURNISHED BY DTC.

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

No registration statement relating to the Series 2011A 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 2011A Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2011A 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 2011A Bonds under the securities laws of any jurisdiction in which the Series 2011A Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Series 2011A 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 2011A BONDS AND THE TERMS OF THE REMARKETING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2011A 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 Remarketing Memorandum, 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 Remarketing Memorandum 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

REMARKETING MEMORANDUM

relating to

$100,000,000
NORTH TEXAS TOLLWAY AUTHORITY
SYSTEM FIRST TIER VARIABLE RATE REVENUE REFUNDING BONDS, SERIES 2011A
(SIFMA INDEX FLOATING RATE MODE)

INTRODUCTION

This Remarketing Memorandum (this "*Remarketing Memorandum*") contains certain information relating to the conversion and remarketing by the North Texas Tollway Authority (the "*Authority*") of its $100,000,000 North Texas Tollway Authority System First Tier Variable Rate Revenue Refunding Bonds, Series 2011A (the "*Series 2011A Bonds*") into an Index Floating Rate Mode. 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 2011A Bonds were 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 June 15, 2011 (the "*Original Resolution*"), which authorized the issuance of the Series 2011A Bonds. The Original Resolution will be amended and supplemented as of the 2014 Conversion Date (as defined below) by a resolution adopted by the Board on March 19, 2014 (together with the Original Resolution, the "*Resolution*"). The Series 2011A Bonds will be converted and remarketed into the Index Floating Rate Mode on the date indicated on the cover page (the "*2014 Conversion Date*").

The Series 2011A 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, between the Authority and Wells Fargo Bank, N.A., as Trustee, as supplemented and amended to date (the "*Trust Agreement*") 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 2011A BONDS – Priority of Payment**."

Investment in the Series 2011A Bonds involves certain risks, some of which are discussed in this Remarketing Memorandum. The statements contained in this Remarketing Memorandum, including the appendices herein, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Remarketing Memorandum 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 2011A Bonds.

This Remarketing Memorandum 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 Remarketing Memorandum speaks only as of its date, and the information contained herein is subject to change. Capitalized terms used in this Remarketing Memorandum 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 2011A 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 2011A 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 2011A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2011A 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*").

PURPOSE

The Series 2011A Bonds were issued in accordance with the Authority Act, Chapters 1207 and 1371, Texas Government Code, as amended, and the Original Resolution. See "**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT**" in **APPENDIX E**.

Proceeds of the Series 2011A Bonds were used, among other purposes, to refund certain maturities of the Authority's outstanding bonds.

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 as it existed at that time and all obligations of the TTA related to the NTTA System.

The Board has adopted a mission statement which is "to provide a safe and reliable toll road system, increase value and mobility options for our customers, operate the Authority in a businesslike manner, protect our bondholders, and partner to meet our 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 at such locations within its jurisdiction as may be determined by the Authority and to issue bonds and other obligations, including commercial paper notes, 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 — THE NORTH TEXAS TOLLWAY AUTHORITY** 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 2011A 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 certain 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 — THE NORTH TEXAS TOLLWAY AUTHORITY** for additional information regarding the Authority.

PLAN OF FINANCE

Subsequent Financings Secured by the NTTA System Revenues

The Authority anticipates spending an additional $326 million over the 2014-2018 period for roadway bottleneck improvements, roadway capacity improvements and roadway widening. The Authority anticipates funding these improvements with cash flow; however, if cash flow is not sufficient, the Authority anticipates using interim financing utilizing the Authority's Commercial Paper Program. The Commercial Paper Notes will be paid from Capital Improvement Fund deposits or proceeds from additional bonds issued under the Trust Agreement for the NTTA System. See "**THE NTTA SYSTEM — Multi-Year NTTA System Capital Plan**" in **APPENDIX A**.

[Remainder of page intentionally left blank]

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
FYE (12/31)[(1)(2)]	**Outstanding First Tier Net Debt Service[(3)(4)(5)(6)]**	**Series 2011A Bonds Debt Service[(6)(7)]**	**Second Tier Net Debt Service[(8)]**	**ISTEA Loan Debt Service**	**Subordinate Lien Debt Service[(9)]**	**Total Net Debt Service**
2014	$ 272,577,420	$ 1,402,877	$ 58,038,275	$ 8,000,000	$ 23,416,150	$ 363,434,721
2015	300,555,673	2,084,274	58,038,275	8,000,000	23,416,150	392,094,372
2016	321,811,523	2,079,455	58,038,275	8,000,000	23,416,150	413,345,404
2017	323,971,598	2,083,398	58,038,275	9,000,000	23,416,150	416,509,421
2018	372,005,723	2,084,274	58,038,275	10,500,000	23,416,150	466,044,422
2019	375,032,511	6,000,000	58,038,275	12,250,000	53,841,150	505,161,936
2020	388,692,436	6,000,000	58,038,275	15,322,396	53,839,588	521,892,695
2021	413,711,648	6,000,000	58,038,275	15,322,396	53,844,275	546,916,594
2022	413,713,258	6,000,000	58,038,275	15,322,396	53,838,675	546,912,604
2023	422,678,853	6,000,000	58,038,275	15,322,396	53,811,493	555,851,017
2024	433,129,560	6,000,000	58,038,275	15,322,396	53,785,790	566,276,021
2025	458,556,185	6,000,000	58,038,275	15,322,396	53,754,696	591,671,552
2026	467,477,068	6,000,000	58,038,275	15,322,396	53,721,327	600,559,066
2027	495,081,388	6,000,000	58,038,275	15,322,396	53,688,202	628,130,261
2028	519,848,825	6,000,000	58,038,275	15,322,396	53,657,295	652,866,791
2029	476,973,512	6,000,000	83,113,275			566,086,787
2030	414,611,793	6,000,000	174,967,431			595,579,225
2031	419,602,887	6,000,000	184,636,450			610,239,337
2032	459,650,837	6,000,000	173,621,525			639,272,362
2033	471,253,112	6,000,000	176,682,325			653,935,437
2034	529,607,800	6,000,000	135,435,175			671,042,975
2035	558,213,475	6,000,000	130,842,538			695,056,012
2036	575,998,162	6,000,000	123,821,000			705,819,162
2037	612,201,012	6,000,000	78,101,976			696,302,988
2038	347,055,125	6,000,000				353,055,125
2039	406,911,525	6,000,000				412,911,525
2040	435,313,127	6,000,000				441,313,127
2041	441,505,403	6,000,000				447,505,403
2042	455,249,701	6,000,000				461,249,701
2043	191,681,193	6,000,000				197,681,193
2044	191,859,280	6,000,000				197,859,280
2045	194,032,834	6,000,000				200,032,834
2046	195,892,963	6,000,000				201,892,963
2047	144,431,956	6,000,000				150,431,956
2048						-
2049						-
2050						-
2051						-
	$ 13,500,889,368	**$ 183,734,278**	**$ 2,131,795,819**	**$ 193,651,564**	**$ 654,863,241**	**$ 16,664,934,270**

*Preliminary, subject to change.

(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 the 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 2014 includes debt service on January 1, 2015). 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 2014 includes debt service on August 1, 2015 and February 1, 2016).

(3) Excludes debt service on the Series 2011A Bonds.

(4) Net of direct subsidy related to the Series 2009B Bonds issued as Build America Bonds. The Federal Subsidy Payment is reduced by 7.2% due to automatic federal deficit reduction spending cuts known as "sequestration" which took effect on March 1, 2013. Sequestration affects certain federally funded programs, including the Federal Subsidy Payments payable to the Authority with respect to the Series 2009B Bonds. See "**RISK FACTORS - Risks Relating to Build America Bonds.**" It is assumed that this reduction in Federal Subsidy Payments continues at the same rate through the final maturity. The January 1, 2014 Federal Subsidy Payment was received late and will be applied to the July 1, 2014, interest payment along with the July 1, 2014 Federal Subsidy Payment.

(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 2012C Bonds are remarketed to a fixed rate of 6.00% on the January 1, 2019, mandatory tender date. 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 4.60% 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 a January 1, 2019 mandatory tender date. Assumes the remarketed Series 2011A Bonds bear interest at a rate of 2.09% and 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 Second Tier Bonds.

(9) Net of direct subsidy related to the Series 2010B Subordinate Lien Bonds issued as Build America Bonds. The Federal Subsidy Payments is reduced by 7.2% due to automatic federal deficit reduction spending cuts known as "sequestration" which took effect on March 1, 2013. Sequestration affects certain federally funded programs, including the Federal Subsidy Payments payable to the Authority with respect to the 2010B Subordinate Lien Bonds. See "**RISK FACTORS - Risks Relating to Build America Bonds**." It is assumed that this reduction in Federal Subsidy Payments continues at the same rate through the final maturity.

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

The table below shows estimated annual net revenues of the NTTA System for the period from January 1, 2014 through December 31, 2051. These net revenue figures were derived by deducting estimated expenses, estimated by the Consulting Engineer for the NTTA System, from the annual toll revenues of the NTTA System as estimated by the Traffic Engineers for the NTTA System, 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 project cash balances of the Authority, and various fees and other charges connected with video tolling. The table reflects the Authority's assumptions described under **"PRO FORMA DEBT SERVICE REQUIREMENTS."**

	A	B	C	D	E	F	G	H	I
FYE (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(8)	Estimated Coverage on 1st Tier & 2nd Tier Debt(9)	Estimated Coverage on all Debt & RMF Deposit
2014	$ 540,838,800	$ 21,398,610	$ 116,700,000	$ 445,537,410	$ 29,214,845	$ 363,434,721	1.63x	1.34x	1.13x
2015	575,026,700	22,362,381	120,201,000	477,188,081	15,757,943	392,094,372	1.58x	1.32x	1.17x
2016	610,628,000	24,016,380	123,807,030	510,837,350	14,177,287	413,345,404	1.58x	1.34x	1.19x
2017	642,687,200	25,665,108	127,521,241	540,831,067	20,929,612	416,509,421	1.66x	1.41x	1.24x
2018	676,136,700	27,156,420	129,046,878	574,246,242	16,879,293	466,044,422	1.54x	1.33x	1.19x
2019	717,447,100	27,459,590	139,221,411	605,685,279	23,227,931	505,161,936	1.59x	1.38x	1.15x
2020	761,244,600	30,723,441	144,069,385	647,898,656	64,059,413	521,892,695	1.64x	1.43x	1.11x
2021	797,034,100	30,752,784	148,579,439	679,207,445	19,952,075	546,916,594	1.62x	1.42x	1.20x
2022	837,976,500	30,784,557	153,240,905	715,520,152	50,532,306	546,912,604	1.70x	1.50x	1.20x
2023	876,323,400	30,841,590	158,116,016	749,048,974	43,972,276	555,851,017	1.75x	1.54x	1.25x
2024	918,214,000	30,912,197	163,159,478	785,966,720	68,346,420	566,276,021	1.79x	1.58x	1.24x
2025	960,847,300	33,690,519	168,507,125	826,030,695	38,200,610	591,671,552	1.78x	1.58x	1.31x
2026	1,007,719,200	33,780,452	174,032,537	867,467,115	49,598,704	600,559,066	1.83x	1.63x	1.33x
2027	1,053,775,300	33,876,900	179,813,605	907,838,595	234,149,195	628,130,261	1.81x	1.62x	1.05x
2028	1,106,260,600	33,946,720	185,789,177	954,418,144	58,175,055	652,866,791	1.82x	1.63x	1.34x
2029	1,154,388,100	33,989,401	192,054,724	996,322,777	105,171,765	566,086,787	2.06x	1.76x	1.48x
2030	1,206,224,400	42,419,039	198,474,775	1,050,168,664	96,103,497	595,579,225	2.50x	1.76x	1.52x
2031	1,259,005,200	42,572,774	204,244,334	1,097,333,640	118,920,994	610,239,337	2.58x	1.80x	1.50x
2032	1,316,823,900	42,727,620	210,813,143	1,148,738,377	156,878,022	639,272,362	2.47x	1.80x	1.44x
2033	1,374,441,000	42,828,758	217,718,008	1,199,551,750	42,170,715	653,935,437	2.51x	1.83x	1.72x
2034	1,437,066,300	42,904,954	224,809,484	1,255,161,770	310,138,431	671,042,975	2.34x	1.87x	1.28x
2035	1,496,450,200	42,934,525	232,675,576	1,306,709,149	65,809,253	695,056,012	2.32x	1.88x	1.72x
2036	1,565,475,600	42,793,729	240,353,061	1,367,916,268	186,727,369	705,819,162	2.35x	1.94x	1.53x
2037	1,633,417,300	42,563,076	248,414,112	1,427,566,264	139,575,006	696,302,988	2.31x	2.05x	1.71x
2038	1,707,188,600	39,256,973	256,691,128	1,489,754,445	65,317,515	353,055,125	4.22x	4.22x	3.56x
2039	1,781,862,300	39,319,649	265,361,171	1,555,820,778	211,894,078	412,911,525	3.77x	3.77x	2.49x
2040	1,862,452,400	51,668,167	274,259,894	1,639,860,672	63,671,811	441,313,127	3.72x	3.72x	3.25x
2041	1,932,147,000	51,265,300	283,026,926	1,700,385,374	383,055,896	447,505,403	3.80x	3.80x	2.05x
2042	2,007,367,100	50,684,389	291,993,626	1,766,057,863	116,666,187	461,249,701	3.83x	3.83x	3.06x
2043	2,083,512,900	49,871,756	301,384,936	1,831,999,720	181,510,583	197,681,193	9.27x	9.27x	4.83x
2044	2,166,682,400	50,008,552	310,976,897	1,905,714,055	174,863,607	197,859,280	9.63x	9.63x	5.11x
2045	2,247,649,800	50,137,993	321,034,180	1,976,753,612	81,239,851	200,032,834	9.88x	9.88x	7.03x
2046	2,334,528,600	50,203,039	331,221,834	2,053,509,805	296,443,463	201,892,963	10.17x	10.17x	4.12x
2047	2,421,169,100	50,160,904	341,809,855	2,129,520,148	104,299,487	150,431,956	14.16x	14.16x	8.36x
2048	2,515,039,200	49,178,724	352,509,827	2,211,708,097	466,293,181				
2049	2,607,813,100	47,243,246	363,746,980	2,291,309,366	130,975,762				
2050	2,709,022,900	45,929,790	375,204,246	2,379,748,445	238,975,268				
2051	2,805,429,600	46,114,497	387,127,747	2,464,416,350	204,947,223				
	$ 55,707,316,500	**$ 1,484,144,506**	**$ 8,657,711,690**	**$ 48,533,749,315**	**$ 4,688,821,928**	**$ 16,664,934,270**			

*Preliminary, subject to change.

(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 2014 includes debt service on January 1, 2015). 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 2014 includes debt service on August 1, 2015 and February 1, 2016).

(2) Estimated toll revenues are provided by CDM Smith, the Traffic Engineers for the NTTA System. Estimated revenues are projected at levels to be actually collected in each year (i.e. cash basis). Historical toll revenues and historical debt service coverage are reported by 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 Atkins North America, the Consulting Engineers for the NTTA System.

(5) Deposits to the 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 Atkins North America, the Consulting Engineers for the NTTA System. Projected expenditures from the RMF for fiscal year 2015 are expected to be fully funded from the balance remaining in the RMF at the end of fiscal year 2014.

(6) See column F of the 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-B of the table under the heading **"PRO FORMA DEBT SERVICE REQUIREMENTS"** for totals of debt service for all First Tier Debt.

(9) See columns A-C of the table under the heading **"PRO FORMA DEBT SERVICE REQUIREMENTS"** for total of debt service for all First Tier and Second Tier debt.

THE SERIES 2011A BONDS

Definitions

Capitalized terms used under this caption have the meanings specified below:

"*Applicable Spread*" means ___ basis points.

"*Business Day*" means 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, or the New York Stock Exchange is closed.

"*Calculation Agent*" means the Trustee or such other person appointed by the Board Representative to perform the duties of Calculation Agent in connection with the Series 2011A Bonds.

"*Conversion*" or "*conversion*" means a change from one Mode to another with respect to a Series 2011A Bond, and with respect to a Series 2011A Bond in the Index Floating Rate Mode, a change from one Index Floating Rate Period to another.

"*Conversion Date*" means the day a Conversion becomes effective.

"*Effective Date*" means the date on which a new Interest Rate Period for the Series 2011A Bonds takes effect.

"*Failed Remarketing*" means the failure on the Index Floating Rate Mode Tender Date to (i) pay the Purchase Price of, (ii) convert and remarket to another Mode or new Index Floating Rate Period; or (iii) redeem, all of the then-Outstanding Series 2011A Bonds.

"*Index*" means the SIFMA Index, or, in the event that Municipal Market Data (or its successor) no longer provides an index satisfying the requirements of the SIFMA Index, the Substitute Index. In the event that Municipal Market Data (or its successor) no longer provides an index satisfying the requirements of the SIFMA Index, the Board Representative shall, on or prior to such event, designate in writing to the Trustee and Calculation Agent which of clause (i) or (ii) in the definition of Substitute Index shall be applicable for purposes of the Series 2011A Bonds.

"*Index Floating Rate*" means the rate of interest that is set on the Series 2011A Bonds while they are in the Index Floating Rate Mode, as further described under the caption " – Interest on the Series 2011A Bonds" below.

"*Index Floating Rate Mode*" means an interest rate mode in which a Bond bears interest at an Index Floating Rate.

"*Index Floating Rate Mode Delayed Remarketing Period*" means the period beginning on the date of occurrence of a Failed Remarketing with respect to all of the then-Outstanding Series 2011A Bonds in an Index Floating Rate Mode and ending on the date that such Bonds are remarketed or redeemed.

"*Index Floating Rate Mode Delayed Remarketing Period Rate*" means ____% per annum.

"*Index Floating Rate Mode Tender Date*" means _________ __, ____.

"*Index Floating Rate Period*" means the period commencing on May 1, 2014 through _____ __, ____.

"*Interest Rate Period*," "*Rate Period*," or "*Period*" means, when used with respect to any particular rate of interest for a Series 2011A Bond, the period during which such rate of interest determined for such Series 2011A Bond will remain in effect.

"*Maximum Rate*" means ___ percent (__ %) per annum or such lower rate authorized by law, including specifically Chapter 1204, Government Code.

"*Mode*" means the period for and the manner in which the interest rates on the Series 2011A Bonds, or any portion of the Series 2011A Bonds, are set and includes the Daily Mode, the Flexible Mode, the Weekly

Mode, the Monthly Mode, the Quarterly Mode, the Semiannual Mode, the Multiannual Mode, the Index Floating Rate Mode and the Fixed Rate Mode.

"*Purchase Date*" means the date upon which Series 2011A Bonds are required to be purchased pursuant to a mandatory tender, in accordance with the provisions of the Resolution and the Board Representative's Certificate.

"*Purchase Price*" means the purchase price of the Series 2011A Bonds pursuant to mandatory tender as set forth in the Resolution and the Series 2011A Bonds and will be the principal amount of the Series 2011A Bonds tendered plus accrued interest to the Purchase Date; *provided that*, if the Purchase Date pursuant to such tender is an Interest Payment Date, accrued interest will be paid separately and not as a part of the Purchase Price on such date. THE AUTHORITY IS NOT OBLIGATED TO PURCHASE TENDERED BONDS.

"*Record Date*" means the close of business on the Business Day next preceding an Interest Payment Date.

"*Reset Date*" means each Thursday, or if such Thursday is not a Business Day, the next succeeding Business Day.

"*S&P Weekly High Grade Index*" means the "S&P Weekly High Grade Index" maintained by Standard and Poor's Securities Evaluations Inc. for a one-week maturity as published each Wednesday, or if any Wednesday is not a Business Day, on the next succeeding Business Day.

"*SIFMA*" means the Securities Industry and Financial Markets Association, or any successor thereto.

"*SIFMA Index*" means the "Securities Industry and Financial Markets Association Municipal Swap Index" announced weekly by Municipal Market Data (or its successor) 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, as further described in the Resolution.

"*Substitute Index*" means (i) the S&P Weekly High Grade Index or (ii) the most recently effective substitute index, if any, designated in writing by the Board Representatives to the Trustee and the Calculation Agent, after consultation with the Calculation Agent, for tax-exempt state and local government bonds meeting criteria substantially comparable under the circumstances to the criteria used by SIFMA to determine the SIFMA Index immediately prior to the date on which SIFMA ceased publication of the SIFMA Index.

"*Undelivered Bonds*" mean Series 2011A Bonds which are deemed to have been tendered as described herein.

General

Maturity, Interest Rate Mode, and Authorized Denominations. The Series 2011A Bonds will be remarketed as fully registered bonds, without coupons, in Authorized Denominations of, while in an Index Floating Rate Mode, $5,000 and integral multiples thereof ("*Authorized Denominations*"). The Series 2011A Bonds will be converted into the Index Floating Rate Mode and remarketed on the 2014 Conversion Date. Principal will come due on January 1, 2050 or upon earlier redemption of the Series 2011A Bonds as described herein.

This Remarketing Memorandum does not describe the terms and conditions of the Series 2011A Bonds, the Resolution, or the Trust Agreement in any Mode other than the Index Floating Rate Mode, except in connection with a mandatory tender for purchase. Upon a mandatory tender for purchase on the Index Floating Rate Mode Tender Date, the Series 2011A Bonds are expected to be remarketed. At the time of remarketing, a new Remarketing Memorandum or a supplement hereto is expected to be prepared for remarketing such Series 2011A Bonds.

Interest on the Series 2011A Bonds

Index Floating Rate. The Series 2011A Bonds, other than during the Index Floating Rate Mode Delayed Remarketing Period, will bear interest at the Index Floating Rate. During the Index Floating Rate Mode Delayed Remarketing Period, the Series 2011A Bonds will bear interest at the Index Floating Rate Mode Delayed Remarketing Period Rate. The Index Floating Rate will be determined by the Calculation Agent on each Reset

Date and will be equal to the Index on such day plus the Applicable Spread (but in no event in excess of the Maximum Rate). The Index Floating Rate will be adjusted on each Reset Date to an amount equal to the weekly reset of the Index plus the Applicable Spread. With respect to each Interest Rate Period, (i) the Calculation Agent shall establish the SIFMA Index by 4:00 p.m. Eastern Time on each Wednesday or, if such Wednesday is not a Business Day, the Business Day next preceding such Wednesday, and (ii) the Index Floating Rate shall be determined by the Calculation Agent at or before 12:00 noon Eastern Time on each Reset Date. The Calculation Agent may rely conclusively on the Index in determining any interest accrued on the Series 2011A Bonds in the Index Floating Rate Period.

In the event of a Failed Remarketing, the Index Floating Rate Period will be deemed to have been extended to the Effective Date at the end of the Index Floating Rate Mode Delayed Remarketing Period.

Payment of Interest. Interest on the Series 2011A Bonds will be calculated on the basis of a 365 or 366 day year, as applicable, for the number of days actually elapsed and will be payable on the first Business Day of each calendar month, commencing June 2, 2014, until the Index Floating Rate Mode Tender Date or the end of the Index Floating Rate Mode Delayed Remarketing Period, as applicable. Such interest will be paid to the Registered Owners thereof as of the Record Date, except when such Interest Payment Date coincides with a mandatory tender date, in which case, interest will be paid to the Registered Owners as of that date upon surrender of such Series 2011A Bonds to the Trustee.

No later than 3:00 p.m. Eastern Time on the Business Day prior to each Interest Payment Date, the Calculation Agent is required to determine for such Interest Payment Date the interest accrued on the Series 2011A Bonds from and including the first day of the Index Floating Rate Period or from and including the last Interest Payment Date, as applicable, to the Interest Payment Date. The Index Floating Rate and the interest accrued on the Series 2011A Bonds, as determined by the Calculation Agent, will (in the absence of manifest error) be final, conclusive and binding upon the Registered Owners and Beneficial Owners of the Series 2011A Bonds. Any Registered Owner may ascertain the interest rate on the Series 2011A Bonds by contacting the Trustee or the Calculation Agent.

Redemption

Optional Redemption. The Series 2011A Bonds are subject to redemption at the option of the Authority, with funds derived from any available source, in whole or in part, on any Business Day, upon written notice to the Registered Owners given not less than 15 days prior to the date of redemption (5 days if during an Index Floating Rate Mode Delayed Remarketing Period), during the period beginning 6 months prior to the Index Floating Rate Mode Tender Date, to and including the last day of the Index Floating Rate Period, at the redemption price equal to the principal amount of the Series 2011A Bonds plus accrued interest, if any, to the date of redemption. If the Series 2011A Bonds are redeemed in part, the particular Series 2011A Bond or portions of Series 2011A Bonds to be redeemed shall be selected and designated by the Authority in its sole discretion (provided that a portion of any Series 2011A Bond may be redeemed only in Authorized Denominations).

Mandatory Sinking Fund Redemption. The Series 2011A Bonds are subject to mandatory sinking fund redemption prior to maturity with funds on deposit in the First Tier Sinking Fund created and maintained pursuant to the Trust Agreement, in the following amounts, on the following dates and at a price of par plus accrued interest to the date of redemption, without premium, with the particular Series 2011A Bonds, or portions thereof, to be redeemed to be selected and designated by the Authority in its sole discretion, in Authorized Denominations:

Redemption Date (January 1)	Principal Amount
2049	$50,000,000
2050[(1)]	$50,000,000

(1) Due at stated maturity.

The principal amount of the Series 2011A Bonds required to be redeemed on any redemption date pursuant to mandatory sinking fund redemption is required to be reduced, at the option of the Authority, by the principal amount of any Series 2011A Bonds, which, at least 45 days prior to the mandatory sinking fund redemption date, have been (1) acquired by the Authority and delivered to the Trustee for cancellation, (2) acquired and canceled by the Trustee, at the direction of the Authority, with funds from the First Tier Sinking Fund, at a price not exceeding the principal amount of such Series 2011A Bonds plus accrued interest to the date of acquisition thereof, or (3) redeemed pursuant to the optional redemption provisions and not previously credited to a scheduled mandatory sinking fund redemption.

Notice of Redemption. At least 15 days (5 days if during an Index Floating Rate Mode Delayed Remarketing Period) prior to the date fixed for the redemption of any Series 2011A 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 2011A Bond to be redeemed at its address as it appeared in the registration books on the 45th day (one day prior to the date such notice is sent by the Trustee during an Index Floating Rate Delayed Remarketing Period) 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 2011A Bond, and it is hereby specifically provided that the mailing of such notice as required above in connection with the redemption of Series 2011A 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 2011A Bonds or portions thereof. If notice of redemption is given and if due provision for payment of the required redemption price for the Series 2011A Bonds or portions thereof which are to be redeemed, plus accrued interest to the date fixed for redemption is made, all as provided above, the Series 2011A Bonds or portions thereof which are to be so 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 Owner to receive the redemption price plus accrued interest from the Trustee out of the fund provided for such payment. If a portion of any Series 2011A Bond is redeemed, a substitute Series 2011A Bond or 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 Resolution. Notwithstanding the foregoing, no notice of redemption is required to be given to the owner of any Series 2011A Bond which is subject to mandatory tender on the date fixed for redemption.

If at the time of mailing of notice of an optional redemption, the Authority has not deposited with the Trustee money sufficient to redeem all of the Series 2011A Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of sufficient money with the Trustee not later than the redemption date, and such notice will be of no effect unless such money is deposited. In addition, any such notice may be rescinded by written notice given to the Trustee by the Authority and the Trustee shall give notice of such rescission as soon thereafter as practicable in the same manner, and to the same persons, as notice of redemption was given pursuant to the Resolution. Any such rescission shall not constitute an Event of Default under the Trust Agreement or a default on the Series 2011A Bonds.

During any period in which ownership of the Series 2011A Bonds is determined by a book-entry at a securities depository, if fewer than all of the Series 2011A Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Series 2011A Bonds of such maturity and bearing such interest rate are to be selected in accordance with the arrangements between the Authority and the securities depository.

Optional and Mandatory Tender

Optional Tender. The Series 2011A Bonds are not subject to tender at the option of the Bondholder during the Index Floating Rate Period.

Mandatory Tender Prior to Index Floating Rate Mode Tender Date. The Series 2011A Bonds are subject to mandatory tender at the option of the Authority for purchase on any date that the Series 2011A Bonds could be redeemed at the option of the Authority. The Series 2011A Bonds will be subject to mandatory tender at the Purchase Price and must be tendered for purchase to the Trustee by the owners thereof, with no right of retention by such owners. The obligation of the Authority to purchase the Bonds on such a mandatory tender date is subject to the Conversion of the Mode or Index Floating Rate Period upon the successful remarketing of the Series 2011A Bonds. See " - Effects of a Failed Remarketing Prior to Index Floating Rate Mode Tender Date" below.

Prior to such a mandatory tender date, the Authority will determine the interest rate mode or modes that will be applicable to the Series 2011A Bonds from and after the Purchase Date. The interest rate or rates to be borne by the Series 2011A Bonds immediately after a Purchase Date will be determined by the Remarketing Agent pursuant to the Resolution. The interest rate or rates to be determined by the Remarketing Agent may be in any Mode, and the Series 2011A Bonds may be subject to subsequent remarketings.

Effects of a Failed Remarketing Prior to Index Floating Rate Mode Tender Date. In the event that any Series 2011A Bonds are not converted and remarketed to new purchasers on any mandatory tender date prior to the Index Floating Rate Mode Tender Date, the Authority will have no obligation to purchase the Series 2011A 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 2011A Bonds (i) will continue to be Outstanding and will continue to be in the Index Floating Rate Mode and in the Index Floating Rate Period, (ii) will continue to bear interest at the Index Floating Rate, and (iii) will continue to be subject to redemption and mandatory tender for purchase as described herein.

Mandatory Tender On and After Index Floating Rate Mode Tender Date. The Series 2011A Bonds are subject to mandatory tender for purchase on the Index Floating Rate Mode Tender Date or the next following Conversion Date if such Index Floating Rate Mode Tender Date is not a Conversion Date. The Series 2011A Bonds are subject to Conversion on any Business Day during an Index Floating Rate Mode Delayed Remarketing Period. The Series 2011A Bonds will be subject to mandatory tender at the Purchase Price and must be tendered for purchase to the Trustee by the owners thereof, with no right of retention by such owners. The obligation of the Authority to purchase the Bonds on the Index Floating Rate Mode Tender Date or any mandatory tender date thereafter is subject to the Conversion of the Mode or Index Floating Rate Period upon the successful remarketing of the Series 2011A Bonds.

The Authority is obligated to use its best efforts to effect the conversion and remarketing of the Series 2011A Bonds on the Index Floating Rate Mode Tender Date or as soon thereafter as is reasonably practical. Prior to the Index Floating Rate Mode Tender Date, or a later Purchase Date in the event of a Failed Remarketing on the Index Floating Rate Mode Tender Date, the Authority will determine the Mode or Modes that will be applicable to the Series 2011A Bonds from and after the Purchase Date. The interest rate or rates to be borne by the Series 2011A Bonds immediately after a Purchase Date will be determined by the Remarketing Agent pursuant to the Resolution. The interest rate or rates to be determined by the Remarketing Agent may be in any Mode, and the Series 2011A Bonds may be subject to subsequent remarketings.

Effects of a Failed Remarketing on an Index Floating Rate Mode Tender Date. In the event that any Series 2011A Bonds are not converted and remarketed to new purchasers on the Index Floating Rate Mode Tender Date or any mandatory tender date thereafter, the Authority will have no obligation to purchase the Series 2011A Bonds tendered on the Index Floating Rate Mode Tender Date or other mandatory tender date thereafter, 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 2011A Bonds (i) will continue to be Outstanding and will be in an Index Floating Rate Mode Delayed Remarketing Period, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of such Series 2011A Bonds, (iii) will bear interest at the Index Floating Rate Mode Delayed Remarketing Period Rate from the Index Floating Rate Mode Tender Date until purchased upon a subsequent remarketing or redeemed, (iv) will be subject to redemption and mandatory tender for purchase as described above, and (v) will be deemed to continue in an Index Floating Rate Mode and in the Index Floating Rate Period, though bearing interest at the Index Floating Rate Mode Delayed Remarketing Period Rate, through the day prior to the Conversion Date for a new Mode or Index Floating Rate Period or redemption date.

Terms for All Mandatory Tenders. The Remarketing Agents will not remarket any Series 2011A Bonds and a Conversion will not occur if an Event of Default (as defined in the Trust Agreement) has occurred and is continuing with respect to the Series 2011A Bonds.

If a book-entry system is not in effect at the time any Series 2011A 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 2011A Bond (or portion) will be deemed purchased on the Purchase Date, interest on such tendered Series 2011A Bond (or portion) will cease to accrue, and ownership of such Series 2011A Bond (or portion) will be transferred to the purchaser thereof. Any Registered Owner who fails to deliver such Series 2011A Bond for purchase will not be entitled to any payment other than the Purchase Price for such Series 2011A Bond upon surrender of such Series 2011A Bond to the Trustee, and such Series 2011A 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 2011A Bond from money held by the Trustee for such payment upon presentation and surrender of such Series 2011A Bond.

Payment of the Purchase Price of the Series 2011A Bonds on any mandatory tender date is required to be made by the Trustee by 2:00 p.m., New York City time, on the Purchase Date, in immediately available funds (or by wire transfer). The principal portion of the Purchase Price of Series 2011A Bonds tendered for purchase will be paid by the Trustee to the Registered Owners solely from the proceeds of the remarketing of the Series 2011A Bonds by the Remarketing Agents. PAYMENTS OF THE PURCHASE PRICE ARE NOT SECURED BY OR PAYABLE FROM THE REVENUES OF THE AUTHORITY.

THE REGISTERED OWNERS HAVE AGREED THAT SERIES 2011A BONDS WILL BE PURCHASED, WHETHER OR NOT SURRENDERED, ON THE PURCHASE DATE AS DESCRIBED ABOVE. IN SUCH EVENT, THE REGISTERED OWNERS OF THE SERIES 2011A BONDS WILL NOT BE ENTITLED TO RECEIVE ANY FURTHER INTEREST THEREON, WILL HAVE NO FURTHER RIGHTS UNDER THE SERIES 2011A BONDS, THE RESOLUTION, OR THE TRUST AGREEMENT EXCEPT TO RECEIVE PAYMENT OF THE PURCHASE PRICE THEREFOR, AND WILL THEREAFTER HOLD THE SERIES 2011A BONDS AS AGENT FOR THE TRUSTEE.

Conversion

On the Index Floating Rate Mode Tender Date or on any date that the Series 2011A Bonds could be redeemed at the option of the Authority, at the option of the Authority and subject to certain conditions provided for in the Resolution, all or a portion of the Series 2011A Bonds may be converted from the Index Floating Rate Mode to any other Mode or to a new Index Floating Rate Period.

Written notice of a change in Mode or commencement of a new Index Floating Rate Period within the Index Floating Rate Mode is required to be given by the Authority to the Trustee, the Remarketing Agents, and the Rating Agencies not fewer than 15 days (5 days for a conversion during an Index Floating Rate Mode Delayed Remarketing Period) prior to the proposed Conversion Date. The Trustee is required to give such notice to the Registered Owners not fewer than 15 days (5 days for a conversion during an Index Floating Rate Mode Delayed Remarketing Period) before the Conversion Date for such change or commencement. The notice will state:

(l) that the Mode will be changed or that an Index Floating Rate Mode of a different duration than the immediately preceding Index Floating Rate Mode will commence;

(2) the Conversion Date for the new Mode or a new Index Floating Rate Period, as applicable; and

(3) that a mandatory tender will result on the Conversion Date for the change, or commencement as provided in the Trust Agreement.

Transfers and Exchanges

Beneficial ownership of the Series 2011A Bonds registered in the name of Cede & Co. will initially be transferred as described under **"GENERAL INFORMATION REGARDING THE SERIES 2011A BONDS - Book-Entry-Only System"** below.

The Series 2011A Bonds or portions thereof in Authorized Denominations may be assigned and transferred only in the registration books of the Authority kept by the Trustee acting in the capacity of registrar for the Series 2011A Bonds, upon the terms and conditions set forth in the Resolution and the Trust Agreement. Among other requirements for assignment and transfer, the Series 2011A Bonds must be presented and surrendered to the Trustee, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Trustee, evidencing assignment of such Series 2011A Bond or any portion or portions hereof in any Authorized Denomination to the assignee or assignees in whose name or names such Series 2011A Bond or any such portion or portions thereof is or are to be transferred and registered. The Authority is required to pay the Trustee's standard or customary fees and charges for making such transfer, but the one requesting such transfer is required to pay any taxes or other governmental charges required to be paid with respect thereto. The Registered Owners of the Series 2011A Bonds will be deemed and treated by the Authority and the Trustee as the absolute owner for all purposes, including payment and discharge of liability upon the Series 2011A Bonds to the extent of such payment, and the Authority and the Trustee will not be affected by any notice to the contrary.

As provided in the Resolution and the Trust Agreement, the Series 2011A Bonds, or any unredeemed portion thereof, may, at the request of the Registered Owner or the assignee or assignees thereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate Registered Owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, be in the same Mode, in any Authorized Denominations, as requested in writing by the appropriate Registered Owner, assignee, or assignees, as the case may be, upon surrender of such Series 2011A Bond to the Trustee for cancellation, all in accordance with the form and procedures set forth in the Resolution and the Trust Agreement. The Authority is required to pay the Trustee's standard or customary fees and charges for exchanging any Series 2011A Bond or any portion thereof, but the one requesting such 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 exchange.

Payments

The principal of and interest on the Series 2011A Bonds are payable in lawful money of the United States of America, without exchange or collection charges. The principal, redemption price or Purchase Price of the Series 2011A Bonds (or a portion thereof, in the case of a partial redemption) are required to be paid to the Registered Owner thereof upon presentation and surrender of the Series 2011A Bonds at maturity or upon the date fixed for its purchase or redemption prior to maturity, at the corporate trust office of the Trustee. All payments of interest on Series 2011A Bonds are required to be paid to the Registered Owner whose name appears in the registration books kept by the Trustee as of the close of business on the applicable Record Date or Special Record Date (hereinafter defined) by check mailed on the Interest Payment Date, provided that any Registered Owner of $1,000,000 or more in aggregate principal amount of Series 2011A Bonds may, upon written request given to the Trustee at least five Business Days prior to an Interest Payment Date designating an account in a domestic bank, be paid by wire transfer of immediately available funds; provided, that if a Purchase Date is not an Interest Payment Date, interest shall be paid on the Purchase Date to the Registered Owner upon receipt by the Trustee of the tendered Series 2011A Bond. The Series 2011A Bonds are registered as to both principal and interest in the registration books kept by the Trustee and may be transferred or exchanged, subject to the further conditions specified in the Resolution, only upon surrender thereof at the office of the Trustee. Notwithstanding the foregoing, during any period in which ownership of the Series 2011A Bonds is determined by a book entry at a securities depository for the Series 2011A Bonds, payments made to the securities depository, or its nominee, are required to be made in accordance with arrangements between the Authority and the securities depository.

In the event of non-payment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new Record Date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "*Special Payment Date*"), which is required to be 15 days after the Special Record Date is required to be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner of a Series 2011A Bond appearing on the registration books at the close of business on the last business day next preceding the date of mailing of such notice.

Payments on Business Days

If the date for the payment of the principal of, interest on, redemption price or Purchase Price of the Series 2011A Bond is not a Business Day, then the date for such payment will be the next succeeding day which is a Business Day; and payment on such date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

GENERAL INFORMATION REGARDING THE SERIES 2011A BONDS

Additional Obligations

The Authority reserves and has the right and power to issue or incur additional First Tier Bonds, First Tier Payment Obligations, Second Tier Bonds, Second Tier Payment Obligations, Third Tier Bonds and Third Tier Payment Obligations (and within the Third Tier, additional bonds or payment obligations secured on different levels of priority). Such obligations may be issued under the 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. See **"SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011A BONDS."**

Trustee

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

Defeasance

Any Series 2011A 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 and, in the case of a bond bearing interest at variable rates, at the lesser of the maximum rate allowed by law or provided in such Defeased Debt (whether such due date be by reason of maturity, upon redemption, mandatory or optional tender, or otherwise), either (i) has been made in accordance with the terms thereof, or (ii) has been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (1) money sufficient to make such payment or (2) Government Obligations, as defined below, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee and the Paying Agent pertaining to the Defeased Debt with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Defeased Debt is deemed to be paid under the 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) subject to the consent of the Bond Insurers of record, 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 (i) or (ii) above is not irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Authority expressly reserves the right to call the Defeased Debt for redemption; (2) the Authority gives notice of the reservation of that right to the owners of the Defeased Debt immediately following the defeasance; (3) the Authority directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the Authority satisfies the conditions of the preceding paragraph with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

In addition to the foregoing, no Series 2011A Bond may be deemed to be a Defeased Debt unless the funds and Government Obligations required to be deposited under the Trust Agreement will produce amounts sufficient and at the times necessary to pay the Purchase Price of such Series 2011A Bond on any mandatory tender date applicable to such Series 2011A Bond plus accrued interest at the Maximum Rate if the Series 2011A Bond to be defeased has a variable interest rate.

Book–Entry–Only System

This section describes how ownership of the Series 2011A Bonds is to be transferred and how the principal of, premium, if any, and interest on the Series 2011A Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Series 2011A Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Remarketing Memorandum. The Authority believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Authority cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Series 2011A Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the Registered Owner of the Series 2011A Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Remarketing Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company, New York, New York, will act as securities depository for the Series 2011A Bonds. The Series 2011A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each series of the Series 2011A Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity 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 Series 2011A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011A Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2011A Bonds ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2011A 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 Series 2011A Bonds, except in the event that use of the book-entry system for the Series 2011A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2011A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2011A 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 2011A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011A 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 Series 2011A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2011A Bond documents. For example, Beneficial Owners of Series 2011A Bonds may wish to ascertain that the nominee holding the Series 2011A 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 2011A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2011A Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instruments Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Series 2011A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2011A 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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 2011A 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 2011A Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2011A Bond certificates will be printed and delivered.

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

The Trustee and the Authority, so long as the DTC book-entry system is used for the Series 2011A Bonds, will send any notice of redemption, notice of proposed amendment to the Resolution, or other notices with respect to such Series 2011A Bonds only to DTC. Any failure by DTC to advise any DTC Participant, or of any Direct Participant or Indirect Participant to notify the Beneficial Owners, of any notices and their contents or effect will not affect the validity of the redemption of the Series 2011A Bonds called for redemption or of any other action premised on any such notice. Redemption of portions of the Series 2011A Bonds by the Authority will reduce the outstanding principal amount of such Series 2011A Bonds held by DTC. In such event, DTC may implement, through its book-entry system, a redemption of such Series 2011A Bonds held for the account of DTC Participants in accordance with its own rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Series 2011A Bonds from the Beneficial Owners. Any such selection of the Series 2011A Bonds to be redeemed will not be governed by the Resolution and will not be conducted by the Authority or the Trustee. Neither the Authority nor the Trustee will have any responsibility or obligation to Direct Participants, Indirect Participants, or the persons for whom DTC Participants act as nominees, with respect to the payments on the Series 2011A Bonds or the providing of notice to Direct Participants, Indirect Participants, or Beneficial Owners of the selection of portions of the Series 2011A Bonds for redemption.

While the Series 2011A Bonds are in the book–entry–only system, reference in other sections of this Remarketing Memorandum to Owners of the Series 2011A Bonds should be read to include any person for whom a Participant acquires an interest in the Series 2011A 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 Registered Owners by the Trustee, will be given only to DTC. DTC is required to forward (or cause to be forwarded) the notices to the Participants by its usual procedures so that such Participants may forward (or cause to be forwarded) such notices to the Beneficial Owners.

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011A BONDS

Security for the Series 2011A Bonds

The Series 2011A 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 2011A Bonds constitute First Tier Bonds under the Trust Agreement and are 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 2011A 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 2011A 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 2011A BONDS. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2011A 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 2011A 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 NTTA System (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 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 January 31, 2014, was $89,658,111.

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 January 31, 2014, was $15,241,296.

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

Bond Interest Accounts. Funds available in the Bond Interest Accounts are available to pay interest on all bonds issued under the 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 January 31, 2014, were $4,252, $47, 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). In addition to the foregoing, a subaccount of the First Tier Bond Interest Account was established by the Trustee for the deposit of the direct subsidy payments for the Series 2009B Bonds previously issued as "Build America Bonds." Amounts held in such subaccount are required to be used to reduce the amount of the regularly scheduled debt service payments on the Series 2009B Bonds. The balance on deposit in such subaccount as of January 31, 2014, was $9,000,776.

Redemption Accounts. 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 January 31, 2014, were $1,676, $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 January 31, 2014, the First Tier Reserve Account under the Trust Agreement was fully funded with a required balance of $355,694,374. As of January 31, 2014, the Second Tier Reserve Subaccount was fully funded with a required balance of $42,697,710. As of the date hereof, no Third Tier Bonds for which a reserve is required have been issued under the Trust Agreement and the Third Tier Reserve Account has no funds credited thereto.

Reserve Maintenance Fund. Amounts 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 January 31, 2014, was $45,282,175.

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 in 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 January 31, 2014, was $193,279,734. Of such amount, approximately $40,603,899 is restricted for Capital Improvement Fund bond payments, approximately $103,032,720 is not restricted in use and approximately $49,643,115 is reserved as "rainy-day" funds. See "**THE NORTH TEXAS TOLLWAY AUTHORITY — 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 certain 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 January 31, 2014, was $76,962,040. 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 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 but excluding, in each case, those being refunded), 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

On the date of the conversion of the Series 2011A Bonds to the Index Floating Rate Mode, the obligations listed below will be outstanding under the Trust Agreement in the following principal amounts:

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*")		1,733,205,000
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 (the "*Series 2008D Bonds*") (accreted amount calculated through February 28, 2014)		565,688,718
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 (the "*Series 2008I Bonds*") (accreted amount calculated through February 28, 2014)		280,310,291
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*")		373,425,000
North Texas Tollway Authority System First Tier Taxable Current Interest Revenue Bonds, Series 2009B (the "*Series 2009B Bonds*") (Build America Bonds—Direct Payment)		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 (the "*Series 2012C Bonds*")		101,775,000
North Texas Tollway Authority System First Tier Current Interest Revenue Refunding Bonds, Series 2012D (the "*Series 2012D Bonds*")		32,815,000
Total First Tier Bonds	$	6,196,994,009
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		0
Total Second Tier Bonds	$	1,000,000,000
Third Tier Bonds		
None		

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) certain interest rate exchange agreements, and (iv) 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 North Texas Tollway Authority System Subordinate Lien Revenue Bonds, Series 2010A and North Texas Tollway Authority System Subordinate Lien Taxable Revenue Bonds, Series 2010B (Build America Bonds — Direct Payment) (the "*Subordinate Lien Bonds*"). See "— **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 may utilize its existing commercial paper note program which allows for the issuance, at one time, or from time to time, of up to $200,000,000 aggregate principal amount of commercial paper notes (the "*CP Notes*"). The CP Notes are secured as Second Tier Bonds. The Authority has entered into the CP Credit Agreement to provide credit support for the CP Notes.

ISTEA Loan

In connection with the design and construction of the PGBT, 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 (the "*ISTEA Loan*"), with $136,069,850 currently outstanding. Interest accrued and compounded 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. 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 or the SPS CTP Bonds or other bonds or obligations issued under the SPS Trust Agreement, and the revenues of the Special Projects System do not secure the Series 2011A Bonds or other bonds or obligations issued under the Trust Agreement.**

The Transportation Infrastructure Finance and Innovation Act Loan. The Authority entered into a loan agreement with the Federal Highway Administration of the United States Department of Transportation (the "*TIFIA Lender*") to obtain a loan of up to $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 approximately $418 million of bond anticipation notes issued in April 2011 to finance a portion of the costs of the PGBT WE (the "*SPS BANs*"). In August 2013, the Authority drew down approximately $399.9 million under the TIFIA Loan to refund the SPS BANs in full. The Authority may not make any further draws on the TIFIA Loan. **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 2011A Bonds or other bonds or obligations issued under the Trust Agreement.**

The Toll Equity Loan. The Authority entered into a Toll Equity Loan Agreement ("*TELA*") with TxDOT under which TxDOT made a toll equity loan (the "*Toll Equity Loan*") available to the Authority in an original amount of approximately $6.02 billion (the "*Maximum Available Aggregate Amount*") in connection with the Special Projects System. As of September 30, 2013, the Maximum Available Aggregate Amount was approximately $5.99 billion. The Maximum Available Aggregate Amount decreases each September 1 by the maximum amount of funds available to be drawn on the Toll Equity Loan during the prior fiscal year. 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 2011A Bonds or other bonds or obligations issued 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 2011A 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 2011A 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 2011A Bonds in addition to those set forth herein.

General

The financial forecasts in this Remarketing Memorandum 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 Remarketing Memorandum, and in any 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. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Remarketing Memorandum 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 Authority's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various 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 many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Remarketing Memorandum 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 10% 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 issued under the Trust Agreement could require the Authority to refinance the Series 2009D Bonds at substantially higher interest rates. Additionally, the failure to renew or procure new credit facilities and liquidity facilities relating to the Series 2009D Bonds could accelerate the amortization of debt service on the Series 2009D 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 the possible need to raise 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 any Authority toll facility or toll facility expansion, under construction will not exceed current estimates, or that the completion of such facility or expansion 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 any Authority toll facility or expansion under construction. 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 applicable Authority toll facility or expansion. 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 2011A 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 2018, the First Tier debt service coverage ratio is expected to be 1.54* times, the lowest future level projected. If there is a decrease in vehicle transactions 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 2011A 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 potential decline in vehicle transactions 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 8.7%. 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 8.7%, 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 5.0%, and a debt service coverage on all outstanding debt of 1.00 times if toll revenues were to decline by 6.4%.

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,

* Preliminary, subject to change.

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 its roadways. Failure to stop and reverse these trends may have a material adverse effect on the net revenues actually realized from the NTTA System. In 2012 and 2013, the Authority implemented various improvements to its systems, processes and procedures designed to increase the percentage of TollTag transactions, pursuable ZipCash transactions and ZipCash revenue recovery with positive results. The Authority continues to review and implement additional improvements in these areas. Any future downward trends in the percentage of total transactions constituting TollTag transactions and/or ZipCash revenue recovery may have a material adverse effect on the net revenues actually realized from the NTTA System. See **"THE NTTA SYSTEM —Operations — Toll Collection," "— 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.

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.

In March 2010, the Authority engaged the NTTA "Retaining Wall Engineer" Kleinfelder, Inc. to investigate and recommend stabilization repairs for MSE walls on PGBT at SH 114. Kleinfelder, Inc. provided the final plans, specifications and estimates for the specific stabilization repair to be approved by the Authority. Cost of engineering design services was approximately $237,899. The wall repair construction contract was awarded to the lowest bidder, Craig Olden, Inc., and the final construction cost was approximately $1,193,530. Construction management services were provided by HDR Engineering, Inc. and the cost of such services was approximately $133,880.

In December 2012, the Authority engaged an engineering consultant to further investigate and recommend stabilization repairs for at risk MSE walls on PGBT at Gateway and Dickerson that were identified in the 2011 MSE Study. The consultant will provide plans, specifications and estimates ("*PS&E*") for the specific stabilization repair approved by the Authority. The final PS&E for these designs is expected in mid-2014. Cost of professional services for this contract is approximately $1,218,652.

In February 2013, the Authority engaged an engineering consultant to further investigate and recommend stabilization repairs for at risk MSE walls on PGBT between Kelly Boulevard and Josey Lane (Walls 301 – 307) that were identified in the 2011 MSE Study. The consultant will provide a PS&E for the specific stabilization repair approved by the Authority. The final PS&E for these designs is expected in mid-2014. Cost of professional services for this contract is approximately $2,772,474.

Also in 2013, the Authority engaged two forensic engineering consultants 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-2014. The cost of professional services for the DNT contract is approximately $430,716 and for the SRT contract is approximately $779,000.

In January 2014, a Request for Qualifications was published to engage engineering consultants for three projects to further investigate, recommend stabilization repairs and prepare a PS&E for the selected stabilization repair for the remaining PGBT at risk MSE walls identified in the 2011 MSE Study. Responses to the RFQ were due March 14, 2014. A total of 16 MSE walls will be included in the three projects.

The construction estimate for the stabilization of the walls currently under design is approximately $82,896,000 (PGBT Walls 301 to 307, PGBT Walls at Gateway Drive, and the PGBT Wall A at Dickerson Parkway). The estimate to stabilize the remaining walls covered by the 2011 MSE Study is approximately $20,789,000, which may increase significantly after the forensic engineering consultants' investigations and stabilization recommendations have been completed. The Authority has designated $44.8 million from the Capital Improvement Fund for the stabilization and strengthening of existing MSE retaining walls along the PGBT, DNT and SRT over the 2014-2018 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 2011A 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 2011A 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 2011A 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 2011A Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2011A 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 and Wise County was added as part of the DFW Non-Attainment Area in 2012 ("*2008 Ozone Standard*"). 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. On January 29, 2014, EPA announced that it will release draft documents for public comments regarding revising the ozone standard. The public comment period ended on March 14, 2014. What effect, if any, EPA's revisiting of 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 2008 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 2035: The Metropolitan Transportation Plan (the "*MTP*") was approved by the RTC in 2011 and received a favorable air quality conformity determination from the U.S. Department of Transportation. The MTP was updated in 2013 (the "*MTP 2013 Update*") and was approved by the RTC on June 13, 2013. As a result of the MTP 2013 Update, a new air quality conformity analysis was performed. A favorable air quality conformity determination based upon the 2013 Update was received from the U.S. Department of Transportation on July 19, 2013. The Authority's toll facilities are included in the MTP and the MTP 2013 Update.

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, the CTP, the SRT and the PGBT EE. Litigation under the National Environmental Policy Act or other state or federal environmental laws may also result in injunctive or other relief and the possibility of delay in construction or operation of, or increase in the cost of construction of, the PGBT WE, the CTP, the SRT and the PGBT EE. See "**RISK FACTORS — Obligation to Fund Shortfalls Relating to Special Projects System**," 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, successor to Bear Stearns Financial Products Inc., (the "*Swap Providers*"). The Authority may enter into additional interest rate exchange agreements. As with any derivative transaction, the Authority is exposed to certain risks, including basis risk under the Swap Transactions as the variable rate received under the ISDA Master Agreements will not perfectly match the variable rate paid on the variable rate bonds intended to be hedged by such Swap Transactions.

Each of the ISDA Master Agreements may be terminated by 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, "A2"/"A" and JPMorgan Chase Bank, "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 in the period in which the amount is required to be paid. See "**RISK FACTORS — 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 JPMorgan Chase Bank 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 JPMorgan Chase Bank. 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 2011A Bonds.

Obligation to Fund Shortfalls Relating to Special Projects System

Under the terms of the TELA entered into between the Authority and TxDOT, 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 Segments 1 and 2W of the North Tarrant Express Project, the Authority has agreed to pay such developers an amount equal to the transponder toll for each video transaction (NTTA retains all collected video toll premiums), less its fee, within two business days after the date the video transaction has been properly transmitted to the Authority. Until the tolls for such video transactions are collected, the funding of the payments to such developers for such tolls will come from funds in the NTTA Enterprise Fund to the extent funds are available therein, and thereafter, likely from the NTTA System Capital Improvement Fund. The funding of such payments from such sources could have a material adverse effect on the Authority. 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 started in 2013 for Segment 1 of the IH 635 Managed Lanes Project (Segment 2 is expected to open in Summer 2014 and Segment 3 is expected to open in December 2015) and is expected to start in late 2014 for Segments 1 and 2W of the North Tarrant Express Project. The Authority experienced downward trends in 2011 for video toll (known as "*ZipCash*") revenue recovery on its roadways. In 2012 and 2013, the Authority implemented various improvements to its systems, processes and procedures designed to increase the percentage of TollTag transactions, pursuable ZipCash transactions and ZipCash revenue recovery with positive results. The Authority continues to review and implement additional improvements in these areas. 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. Any future downward trends in the percentage of total transactions constituting TollTag transactions, pursuable ZipCash transactions and/or ZipCash revenue recovery may have a material adverse effect on the Authority's ability to fully recover its payments for ZipCash transactions to developers under the Tolling Services Agreements and its costs to collect revenue attributable to the ZipCash transactions. See "**THE NTTA SYSTEM — Operations — Toll Collection"** and **"— Toll Collection Variance**." See "**TOLLING SERVICES AGREEMENTS**" in **APPENDIX A**.

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 failed to enact legislation to reduce the federal deficit by $1.2 trillion, as required by the Budget Control Act of 2011, the STA automatically triggers large scale cuts in the federal budget (the "*Sequestration Cuts*"). The STA went into effect January 2, 2013. 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 the federal fiscal year ending September 30, 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 were cut by 7.6% as of March 1, 2013, for federal fiscal year ending September 30, 2013. On February 15, 2014, the federal Bipartisan Budget Act of 2013 was amended to, among other things, extend the planned Sequestration Cuts to 2024. For federal fiscal year 2014, the IRS has announced a 7.2% Sequestration Cut for Build America Bonds. This rate will be applied until September 30, 2014, or intervening Congressional action, at which time the sequestration rate is subject to change. The Authority has issued its Series 2009B Bonds and Series 2010B Subordinate Lien Bonds as direct payment Build America Bonds. In 2013, the Authority was scheduled to receive $19,398,225 in subsidy payments on the Series 2009B Bonds and $9,579,850 in subsidy payments on the 2010B Subordinate Lien Bonds, for total subsidy payments of $28,978,075. Due to sequestration, the Authority received $1,958,882 less than it was scheduled to receive in 2013. In 2014, the Authority is scheduled to receive $19,398,225 in subsidy payments on the Series 2009B Bonds and $9,579,850 in subsidy payments on the 2010B Subordinate Lien Bonds, for total subsidy payments of $28,978,075. A reduction of 7.2% in the total subsidy payments would result in the Authority receiving $2,086,421 less than it is scheduled to receive in 2014. The Authority calculates its debt service and debt service coverage net of the direct subsidy payments 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 2011A Bonds under Federal or state law and could affect the market price or marketability of the Series 2011A 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 2011A Bonds should consult their own tax advisors regarding the foregoing matters.

LITIGATION AND INVESTIGATIONS

On the 2014 Conversion Date, the Authority will execute and deliver to the Remarketing Agents 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 remarketing of the Series 2011A Bonds or which would affect the provisions made for their payment or security, or in any manner questions the validity of the Series 2011A Bonds.

As of the date of this Remarketing Memorandum, 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 or the NTTA System.

Notwithstanding the foregoing, the Authority is a defendant in a class action lawsuit alleging that (a) the Authority exceeded its legal authority in assessing administrative fees to toll road violators under a statutory provision that is no longer effective beginning September 1, 2011, and (b) the method pursuant to which administrative fees were collected was not permitted pursuant to statute. The Authority believes that the lawsuit is without merit. Regardless, if the plaintiffs were to succeed in the litigation, the Authority believes that the maximum damages would be less than $25 million. 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 had 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 Remarketing Memorandum, or would adversely affect the validity or enforceability of the Resolution, the Trust Agreement or the Series 2011A 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 2014 Conversion Date, Co-Bond Counsel will render an opinion with respect to the Series 2011A Bonds that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("*Existing Law*"), (1) interest on the Series 2011A Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Series 2011A 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 2011A 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, and (b) covenants of the Authority contained in the Resolution and the Trust Agreement relating to certain matters, including arbitrage and the use of the proceeds of the Series 2011A Bonds and the property financed or refinanced therewith. Failure by the Authority to observe the aforementioned representations or covenants could cause the interest on the Series 2011A 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 2011A Bonds in order for interest on the Series 2011A 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 2011A Bonds to be included in gross income retroactively to the date of issuance of the Series 2011A 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 2011A 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 2011A Bonds.

A ruling was not sought from the Internal Revenue Service by the Authority with respect to the Series 2011A Bonds or property financed or refinanced with the proceeds of the Series 2011A Bonds. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Series 2011A 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.

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 2011A 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 2011A BONDS.

Interest on the Series 2011A 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 2011A 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 2011A 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 2011A 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.

REMARKETING

The Series 2011A Bonds are being remarketed by RBC Capital Markets, LLC and Loop Capital Markets (the "*Remarketing Agents*") at a price of par pursuant to a Mode Conversion Agreement. The Authority will pay the Remarketing Agents their fees and expenses equal to $ ______. The obligation of the Remarketing Agents to remarket the Series 2011A Bonds is subject to various conditions contained in the Mode Conversion Agreement.

RATINGS

The Series 2011A Bonds have received a long term rating of "A-" and "A2 " from S&P and Moody's, respectively. An explanation of the significance of each rating may be obtained from the company furnishing the rating. The ratings reflect only the views of such companies at the time such ratings are given, and 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 Series 2011A Bonds.

LEGAL MATTERS

At the initial issuance of the Series 2011A Bonds, the Authority delivered to the initial purchasers a complete transcript of proceedings incident to the authorization and issuance of the Series 2011A Bonds, including the unqualified approving legal opinion of the Attorney General of the State of Texas to the effect that the Series 2011A Bonds are valid and legally binding obligations of the Authority, and based upon examination of such transcript of proceedings, the approving legal opinion of Co-Bond Counsel to like effect. On the 2014 Conversion Date, Co-Bond Counsel will deliver a legal opinion that, subject to the qualifications set forth herein under "**TAX MATTERS**," the interest on the Series 2011A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions existing on the 2014 Conversion Date, including the alternative minimum tax on corporations. Attached hereto as **APPENDIX G** is the form of opinion that Co-Bond Counsel will render on the 2014 Conversion Date.

The payment of certain legal fees to Co-Bond Counsel in connection with the remarketing of the Series 2011A Bonds is contingent on the remarketing of the Series 2011A Bonds. 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 remarketing of the Series 2011A Bonds is contingent on the remarketing of the Series 2011A Bonds. Co-Bond Counsel and Co-Disclosure Counsel have been engaged by, and only represent, the Authority. On the Conversion Date, certain legal matters will be passed upon for the Authority by Locke Lord LLP, Dallas, Texas, General Counsel for the Authority and certain legal matters will be passed upon for the Remarketing Agents by Andrews Kurth LLP, Houston, Texas, and by West & Associates, L.L.P., Dallas, Texas, Co-Counsel to the Remarketing Agents. The payment of legal fees to Co-Counsel for the Remarketing Agents in connection with the remarketing of the Series 2011A Bonds is contingent on the remarketing of the Series 2011A Bonds.

INDEPENDENT AUDITOR

The financial statements of the Authority's North Texas Tollway Authority System Enterprise Fund, as of December 31, 2012, and for the year then ended, included in **APPENDIX B-1** to this Remarketing Memorandum, have been audited by Crowe Horwath LLP, independent auditors, as stated in their 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 that report.

The financial statements of the Authority's North Texas Tollway Authority System Enterprise Fund, for the year ended December 31, 2013, included in **APPENDIX B-2** to this Remarketing Memorandum, 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 Corporation incorporated by reference herein, and the progress reports of Atkins North America for 2013 incorporated by reference herein or set forth in **APPENDIX D**, have been incorporated by reference or included in this Remarketing Memorandum in reliance on their expertise as professional consultants. See "**INCORPORATION BY REFERENCE**" in **APPENDIX A**. Each firm has consented to the inclusion of its reports in this Remarketing Memorandum.

FINANCIAL ADVISORS

First Southwest Company is acting as Financial Advisor to the Authority and TKG & Associates LLC is acting as Co-Financial Advisor. First Southwest Company 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 any of the legal documents with respect to the federal income tax status of the Series

2011A Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

REGISTRATION AND QUALIFICATION OF SERIES 2011A BONDS FOR SALE

Neither the initial sale nor the remarketing of the Series 2011A Bonds was 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 2011A Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2011A Bonds been qualified under the securities acts of any jurisdiction. The Authority assumes no responsibility for qualification of the Series 2011A Bonds under the securities laws of any jurisdiction in which the Series 2011A Bonds may be sold, remarketed, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale, remarketing or other disposition of the Series 2011A 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 2011A Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Series 2011A 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 2011A 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 2011A 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 2011A 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 2011A Bonds are legal investments for various institutions in those states.

The Authority makes no representation that the Series 2011A 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 2011A Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Series 2011A Bonds and as to the acceptability of the Series 2011A Bonds for investment or collateral purposes.

CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the Authority has made the following agreement for the benefit of the holders and beneficial owners of the Series 2011A Bonds. The Authority is required to observe the agreement for so long as it remains obligated to advance funds to pay the Series 2011A 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 Remarketing Memorandum under the headings or sub-headings "**SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2011A 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, 2012**." 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 2011A 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 2011A Bonds, or other events affecting the tax-exempt status of the Series 2011A Bonds; (7) modifications to rights of holders of the Series 2011A Bonds, if material; (8) calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2011A 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 2011A 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 2011A 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 2011A Bonds in the primary offering of the Series 2011A Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Series 2011A 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 2011A 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 2011A Bonds in the primary offering of the Series 2011A 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. Except as noted below, the Authority has made its continuing disclosure filings on a 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 EMMA 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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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 Authority's Board of Directors (the "*Board*") has adopted a mission statement which is "to provide a safe and reliable toll road system, increase value and mobility options for our customers, operate the Authority in a businesslike manner, protect our bondholders, and partner to meet our 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 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.

In response to the possibility of state review of the Authority, in 2011, the Member Counties selected Alvarez & Marsal Business Consulting LLC ("*Alvarez*") along with its partner firm Animato to evaluate the Authority's operational, administrative and finance functions. 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 came 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.

Although the recommendations were not binding on the Board or the Authority, the Board carefully considered the recommendations and initiated a plan to implement all of the recommendations in the Alvarez Review. As of April 17, 2013, all of the 82 recommendations were completed and/or implemented, and the Authority received confirmation from Alvarez that all of the recommendations have been completed.

THE ALVAREZ REVIEW IS NOT INCORPORATED INTO THIS REMARKETING MEMORANDUM 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 REMARKETING AGENTS 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 Remarketing Memorandum 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	CEO/Executive Director	04/18/2012	12/15/2008
Horatio Porter	Assistant Executive Director of Finance and Chief Financial Officer	05/28/2013	05/28/2013
Thomas Bamonte	General Counsel	09/13/2011	09/13/2011
Magdalena M. Brady	Director of Internal Audit	03/24/2008	03/24/2008
James Hofmann	Assistant Executive Director of Operations	05/06/2013	05/06/2013
Elizabeth Mow	Assistant Executive Director of Infrastructure	06/19/2012	05/12/2008
Lorelei Griffith	Secretary of the Board	06/01/2013	11/01/2001

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

GERALD E. CARRIGAN, CEO/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 of Science Degree in civil engineering from Southern Illinois University and his Master of Public Administration Degree from the University of South Florida. He is also a Registered Professional Engineer, and holds memberships and affiliations with several professional associations.

HORATIO PORTER, Assistant Executive Director of Finance and Chief Financial Officer since May 2013. Mr. Porter joined the Authority as Assistant Executive Director of Finance and Chief Financial Officer in May 2013. Since May 2013, he has led the Authority's finance, procurement, business diversity and cash and debt management departments to help maintain the Authority's financial strength. His responsibilities include assessing and mitigating financial risks to the Authority, planning financial strategies and ensuring compliance with federal, state and local regulatory laws. Mr. Porter also serves as the Authority's Treasurer.

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

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

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

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

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 of Arts Degree in political science at the University of Chicago and his Juris Doctor Degree from Northwestern University School of Law, where he served as editor-in-chief of the Journal of Criminal Law and Criminology.

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

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

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

JAMES HOFMANN, Assistant Executive Director of Operations since May 2013. Mr. Hofmann is the Assistant Executive Director of Operations for the Authority since May 2013, overseeing its customer service, information technology and human resources departments.

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

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

His past experience also includes work as an analyst and engineer for geographic information system software. Mr. Hoffman earned a Bachelor's of Science Degree in science from Texas A&M University and a Master's Degree in science from the University of Utah.

ELIZABETH MOW, P.E., Assistant Executive Director of Infrastructure since June 2012. Ms. Mow leads the project delivery, maintenance, and system and incident management departments, all in support of the planning, design, construction, maintenance and operation of the Authority's 850 lane miles of toll roads.

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

Ms. Mow has more than 14 years of professional experience in the field of engineering and management. She is experienced in all phases of program delivery, including the development of long and short range planning, project development and the National Environmental Policy Act approval process, project management, design, right-of-way acquisition, environmental permitting, utility coordination, construction contract administration, and construction inspection.

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

LORELEI GRIFFITH, Secretary to the Board since June 2013. Ms. Griffith previously served as Assistant Secretary to the Board from September 2007 to May 2013. Ms. Griffith has been with NTTA since 2001 and served as Executive Assistant to the Executive Director.

Deputy Executive Director/Assistant Executive Director of Strategic and Innovative Solutions

The Authority is not actively searching for a Deputy Executive Director and has no current intent to fill the vacant position. Janice Davis, former Assistant Executive Director of Strategic and Innovative Solutions, resigned from this post effective March 25, 2014. The Authority is not searching for a replacement for this position as the finance department has absorbed this function.

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 782,176 in fiscal year 2002 to approximately 1,671,588 in fiscal year 2013. From fiscal year 2002 to fiscal year 2013, 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 297 to approximately 744. Presented below are descriptions of the seven existing components of the NTTA System, other potential 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 2011A 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 625,410 revenue vehicle transactions per day in fiscal year 2012 and approximately 636,273 revenue vehicle transactions per day in fiscal year 2013.

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 578,886 revenue vehicle transactions per day in fiscal year 2012 and approximately 608,359 revenue vehicle transactions per day in fiscal year 2013.

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 averaged approximately 67,134 revenue vehicle transactions per day in fiscal year 2012 and approximately 75,982 revenue vehicle transactions per day in fiscal year 2013. 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. Under the PGBT EE Project Agreement, TxDOT designed and constructed at its cost the IH 30 Interchange and Lake Ray Hubbard Bridge and 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 December 31, 2013, the Authority had spent approximately $418 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

General.

The PGBT EE Project Agreement contains the representations, commitments, and obligations of the Authority and TxDOT related to the development, financing, design, construction, operation, and maintenance of the PGBT EE. TxDOT acknowledges its approval of and support for the financing, design, construction, operation, and maintenance by the Authority of the PGBT EE as a turnpike project pursuant to the Authority Act. The PGBT EE Project Agreement provides that after completion of the required public hearing and approval by the Texas Transportation Commission and the Governor, 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; provided, that various interchanges and underpass and overpass structures will remain with TxDOT. It is anticipated that such transfer will 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.

Operations and Maintenance. TxDOT has retained and is responsible for operating the service roads on the PGBT EE, and the Authority is required to fund the budgeted costs thereof. 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 at the TollTag transaction rate. Revenues from the supplemental toll are not part of the Trust Estate and are not pledged to the Series 2011A 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 B** hereto complies with the PGBT EE Project Agreement.

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. Such deposit has been made by the Authority and is not an asset of the Authority. See "**TOLLING SERVICES AGREEMENTS – NTE Segment 1/2W Tolling Services Agreement –** *Performance Security*."

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 averaged approximately 304,051 revenue vehicle transactions per day in fiscal year 2012 and approximately 327,706 revenue vehicle transactions per day in fiscal year 2013.

Project Costs

The total estimated cost to complete the SRT by the Authority is $638,810,700 (excluding $59,309,300 (in 2007 dollars) of project costs related to the widening from six to eight lanes on SRT from IH 35E to DNT scheduled for 2019). As of December 31, 2013, the Authority had spent approximately $617 million (net of reimbursements) on the SRT and currently has $56 million 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. After completion of the required public hearing and approval by the Texas Transportation Commission and the Governor, the SRT Project Agreement provides that the SRT'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 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 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 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 B** 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 London Interbank Offered Rate 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.

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 6,872 revenue vehicle transactions per day in fiscal year 2012 and approximately 6,456 revenue vehicle transactions per day in fiscal year 2013.

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 5,472 revenue vehicle transactions per day in fiscal year 2012 and approximately 5,730 revenue vehicle transactions per day in fiscal year 2013. 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 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 10,678 revenue vehicle transactions per day in fiscal year 2012 and approximately 11,080 revenue vehicle transactions per day in fiscal year 2013.

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 interoperable 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 "**THE NTTA SYSTEM — Operations —** *Toll Collection*" below for information regarding collection of TollTag and ZipCash transactions.

Enhancements to the RITE System are currently being made to provide enhanced functionality, improved financial reporting, and increased customer convenience including various account plans and payment options for TollTag and ZipCash customers. A technology platform upgrade to the RITE System is also being made to improve its overall performance, stability, scalability, and maintainability. These upgrades are expected to be completed in 2014.

In addition, a system upgrade that will improve customer service with the combination of three sub-systems with one user interface and common customer account information and look up features is scheduled to be completed by October 2015.

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 2.8 million as of December 31, 2013. 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 (excluding AATT, MCLB, and LLTB) is approximately $0.162 per mile.

The DNT has four MLGs with three lanes in each direction and 16 pairs of ramp toll gantries. The PGBT has five MLGs with three or four lanes in each direction and 15 pairs of ramp toll gantries. The SRT has three MLGs with three lanes in each direction and 20 pairs of ramp toll gantries. The PGBT EE has one MLG with three lanes in each direction and six pairs of ramp toll gantries. 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 737 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.

Toll Collection

The entire NTTA System has operated on an All-ETC basis since January 2011. With All-ETC, the Authority collects tolls in only two ways, through its AVI system or through its ZipCash video tolling system. Through the AVI system, a TollTag transaction is one in which the AVI system detects the TollTag or other transponder in the vehicle as it passes through the toll gantry and the TollTag or other transponder account contains funds adequate to pay the toll. All other toll transactions are 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 initially recorded as a TollTag transaction. The transaction may be detected by the AVI equipment but not initially recorded as a TollTag transaction for a number of reasons, including an insufficient balance in the TollTag account at the time of the transaction. A TollTag may not be detected because the AVI equipment fails to identify the transponder or the transponder is defective or not properly installed in the vehicle.

A normal TollTag transaction is collected by debiting the TollTag account of the user or through the interoperability agreement with the issuer of a non-TollTag transponder. A VToll transaction is collected upon identification of the transaction as a VToll by debiting the TollTag account of the user. ZipCash transactions are collected through invoices generated by 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 if the vehicle has out-of-state license plates and the Authority is unable to obtain vehicle owner information or if the license plate information does not match the Texas Department of Motor Vehicles' registration records. The Authority recently entered into an interlocal agreement with the State of Oklahoma to exchange license plate information. Oklahoma has the largest number of out-of-state users on the Authority's tollways.

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 value of tolls that need to be included in an invoice in order to make delivery and collection of the invoice cost effective. Once an invoice is mailed to the vehicle owner, 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. In addition, the Authority may avail itself of certain statutory remedies, including publishing a user's name and amount of unpaid tolls, placing a block on a user's vehicle registration, prohibiting a user from further use of the Authority's roadways, and impounding a user's vehicle.

As a part of converting the NTTA System to All-ETC, the Authority focused 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. Having better quality license plate images and current license plate information increases the number of pursuable ZipCash transactions which also has a direct, positive effect on net revenues. The revenue collection process includes collection of payment from TollTag users, the use of business rules for creation and delivery of invoices to ZipCash users and the subsequent processes and procedures for collection of those invoices. The revenue collection process has a direct impact on expenses and revenues. The Authority's staff provides a quarterly review and tracking of projects and initiatives that impact these key areas and identifies needed improvements to the key areas in order to optimize toll operations and net revenues. The Board is advised by staff each month on key metrics that describe the Authority's TollTag penetration, pursuable ZipCash transactions and revenue collection.

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 VToll transactions during January 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 VToll transactions during January 2012). The Authority began implementing a number of changes to its toll collection policies and procedures in 2012 as described below and the TollTag penetration rate increased to 79.3% for January 2013 (which consists of 65.8% of transactions initially recorded as AVI transactions plus 13.5% of transactions reclassified from ZipCash to VToll transactions during January 2013). The percentage of transactions constituting TollTag transactions for January 2014 was 78.1% (which consists of 66.2% of transactions initially recorded as AVI transactions plus 11.9% of transactions reclassified from ZipCash to VToll transactions during January 2014).

TollTag penetration percentages are adjusted upward as VToll transactions are reclassified from ZipCash transactions to TollTag transactions. The majority of adjustments for VToll transactions 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 as they become associated with a TollTag account with a sufficient balance to pay the toll. The Authority does, however, incur additional costs in connection with VToll transaction as compared to normal TollTag transactions in determining the existence of a VToll transaction and re-categorizing 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 trended upward from an average of 5.8% for January 2011 to 10.3% for January 2012 to 13.5% for January 2013 then downward to 11.9% for January 2014. 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 a TollTag account had a negative balance at the time of the transaction.

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. Several consultants were 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 and preliminary findings were presented to the Board in March and April 2012. 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 was finalized in March 2012.

In their 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 was 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 also made specific recommendations for improvements. The Alvarez Review also made recommendations as to collections process improvements. See "**INTRODUCTION AND OVERSIGHT — Counties Oversight.**"

To capture the recommendations made in the above-described consultant reports and the Alvarez Review and to strengthen overall toll collections, the Authority implemented improvements to the image review quality to ensure billing accuracy, standardized payment plans for ZipCash customers and improved timeliness of billing by reducing the number of transactions per bill. The Authority also implemented a number of other recommendations, including:

- customer service center ongoing 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,
- analysis of programs to replace hard case TollTags with sticker tags, and
- improvements to arrangements with collection agencies engaged by the Authority.

The Authority has also implemented the use of additional types of TollTag plans, including lower balance thresholds and pre-loaded TollTags and the charging of ZipCash rates for certain VToll transactions to recover the additional collection costs of VToll transactions and to discourage customer behavior related causes of VToll transactions. In October 2013, the Authority restructured its administrative fees for nonpayment of ZipCash invoices to encourage early payment, reducing the emphasis on escalating fees and discouraging late payment. In May or June 2014, the Authority intends to launch monthly and consolidated ZipCash invoices to provide predictability to customers and eliminate confusion of multiple invoices in varying amounts.

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 Authority's 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 on its website the names of all habitual violators who failed to pay 100 or more tolls. Pursuant to new powers under SB 1792 (see "**THE NTTA SYSTEM — Legislative Changes to Toll Enforcement Remedies**"), the Authority may block the vehicle registration of toll scofflaws who are "habitual violators" and the Board, in November 2013, adopted an order prohibiting registered vehicle owners and lessees who, in accordance with that new statute, had been (i) finally determined to be "habitual violators" and (ii) furnished the required notice from operating their motor vehicles on NTTA tollways.

Toll Collection Variance

The use of All-ETC at highway speeds allows the Authority to maximize vehicle "throughput," improve safety, and realize environmental benefits. An issue in this All-ETC environment is maximizing collection from all tollway users. As described above, the Authority continues to strengthen its toll collection efforts.

In 2011, in connection with the conversion to All-ETC, the Authority developed a new methodology to calculate the variance between traffic using the Authority's roadways and tolls actually collected to provide better information on the toll collection variance for its tollways. By calculating the uncollected and uninvoiced amounts as compared to the total value of tollway transactions, the Authority evaluates the correlation between traffic on the tollways and actual tolls collected. The toll collection variance calculation (the "*All-ETC Methodology*") is as follows:

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

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.

The toll collection variance for the Authority based on the All-ETC methodology for calendar years 2011, 2012 and 2013 is set out in the table below. These calculations use aggregate transaction information from the NTTA System and the Special Projects System. The calculations are based on unaudited financial information. The Authority expects that the implementation of the toll collection procedures and enforcement remedies described above will gradually improve the toll collection variance.

	2011	2012	2013
Value of invoiced ZipCash transactions for the reporting period uncollected as of period-end:	$44,675,438	$80,413,340	$81,701,089
Value of uninvoiced ZipCash transactions for the reporting period as of period-end:	38,069,555	52,451,196	61,518,201
TOTAL:	$82,744,993	$132,864,536	$143,219,290
Value of all AVI and ZipCash transactions that have occurred during the reporting period as adjusted for VToll transactions:	÷ $493,585,247	÷ $591,226,667	÷ $676,584,037
Toll collection variance:	16.75%	22.47%	21.17%

ZipCash transactions constituted 30.28% of the value of all Authority toll transactions in 2011, 31.88% in 2012, and 32.35% in 2013. For 2011, approximately 54.70% (by value) of ZipCash transactions were invoiced, and of those invoiced ZipCash transactions approximately 41.29% (by value) were collected as of the end of 2011, for 2012 approximately 62.94% (by value) of ZipCash transactions were invoiced, and of those invoiced ZipCash transactions approximately 41.29% (by value) were collected as of the end of 2012, and for 2013, approximately 61.92% (by value) of ZipCash transactions were invoiced, and of those invoiced ZipCash transactions approximately 48.75% (by value) were collected in 2013. Uninvoiced ZipCash transactions that are paid in the reporting period are deemed to be invoiced and are reflected in the percentages in the preceding sentence. Uninvoiced ZipCash transactions that are invoiced in subsequent reporting periods, and uncollected invoiced ZipCash transactions that are collected in subsequent reporting periods, are not reflected in the percentages in the preceding sentence. Furthermore, the percentages in this paragraph do not take into account adjustments for VToll transactions and unassigned ZipCash invoices occurring after such reporting period. ZipCash transactions are not invoiced if the transaction (i) does not meet the Authority's business rules regarding invoicing, or (ii) is not pursuable because a readable license plate image was not captured or because the license plate information could not be matched to the vehicle owner information.

The All-ETC Methodology does not include ZipCash transactions collected after the end of the calendar year in which the transaction occurred, therefore the Authority also reports total ZipCash collections, including invoiced and uninvoiced payments, for the calendar year. This amount includes all ZipCash transactions collected regardless of the date the transactions occurred. Total ZipCash collections for 2011 were approximately $40.8 million, and for 2012 were approximately $66.6 million. Total ZipCash collections for 2013 were approximately $53.6 million.

Toll Collection Variance for 2010

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%. This old methodology took into account earned revenue, collected revenue, violation invoices, images in process for collection and collected violation administration fees. However, 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 analysis for the NTTA System (defined below as the "*March 2014 Study*") reflects the most current ZipCash revenue recovery assumptions and distribution of TollTag/ZipCash transactions. For transactions recorded in calendar year 2014, the March 2014 Study uses a revenue recovery rate of 38.0% for all ZipCash transactions (includes invoiced and uninvoiced transactions and excludes all VToll transactions) at one year after the transaction, with the rate ramping up to 49.4% for transactions recorded in calendar year 2017 and holding steady thereafter. The March 2014 Study assumes the average NTTA System TollTag penetration rate (including all VToll transactions with a three-month lag) to be 79.1% in 2014 with a ramp up based on a logistical function to an average of 81.5% for all NTTA System roadways in 2020, 83.6% in 2030, 84.5% in 2040, 84.8% in 2050 and 84.9% in 2060 and thereafter. See "**THE TRAFFIC AND REVENUE STUDY**." Projected annual toll revenues in the March 2014 Study are revenues projected to be collected in each year (*i*.e., cash basis) after applying the above-described assumptions to the projected toll transactions for the year. Historical toll revenues and historical debt service coverage are based on revenues determined on an accrual basis in accordance with generally accepted accounting principles. See "— *Reporting of Toll Accounts Receivable*" below and "**OTHER FINANCIAL INFORMATION**." Inevitably, some underlying assumptions and projections used to develop these financial forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast periods will vary from the forecasts, and such differences may be material.

Reporting of Toll Accounts Receivable

In its annual audited and monthly unaudited financial statements 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 was 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. As of December 31, 2012, net toll receivables were $27,809,058, which included an allowance for uncollectable receivables of $81,068,112. See "**APPENDIX B-1**" for the audited financial statements of the Authority's NTTA System Enterprise Fund for the fiscal year ending December 31, 2012. As of December 31, 2013, net toll receivables were $32,058,275, which included an allowance for uncollectable receivables of $71,001,312. See "**APPENDIX B-2**" for the unaudited financial statements of the Authority's NTTA System Enterprise Fund for the fiscal year ending December 31, 2013.

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. On October 16, 2013, the Board of Directors adopted a toll receivable write-off policy for the Authority. The policy states in part that, on an annual basis, the Executive Director will recommend to the Board a list of toll receivables to be written off for accounting and financial reporting purposes only. The toll receivables will continue to be legal obligations of the users and collection efforts will continue. In November of each year, the Authority's Operations department will provide a list, by customer, of all receivables that have aged through the collection process and are eligible to be written off. In December of each year, the list will be presented to the Board for their review and approval.

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. Prior to 2011, uninvoiced ZipCash transactions were not recorded as a receivable or any other type of asset. The Authority 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, with net toll receivables for such uninvoiced transactions, after the allowance, of $2,349,788 as of December 31, 2011. The amount of "matched, current address" transactions as of December 31, 2012, was $12,013,440. After the allowance, net toll receivables for such uninvoiced transactions as of December 31, 2012, was $1,802,016. The amount of "matched, current address" transactions as of December 31, 2013, was $8,989,544, with net toll receivables for such uninvoiced transactions, after the allowance, of $1,364,204 as of December 31, 2013 (unaudited).

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 toll 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 NTTA facility users in November 2011 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.

As of December 31, 2012, 18.26% of the invoiced toll receivables were still in the current invoice process, while 81.74% had moved to the violation invoice process. Of all invoiced toll receivables on that date, 23.51% were less than 30 days old, and 60.31% were over 120 days.

As of December 31, 2013, 26.8% of the invoiced toll receivables were still in the current invoice process, while 73.2% had moved to the violation invoice process. Of all invoiced toll receivables on that date, 31.4% were less than 30 days old, and 47.5% were over 120 days.

Toll Receivables Write-Off

As noted above, in October 2013, the Board approved the toll receivable write-off policy. The policy states that a list of toll receivables that have aged through the collection process will be reviewed and approved to be written off every December by the Board. The toll receivables approved to be written off will be written off from an accounting and financial reporting perspective only. Collection efforts will continue. In order to provide an opportunity for toll enforcement remedies to assist in collection efforts, invoices must have aged for two (2) years from the date of the initial ZipCash invoice before becoming eligible for write-off.

On December 18, 2013, the Board approved Resolution 13-175 to allow certain toll receivables to be written off. The Authority wrote off $56,192,668 in toll receivables effective as of December 31, 2013.

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.

Legislative Changes to Toll Enforcement Remedies

Senate Bill 1792 ("*SB 1792*") was passed by the 83rd Texas Legislature and became effective on June 14, 2013. SB 1792 makes improvements to toll enforcement remedies. SB 1792 authorizes the Authority to publish the names of Registered Owners (or lessees) of nonpaying vehicles who are liable for past due and unpaid tolls or administrative fees. It also authorizes the Authority to enter into agreements providing for toll violation payment plans and to file suit in district court to enforce these agreements. Additional provisions include a process for determining habitual violators, which includes those Registered Owners of a vehicle with at least two written notices of nonpayment that contain an aggregate of 100 or more events of nonpayment within a one year period. Failure to pay in response to the two written notices allows the Authority to determine the person is a habitual violator. Once a habitual violator determination has been made, the Authority may: (1) report the habitual violator determination to a county assessor collector or to the Texas Department of Motor Vehicles and request that the vehicle registration or renewal be refused; and (2) adopt an order prohibiting the operation of a vehicle on a toll project of the Authority and mail notice of the order to the habitual violator. SB 1792 also creates a process for addressing nonresident violators.

In November 2013, the Authority adopted an order prohibiting "habitual violators" who had received notice from the Authority from operating their motor vehicles on NTTA tollways. The Authority plans to send notice to habitual violators informing them of their ban from NTTA tollways. The Authority has negotiated agreements with the Tax Collector/Assessors from three of the four Member Counties to implement the vehicle registration block remedy and commencing in early 2014, the Authority plans to send notice to habitual violators of the Authority's intent to implement a vehicle registration block on their vehicle and the Authority's intent to impound their vehicle if found operating on NTTA tollways.

Multi-Year NTTA System Capital Plan

The estimated costs for the major maintenance, rehabilitation, and capital improvement program for the NTTA System over the 2014-2018 period (the "*Capital Improvement Program*" or "*CIP*"), in addition to the construction costs of corridor expansion projects, are expected to be approximately $341 million. Of the $341 million, approximately $97 million is expected to be paid from the Reserve Maintenance Fund and approximately $244 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 December 31, 2013, the Authority had on deposit approximately $47 million in the Reserve Maintenance Fund and $131 million in the Capital Improvement Fund for those projects. The Authority intends on financing these capital improvements through cash flow, including the $163 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 2014-2018 period, the Authority anticipates spending approximately $326 million for corridor expansion projects that include: (i) the DNT 4th lane improvements from Beltline Road north to SRT and the bottleneck improvements at the DNT/PGBT interchange that are anticipated to be open to traffic at the beginning of 2018; and (ii) the PGBT widening between IH 35E and SH 78 that is anticipated to be completed in stages between 2016 and 2019. The Authority anticipates funding these improvements with cash flow; however, if cash flow is not sufficient, the Authority anticipates using interim financing utilizing the Authority's Commercial Paper Program. The Commercial Paper Notes will be paid from Capital Improvement Fund deposits or proceeds from additional bonds issued under the Trust Agreement for the NTTA System.

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), 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. An updated traffic and revenue study for Trinity Parkway was performed by CDM Smith in early 2013. The Final Environmental Impact Statement is currently being prepared and a final public hearing for the project is currently anticipated for the middle of 2014. 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. Denton County has committed $21.5 million to fund the southbound frontage road for the project. The Authority is currently finalizing right-of-way donation along the corridor and will begin design and construction of the southbound frontage road only as soon as all needed right-of-way is obtained.

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 Regional Transportation Council of the North Central Texas Council of Governments' (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 "*Original SH 183 Managed Lanes 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 Original 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 Original SH 183 Managed Lanes Project pursuant to the project allocation process under Chapter 373. In May 2013, the Board confirmed its waiver of the market valuation process and first option right, and waived the Authority's option to develop the Original SH 183 Managed Lanes Project with TxDOT's addition of SH 114 (from International Parkway to Loop 12), Loop 12 (from SH 183 to IH 35E), and North Tarrant Express, Section 2E (from SH 121 to SH 161) to the overall project (collectively, with such additions, 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 and (ii) State Highway 170, a road between State Highway 114 and IH 35W of approximately 5.7 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*") the first phase of which opened to traffic in December 2013, (b) NTE Mobility Partners LLC (the "*NTE Segment 1/2W Developer*") for Segments 1 and 2W of 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 Segment 1/2W Project*") which is expected to open to traffic in 2014, and (c) NTE Mobility Partners Segments 2-4 (the "*NTE Segment 3A/3B Developer*") for Segments 3A and 3B of the North Tarrant Express Project, consisting of the construction and/or reconstruction of general purpose lanes, managed lanes, railroad improvements, frontage roads, crossing streets, utility adjustments, the establishment of the tolling operations and maintenance and operation of the IH 35W corridor between IH 30 to US 81/287 in Tarrant County, Texas (the "*NTE Segment 3A/3B Project*"), which is expected to open to traffic in phases starting in 2016.

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*"), (ii) a Tolling Services Agreement dated June 23, 2009, with the NTE Segment 1/2W Developer to provide Tolling Services for the managed lanes on the NTE Segment 1/2W Project (the "*NTE Segment 1/2W TSA*"), and (iii) a Tolling Services Agreement dated September 19, 2013, with TxDOT to provide Tolling Services for the managed lanes on the NTE 3A/3B Project (the "*NTE Segment 3A/3B TSA*"), under which the Authority is acting as TxDOT's subcontractor to provide Tolling Services to the NTE Segment 3A/3B Developer. The Authority is 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*"). TxDOT anticipates the managed lanes of the DFW Connector Project to open to traffic in 2014. The Authority also may enter into additional TSAs in respect of the IH 30 Managed Lanes Project, the IH 35E Managed Lanes Project and the SH 183 Managed Lanes Project (these 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*." **Revenues generated by the Authority under the IH 635 TSA, the NTE Segment 1/2W TSA, the NTE Segment 3A/3B TSA or any of these future TSAs will not secure the Series 2011A Bonds or other obligations entitled to the benefit of the Trust Agreement.**

After the IH 635 TSA and NTE Segment 1/2W 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 did not apply to the NTE Segment 3A/3B TSA but 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 NTE Segment 1/2W TSA.

As described below, the IH 635 TSA and the NTE Segment 1/2W TSA place most of the toll collection risk on the Authority, and certain future agreements may do the same. For example, under both the IH 635 TSA and the NTE Segment 1/2W TSA, 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** — *Toll Collection*." 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.

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 managed lanes of 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 managed lanes 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 was required to be delivered not later than six months before the date the IH 635 Project was scheduled to open to traffic. The first segment of the IH 635 Project opened to traffic on December 14, 2013, and 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. On May 15, 2013, the Authority and the IH 635 Developer entered into an Agreement Regarding IH 635 TSA Performance Security under which the Authority agreed to establish and maintain a segregated securities account (the "*Account*") with Texas Short Term Asset Reserve Program, dba TexSTAR ("*Securities Intermediary*") as substitute performance security under the IH 635 TSA in lieu of a letter of credit. The Authority established the Account with the Securities Intermediary and funded the account with a cash deposit of $1,697,058.44 (the "*Account Requirement*"). If the IH 635 Developer withdraws any amounts from the Account, then the Authority is required to replenish the Account to an amount not less than the Account Requirement not later than five business days after the withdrawal occurs. The Agreement Regarding IH 635 TSA Performance Security will continue in effect until December 15, 2014, or such later date mutually agreed to by the Authority and the IH 635 Developer.

Upon termination of such agreement, the Authority will be required to provide a letter of credit as required under the IH 635 TSA.

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; (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 Segment 1/2W Tolling Services Agreement

General

The NTE Segment 1/2W TSA contains the representations, commitments and obligations of the Authority and the NTE Segment 1/2W Developer related to the Tolling Services to be provided by the Authority for the managed lanes of the NTE Segment 1/2W Project.

Responsibilities of NTE Segment 1/2W Developer

The NTE Segment 1/2W 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 Segment 1/2W 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 Segment 1/2W Project other than as permitted by the NTE Segment 1/2W TSA and not taking any actions in competition with the rights and responsibilities of the Authority under the NTE Segment 1/2W 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 Segment 1/2W 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 Segment 1/2W TSA expires upon expiration of the NTE Segment 1/2W CDA, subject to earlier termination. The NTE Segment 1/2W CDA expires on June 23, 2061.

Compensation for Services and Payments to NTE Segment 1/2W 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 managed lanes of the NTE Segment 1/2W 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 Segment 1/2W 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 Segment 1/2W 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 Segment 1/2W Developer with respect to such amounts until the Authority pays such amounts to the NTE Segment 1/2W 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 established a master cash collateral trust account (the "*Master Cash Collateral Trust Account*") with TxDOT and Wilmington Trust, National Association (the "*Collateral Account Trustee*") and deposited $25,598,000 therein to provide performance security for the NTE Segment 1/2W TSA and future tolling services agreements.

Not later than six months prior to the date the NTE Segment 1/2W Project is scheduled to open to traffic (the NTE Segment 1/2W Developer currently anticipates the NTE Segment 1/2W Project opening to traffic on August 1, 2014) and as a condition to the right to receive compensation for services, the Authority is required to cause the Collateral Account Trustee to establish a separate sub-account, for the sole benefit of the NTE Segment 1/2W Developer (the "*NTE Segment 1/2W Cash Collateral Sub-Account*"), and to deposit and hold in the NTE Segment 1/2W 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 Segment 1/2W TSA, as such methodology is applied in respect of the service year that, under the NTE Segment 1/2W 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 NTE Segment 1/2W Cash Collateral Sub-Account. On March 24, 2014, the NTE Segment 1/2W Developer notified the Authority that its calculations for clauses (x) and (y) were $9,911,415 and $9,511,078, respectively. The Authority is currently in the process of verifying the clause (x) calculation and agrees with the clause (y) calculation. Upon such verification, the Authority and TxDOT will instruct the Collateral Account Trustee to make the appropriate deposit into the NTE Segment 1/2W Collateral Sub-Account.

Authority Defaults

The following constitute Authority defaults under the NTE Segment 1/2W 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 Segment 1/2W 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 Segment 1/2W 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 Segment 1/2W 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 Segment 1/2W Developer's step-in rights.

In the event of a default by the Authority under the NTE Segment 1/2W TSA, subject to the NTE Segment 1/2W Developer's step-in rights, and subject to certain limitations on damages, the NTE Segment 1/2W Developer will be entitled to recover all losses and damages incurred as a result of the Authority's default. In addition, upon certain Authority defaults or upon certain conditions, the NTE Segment 1/2W Developer has the right to require suspension of the Authority's services under the NTE Segment 1/2W TSA and the NTE Segment 1/2W 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 Segment 3A/3B Tolling Services Agreement

General

The NTE Segment 3A/3B TSA contains the representations, commitments and obligations of the Authority and TxDOT related to the Tolling Services to be provided by the Authority as a subcontractor for TxDOT for the NTE Segment 3A/3B Project. TxDOT and the NTE Segment 3A/3B Developer have entered into a Tolling Services Agreement (the "*NTE Segment 3A/3B Developer TSA*") under which the NTE Segment 3A/3B Developer retained TxDOT to provide certain Tolling Services for the managed lanes of the NTE Segment 3A/3B Project.

Responsibilities of TxDOT

TxDOT's general responsibilities under the NTE Segment 3A/3B TSA 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) causing the NTE Segment 3A/3B Developer to provide 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 Segment 3A/3B Developer's dynamic or other toll pricing models, (v) not issuing or permitting the issuance of any transponders in connection with the NTE Segment 3A/3B Project, other than as permitted by the NTE Segment 3A/3B TSA, (vi) contractually prohibiting the NTE Segment 3A/3B Developer from imposing any tolls on users in connection with the NTE Segment 3A/3B Project other than as permitted by the NTE Segment 3A/3B Developer TSA, and (vii) not taking, and using good faith efforts to enforce any provisions in the NTE Segment 3A/3B Developer TSA to the extent such provisions prohibit the NTE Segment 3A/3B Developer from taking, any actions in competition with the rights and responsibilities of the Authority under the NTE Segment 3A/3B 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 Segment 3A/3B Developer and TxDOT 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, (vii) providing toll collection enforcement services, and (viii) providing marketing services.

Term

The term of the NTE Segment 3A/3B TSA expires on the tenth anniversary of the service commencement date for the NTE Segment 3A/3B Project, subject to earlier termination. The NTE Segment 3A/3B TSA will renew automatically from and after the final day of the initial term for successive five-year periods until the expiration of the NTE Segment 3A/3B CDA, subject to earlier termination. The NTE Segment 3A/3B CDA expires on June 23, 2061.

Compensation for Services and Payments to NTE Segment 3A/3B Developer and TxDOT

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

Subject to certain exceptions, the Authority is required to pay the NTE Segment 3A/3B Developer and/or TxDOT an amount equal to the toll for each transaction, including any video transaction toll premium, less its fee, within two business days after the date the Authority collects such toll.

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 Segment 3A/3B Developer or TxDOT for such transaction have not yet been paid, and the Authority is deemed to be a collecting agent acting on behalf of the NTE Segment 3A/3B Developer and

TxDOT with respect to such amounts until the Authority pays such amounts to the NTE Segment 3A/3B Developer or TxDOT.

Authority Defaults

The following constitute Authority defaults under the NTE Segment 3A/3B TSA: (i) the Authority fails to make any payment required to be made by it under the NTE Segment 3A/3B TSA to TxDOT or the NTE Segment 3A/3B Developer when due thereunder and such failure continues for five business days after TxDOT delivers written notice thereof to the Authority; (ii) the Authority fails to perform any other obligation of the Authority under the NTE Segment 3A/3B 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, 120 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 and the Authority fails to cure such inability within 30 days after receiving from TxDOT written notice of such misrepresentation and its material adverse effect on TxDOT; (vi) the Authority assigns its rights and obligations under the NTE Segment 3A/3B 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 Segment 3A/3B 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 TxDOT/s step-in rights.

In the event of a default by the Authority under the NTE Segment 3A/3B TSA, subject to TxDOT's step-in rights, and subject to certain limitations on damages, TxDOT will be entitled to recover all losses and damages incurred as a result of the Authority's default. In addition, upon certain Authority defaults or upon certain conditions, TxDOT has the right to require suspension of the Authority's services under the NTE Segment 3A/3B TSA and TxDOT 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 as a Non-NTTA System Project. 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 2011A 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 operated exclusively as All-ETC, including AVI and video tolling. The PGBT WE averaged approximately 93,805 revenue vehicle transactions per day in the fiscal year ended August 31, 2013 (the fiscal year for the Special Projects System is September 1 to August 31). The PGBT WE averaged approximately 111,831 revenue vehicle transactions per day for the four month period ending December 31, 2013.

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 PGBT WE 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 December 31, 2013, the Authority had spent $482 million (net of reimbursements). The Authority assumed all risk for construction cost increases for the portions of the PGBT WE it is required to build.

In October 2008, the Authority exercised its option under SB 792 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 constitute 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 and construction of the entire corridor is underway, and the CTP is expected to open to traffic in mid-2014. 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 final funding agreement was approved in October 2013.

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 December 31, 2013, the Authority had spent approximately $593 million (net of reimbursements) on development of the CTP.

STATE HIGHWAY 360 PROJECT

General

Section 1 of State Highway 360 is a planned 9.7 mile toll road project located in Ellis, Johnson and Tarrant Counties, Texas, extending generally from Green Oaks Boulevard in Tarrant County south to US 287 in Ellis County (the "*SH 360 Project*"). The SH 360 Project will be a controlled-access, All-ETC facility initially consisting of four controlled-access main lanes from just south of Green Oaks Boulevard to Broad Street and two controlled-access main lanes from Broad Street to US 287, with continuous frontage roads along the entire corridor. The SH 360 Project has been environmentally cleared. The SH 360 Project will be a stand-alone toll project and will not be a part of the NTTA System or the Special Projects System. Revenues of the SH 360 Project may only be used to pay costs, including debt service, that are related to the SH 360 Project. Revenues from the SH 360 Project will not secure and will not be available to pay debt service on the Series 2011A Bonds or other obligations entitled to the benefit of the Trust Agreement.

Project Agreement

The Authority entered into that certain Project Agreement State Highway 360 dated February 28, 2014 (the "*SH 360 Project Agreement*"), with TxDOT for the SH 360 Project, which contains the representations, commitments and obligations of the Authority and TxDOT related to the development, financing, design, construction, operation and maintenance of the SH 360 Project. The SH 360 Project Agreement constitutes a "toll project agreement" entered into pursuant to Section 373.006(b) of the Code. Under the SH 360 Project Agreement, TxDOT is required to design and construct the SH 360 Project and has allocated funds in the amount of $300 million for such purpose. The actual amount of such allocated funds expended for the design and construction of the SH 360 Project, less TxDOT's internal soft costs, up to a maximum of $294 million, will constitute a loan (the "*Project Loan*") from TxDOT to the Authority payable solely from net revenues of the SH 360 Project. The Project Loan will have a term of 35 years, commencing on the date of substantial completion of the SH 360 Project, and will bear interest at a fixed rate of 4.25% per annum. A schematic design for the SH 360 Project was prepared by the Authority in connection with obtaining environmental approval. The Authority anticipates that TxDOT will design and construct the SH 360 Project under a design-build agreement, and that the SH 360 Project will be substantially complete and open to traffic in 2018. Upon substantial completion of the SH 360 Project, TxDOT is required to transfer ownership thereof to the Authority, at which time the Authority will have the obligation to make payments on the Project Loan, but only to the extent of net revenues from the SH 360 Project.

Financial Backstop Agreement

To provide support for TxDOT's efforts to develop, finance and construct the SH 360 Project and the Authority's efforts to operate and maintain the SH 360 Project, the RTC, TxDOT and the Authority entered into that certain Financial Backstop Agreement State Highway 360 dated February 28, 2014 (the "*Financial Backstop Agreement*"). Under the Financial Backstop Agreement, if SH 360 Project revenues are insufficient to make a schedule payment on the Project Loan or a scheduled transfer for payment of operating and maintenance costs, the Authority is required to submit to TxDOT and the RTC an expense draw request for the amount of such shortfall, and TxDOT, on behalf of the RTC, is required to make a draw on the financial backstop in the amount of such shortfall (i) to the extent the payment is owing to TxDOT, through the Commission's reduction of allocation of funds allocated to the Dallas-Fort Worth Region in the Unified Transportation Program developed by TxDOT and approved by the Commission (the "*UTP Funds*") after the schedule payment date or (ii) to the extent the payment is owing to the Authority, by transferring UTP Funds or other funds the RTC is authorized to allocate to projects to the Authority by the fifteenth business day after receipt of such draw request. The Authority is required to repay the RTC, but only from available SH 360 Project revenues, any amounts drawn under the Financial Backstop Agreement, together with interest on such amount at the fixed rate of 4.25% per annum.

Reverter and Nonrecourse

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

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, 2012, are attached hereto as **APPENDIX C-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, the CTP, or the SH 360 Project. The unaudited financial statements of the Authority's North Texas Tollway Authority System Enterprise Fund as of and for the fiscal year ended December 31, 2013, are attached hereto as **APPENDIX C-2**. All 2013 financial information in this section is unaudited.

Highlights of the NTTA System as of and for the fiscal year ended December 31, 2013

- Revenue Vehicle Transactions for fiscal year 2013 were 610.1 million, an increase of 25.1 million or 4.3% over fiscal year 2012.
- Approximately 2.49 million and 2.8 million TollTags were active at the end of fiscal years 2012 and 2013, respectively.
- As of December 31, 2013, the NTTA System's total net position decreased by $146.0 million from the fiscal year ended December 31, 2012. The decrease was mainly due to an increase in debt service. The change consists of a $70.7 million decrease in net position in the year ended December 31, 2013, and a $75.3 million restatement of the prior year net position due to the implementation of GASB 65.
- For the fiscal year ended December 31, 2013, toll revenues, net of bad debt expense, were $525.5 million, an increase of $40 million or 8.2% over the fiscal year ended December 31, 2012. The increase was primarily a result of increased transactions and a toll increase that was implemented on July 1, 2013.
- The Administration and Operations expenses before depreciation for the fiscal year ended December 31, 2013, of $107.9 million increased 1.6% compared to the expenses for fiscal year ended December 31, 2012.

Net Position

Set forth below is an analysis of NTTA System's financial position for fiscal years 2013 and 2012.

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

	Preliminary December 31, 2013	Audited December 31, 2012
Revenues		
Operating revenues	$ 597.8	$ 551.3
Operating expenses	(107.90)	(106.20)
Preservation of system assets	(38.3)	(47.20)
Income from operations before depreciation	451.6	397.9
Unbudgeted bad debt expense	(46.1)	(45.2)
Unallocated infrastructure depreciation	(64.0)	(63.9)
Depreciation	(6.1)	(6.0)
Operating income	335.3	282.8
Nonoperating revenue (expenses):		
Interest income	0.4	5.3
Interest expense	(442.6)	(458.8)
Capital grant contributions	6.3	8.5
BAB's subsidy	26.7	28.9
Other	3.3	7.0
Net nonoperating revenue (expenses)	(406.0)	(409.1)
Change in net position	(70.7)	(126.3)
Net position - beginning of year	(499.8)	(373.5)
Net position - restated per GASB 65	(75.3)	-
Net position - ending	$ (645.8)	$ (499.8)

The NTTA System's net position indicates an unrestricted current ratio of 4.32 and 4.26 as of December 31, 2013, and December 31, 2012, respectively. Working capital was $232.4 million and $258.2 million as of December 31, 2013, and December 31, 2012, respectively. Total unrestricted current assets were $302.5 million as of December 31, 2013, compared to $337.3 million as of December 31, 2012 (see Table A-1). Total unrestricted and restricted current assets were $597.4 and $767.2 million as of December 31, 2013, and December 31, 2012, respectively. Cash and investments of $534.3 million represent the largest component of current assets. The remaining $63.1 million is comprised of accrued interest receivables of $1.3 million, prepaid expenses of $1.2 million, accounts receivable of $46.9 million, and interproject/interagency receivables of $13.7 million.

Total unrestricted current liabilities for the NTTA System were $70.1 million as of December 31, 2013, including $3.1 million for accounts payable and retainage payable, $40.7 million of deferred revenue, $19.1 million for accrued liabilities, mainly accrued salaries and vacation liability, interfund payables of $6.9 million, and $0.3 million for TollTag deposits.

Summary of Operations

Set forth below is a summary of operations of the NTTA System for fiscal years 2013 and 2012.

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

		Preliminary December 31, 2013		Audited December 31, 2012
Revenues				
Operating revenues	$	597.8	$	551.3
Operating expenses		(107.90)		(106.20)
Preservation of system assets		(38.3)		(47.20)
Income from operations before depreciation		451.6		397.9
Unbudgeted bad debt expense		(46.1)		(45.2)
Unallocated infrastructure depreciation		(64.0)		(63.9)
Depreciation		(6.1)		(6.0)
Operating income		335.3		282.8
Nonoperating revenue (expenses):				
Interest income		0.4		5.3
Interest expense		(442.6)		(458.8)
Capital grant contributions		6.3		8.5
BAB's subsidy		26.7		28.9
Other		3.3		7.0
Net nonoperating revenue (expenses)		(406.0)		(409.1)
Change in net position		(70.7)		(126.3)
Net position - beginning of year		(499.8)		(373.5)
Net position - restated per GASB 65		(75.3)		-
Net position - ending	$	(645.8)	$	(499.8)

Total operating revenues for the NTTA System were $597.8 million for the period ended December 31, 2013, and $551.3 million for the period ended December 31, 2012 (See Table A-2). Toll revenues for the period ended December 31, 2013, were $525.5 million (net of bad debt expense of $46.1 million), an 8.2% increase over the toll revenues of $485.5 million (net of bad debt expense of $45.2 million) for the period ended December 31, 2012. Traffic on the NTTA System continues to grow, with average daily transactions of 1,671,589 and 1,604,470 for the periods ended December 31, 2013, and 2012, respectively.

Total operating expenses for the NTTA System before depreciation for the period ended December 30, 2013, were $107.9 million, compared to the period ended December 31, 2012, of $106.2 million, a 1.6% increase due to increased activity (See Table A-2). Interest expense, inclusive of capitalized interest, for the period ended December 31, 2013, was $442.6 million, a 3.5% decrease from the interest expense of $458.8 million for the period ended December 31, 2012. Debt service coverage for the period ended December 31, 2013, and the period ended December 31, 2012, for First Tier and Second Tier Bonds was 1.63 and 1.47 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 $146 million from December 31, 2012, to the year ended December 31, 2013. The change was due to a $70.7 million decrease in net position in the year ended December 31, 2013, and a $75.3 million restatement of the prior year net position due to the implementation of GASB 65.

Investments

The NTTA System's investments at December 31, 2013, and December 31, 2012, were $957.0 million and $1.01 billion, respectively.

Revenues by Type

Total gross operating revenues for the NTTA System were $597.8 million for the period ended December 31, 2013. Toll revenues of $525.5 million (net of bad debt expenses of $46.1 million) account for 95% of total revenue. Interest income (excluding Construction Fund interest) was $6.2 million or 1.12% of total revenue. Other revenue, mostly administrative and statement fees for collection of tolls from violators and interoperability fees, was $20 million, representing 3.88% of the total.

Revenues Compared to Estimates

The NTTA System's actual toll revenue for the fiscal year ended December 31, 2013, was 8.61% over the toll revenue estimated for such period by the Authority's Traffic Engineer, CDM Smith, in September 2012. The 2013 budget was based on CDM Smith estimates from September 2012. It should be noted that the projected toll revenues in the September 2012 Update by CDM Smith were revenues projected to be collected in each year (i.e., cash basis) after applying the appropriate ZipCash revenue leakages. Actual toll revenue reported by the Authority in its financial statements is based on revenues determined on an accrual basis in accordance with generally accepted accounting practices.

The increases in the toll revenue were largely attributed to:

- The continued growth of population in the Member Counties (Dallas, Tarrant, Denton & Collin); and
- Continued ramp-up of the recently opened PGBT EE and sections of the 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 December 31, 2013, were $6.256 billion, decreasing from December 31, 2012, by approximately $41.5 million.

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 2012, the Authority estimated it would spend $23.5 million for infrastructure maintenance and preservation, but actually expended $10.2 million. For fiscal year 2013, the Authority estimated it would spend $22.8 million for infrastructure maintenance and preservation but actually expended $10,849,365 (unaudited). 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 both 2012 and 2013 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 on the date the Authority began collecting tolls on the project on its own behalf (September 2008). The Authority is depreciating the cost of the acquisition and the construction costs of the SRT over the 50 year period utilizing the straight-line basis. The effect of depreciating the cost of the acquisition and the construction costs of the SRT reduces the Authority's net revenues as reported on the general accepted accounting principles ("*GAAP*") basis. Since the depreciation is a non-cash item, it does 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 period ended December 31, 2013, general operating expenses were $107.9 million, or 92.8% of the 2013 annual operating budget of $116.3 million. The primary factors in this budget are continued growth in the number of transactions and the continued ramp-up of recently opened facilities, such as SRT and PGBT EE. This continued growth results in an increase in the number of customer contacts for the Customer Service Center, increased costs related to the billing of ZipCash invoices, and increases in the Maintenance and Safety and Incident Managements departments. On December 18, 2013, the Board adopted an operating budget for the NTTA System of $122.7 million for 2014.

Long-Term Debt

As of December 31, 2013, the Authority's total NTTA System bonded debt outstanding was $7.59 billion (including accrued interest on capital appreciation bonds and convertible capital appreciation bonds) compared to approximately $7.56 billion (including accrued interest on capital appreciation bonds and convertible capital appreciation bonds) as of December 31, 2012. 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 the ISTEA Loan in the amount of $135 million, made by

TxDOT in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991. Interest accrued from 2000 to 2004 and annual payments began in fiscal year 2004. As of December 31, 2013, the outstanding principal balance on the ISTEA Loan was approximately $136.1 million.

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 or other transponders being charged a higher toll than those using TollTags or other transponders. 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 TRAFFIC AND REVENUE STUDY**" herein and "NTTA System Comprehensive Traffic and Toll Revenue Study" (defined hereinafter as the "*March 2014 Study* ") 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 2004 through 2013.

Year	Revenue Vehicle Transactions[1]	Toll Revenue[1][2]	Investment and Other Earnings[1]	Current Expenses[1]	Net Revenues	Change in Net Revenues
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	-1%
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%
2012	585,051,845	485,463,608	28,832,506	106,236,324	408,059,790	18%
2013[i]	610,130,159	525,460,038	26,403,456[j]	107,930,055	443,933,439	9%

(a) Sam Rayburn Tollway Interchange Extension opened in 2004.
(b) PGBT from 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 December 31, 2013 (unaudited). A system-wide increase of toll rates was implemented on July 1, 2013.
(j) Includes interest revenue, other/miscellaneous revenues and inter-fund transfer(s).

(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, 2012, 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 fiscal year ended December 31, 2013.
(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 2009 through 2013 as calculated pursuant to the Trust Agreement and in accordance with generally accepted accounting principles.

Fiscal Year	Actual Coverage
2009	1.48x
2010	1.61x
2011	1.52x
2012	1.32x
2013	1.25x (unaudited)

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 2012. In fiscal year 2011, a consulting actuary provided a baseline valuation report giving the Authority's potential reportable OPEB liability, measured as of January 1, 2012. The baseline estimated results as of January 1, 2013 showed an Actuarial Accrued Liability ("*AAL*") of $21,352,403 and an Annual Required Contribution ("*ARC*") of $3,695,551. The ARC is $3,183,888 of normal cost and $511,663 of amortization of the AAL over 30 years. The Authority has started addressing this liability by recording OPEB accrued liabilities of $19,279,087 through fiscal year 2013. See Note (8) of **APPENDIX B-1** for additional information on OPEB.

THE TRAFFIC AND REVENUE STUDY

Background

In March 2014, CDM Smith, the traffic engineers for the Authority, prepared the NTTA System Comprehensive Traffic and Toll Revenue Study (the "*March 2014 Study*") to estimate traffic and toll revenues for the NTTA System. The March 2014 Study involved a detailed evaluation of a new metropolitan transportation plan adopted by the North Central Texas Council of Governments ("*NCTCOG*") in June 2013 called Mobility 2035 – 2013 Update (the "*MTP 2013 Update*"). The updated travel demand networks of the MTP 2013 Update have been incorporated in the March 2014 Study. This study includes an assessment of current economic conditions and other key factors influencing forecasted traffic and revenue on NTTA System facilities. This effort included an independent economic review of the MTP 2013 Update demographics along NTTA System corridors as well as comprehensive traffic count and travel time data collection. In addition, observed transaction and revenue trends since the completion of the NTTA System Investment Grade Traffic and Toll Revenue Study dated October 2011 were incorporated into this analysis.

The March 2014 Study 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 Section 2 of the March 2014 Study. This included an analysis of annual and monthly transaction trends on NTTA facilities and AVI transaction shares. In addition, recently collected traffic counts and travel time data was analyzed and incorporated into the traffic and revenue forecasting models.

- **NTTA System Corridor Growth Considerations** – Using the most recently approved demographics included by NCTCOG in their MTP 2013 Update, CDM Smith evaluated the socioeconomic conditions along NTTA System corridors as described in Section 4 of the March 2014 Study. This included a review of the historical population and employment growth trends, as well as the future growth projections of these two major socioeconomic characteristics along NTTA System corridors. CDM Smith found that about 65% of the major corporations in the Dallas/Fort-Worth area are located within five miles of NTTA System corridors. A summary of the independent economic review performed for the study area is also presented in Section 4 of the March 2014 Study.
- **NTTA System Traffic and Toll Revenue Forecasts** – CDM Smith updated the traffic and toll revenue forecasts for the NTTA System, as detailed in Section 6 of the March 2014 Study. The traffic and toll revenue forecasts were made using trip tables developed based on findings of the NTTA System independent economic review, with additional adjustments that were done as part of the model validation process.

The results of toll sensitivity analyses for the NTTA System, as described in Section 6 of the March 2014 Study, indicate that the planned toll rates are below the revenue maximization points, demonstrating that, if needed, there is potential for revenue enhancement through toll increases above those assumed for traffic and revenue forecasting purposes.

Based on the traffic forecast at each toll plaza location, annual forecasts for each facility of the NTTA System were prepared through 2063. The projections extend from 2014 through 2063 and include the revenue forecasts for DNT, PGBT, SRT, PGBT EE, AATT, MCLB and LLTB. In each case, forecasts for each of the facilities are based on modeled traffic estimates at each toll collection location through the year 2035. These modeled estimates were refined using post-model adjustments and reflecting validation factors used to match observed 2013 traffic data at each toll gantry location.

The average toll at each location was based on the current mix of passenger car and commercial vehicle traffic, and the current average tolls, modified in future years to reflect changing assumptions in the proportion of AVI and ZipCash transaction shares. Toll rates for ZipCash transactions are 50% higher than the rates for AVI transactions (with a minimum differential of $0.23 in 2013 dollars) in each case, as noted previously.

As shown in the March 2014 Study, the estimated annual revenue on the DNT is expected to increase from $199.8 million in 2014 to $333.6 million by 2025 and $502.0 million by 2035. Revenue on the PGBT is expected to be $186.3 million in 2014, increasing to $306.4 million by 2025 and $467.9 million by 2035. Revenue on the SRT is expected to be $124.0 million in 2014, increasing to $258.7 million by 2025 and $422.3 million by 2035. As 2058 is the end of the fifty-year operational agreement of the SRT between NTTA and TxDOT, revenue from SRT is estimated through August 31, 2058, while the other facilities are assumed to generate revenue for NTTA in perpetuity. The PGBT EE toll revenue shown in the March 2014 Study is the NTTA's share of the toll revenue. NTTA's share of the revenue on the PGBT EE is expected to be $24.1 million in 2014, increasing to $49.4 million by 2025 and $82.3 million by 2035. Together, the DNT, PGBT and SRT account for the majority of revenue generated by the NTTA System. Revenue from the AATT, MCLB and LLTB combined is expected to be about $6.6 million in 2014. By 2025 this is estimated to reach a combined $12.8 million, still a very small share of total NTTA System revenue.

As shown in the following NTTA System Annual Toll Transactions and Revenue (March 2014 Study T&R Table), total revenue on the existing NTTA System, is expected to increase from about $540.8 million in 2014 to $960.8 million in 2025 and $1.50 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.

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

A series of sensitivity tests have been performed, as shown in Section 6 of the March 2014 Study, to test the traffic and revenue impacts of changes to some of the key input variables. While the state of the North Texas economy, population and employment growth, specifically along the NTTA System corridors, are critical to the transactions and revenue on NTTA System facilities, the following are other critical parameters that will continue to have a material impact on the NTTA System T&R:

- AVI transaction shares and ZipCash revenue recovery rates
- Growth in the NTTA System toll rates, including congestion pricing (assumed on the SRT from 2019 onwards in the March 2014 Study), and toll rates on the several non-NTTA managed lane facilities that will open in the next few years
- Growth in the perceived NTTA System traveler values of time
- Gasoline prices
- Truck traffic usage on NTTA System facilities

- Regional air quality requirements
- The timing of capacity improvements along sections of DNT, PGBT and SRT; impacts that the associated construction activities will have on the flow of NTTA System traffic during construction
- Improvements or openings of complementary and competing transportation facilities along the existing NTTA System corridors; impacts the associated construction activities will have on the NTTA System's traffic and revenue. The critical non-NTTA System roadway facilities/improvements that could materially impact NTTA System's traffic and toll revenue include the SH 161 Three-Mile-Section, PGBT WE, DNT Extension Phase 4A/4B/5, IH 635 Project, DFW Connector Project, US 75, IH 35E Managed Lanes Project, SH 183 Managed Lane Project and State Highway 190/East Branch

The March 2014 Study is incorporated by reference herein. See **"INCORPORATION BY REFERENCE."**

The March 2014 Study was conducted at an investment grade level and is considered suitable for use in project financing. CDM Smith recommends that the NTTA System traffic and revenue forecasts included in the March 2014 Study be used to support the remarketing of the Series 2011A Bonds. See **"FORWARD LOOKING STATEMENTS DISCLAIMER"** in the forepart of the Remarketing Memorandum.

NTTA System Annual Toll Transactions and Revenue (March 2014 Study T&R Table)

Year	Toll Transactions	Toll Revenue
2014	627,494,100	$540,838,800
2015	639,609,500	$575,026,700
2016	648,921,900	$610,628,000
2017	662,012,400	$642,687,200
2018	679,424,400	$676,136,700
2019	694,951,700	$717,447,100
2020	707,609,600	$761,244,600
2021	720,148,500	$797,034,100
2022	733,789,000	$837,976,500
2023	746,770,600	$876,323,400
2024	759,795,100	$918,214,000
2025	773,303,100	$960,847,300
2026	787,120,700	$1,007,719,200
2027	801,243,700	$1,053,775,300
2028	816,923,800	$1,106,260,600
2029	829,165,800	$1,154,388,100
2030	841,611,900	$1,206,224,400
2031	854,318,300	$1,259,005,200
2032	867,311,300	$1,316,823,900
2033	880,750,500	$1,374,441,000
2034	894,258,400	$1,437,066,300
2035	905,772,600	$1,496,450,200
2036	919,322,600	$1,565,475,600
2037	933,462,500	$1,633,417,300
2038	947,569,800	$1,707,188,600
2039	961,868,100	$1,781,862,300
2040	976,243,100	$1,862,452,400
2041	985,970,300	$1,932,147,000
2042	995,836,500	$2,007,367,100
2043	1,005,930,400	$2,083,512,900
2044	1,016,205,600	$2,166,682,400
2045	1,026,612,100	$2,247,649,800
2046	1,036,323,200	$2,334,528,600
2047	1,046,134,200	$2,421,169,100
2048	1,056,023,400	$2,515,039,200
2049	1,066,265,800	$2,607,813,100
2050	1,076,523,000	$2,709,022,900
2051	1,085,736,100	$2,805,429,600
2052	1,094,713,700	$2,909,551,900
2053	1,104,106,800	$3,013,610,200
2054	1,113,625,500	$3,126,853,500
2055	1,123,262,400	$3,238,815,900
2056	1,133,071,900	$3,360,779,600
2057	1,142,750,000	$3,479,625,300
2058	1,054,686,300	$3,232,869,300
2059	868,902,800	$2,563,401,900
2060	875,096,100	$2,656,023,500
2061	881,534,400	$2,746,051,600
2062	887,866,200	$2,844,127,200
2063	893,418,500	$2,937,911,600
Total	**45,181,368,200**	**$91,816,938,000**

Key assumptions:

(1) Background transportation networks based on the MTP 2013 Update.

(2) Background demographics based on MTP 2013 Update demographics revised by Research and Demographic Solutions in 2013.

(3) System-wide toll rate increases on July 1 of every odd year starting July 1, 2013, by applying an annual toll increase of 2.75%.

(4) Rockhill Parkway ramps along the DNT open on July 1, 2015.

(5) SH 161 between SH 183 and Belt Line Road operates with an additional lane in each direction during peak periods (7:00-9:00 am and 4:00-6:00 pm) starting on January 1, 2015. This section is expanded to eight lanes on January 1, 2018. On January 1, 2018, the two new lanes are added in each direction on this facility operate as tolled managed lanes.

(6) Expansion of PGBT from three lanes to four lanes between Coit Road and Shiloh Road in the westbound direction on July 1, 2016. Expansion of PGBT in the remaining sections between IH 35E and SH 78 from three lanes to four lanes per direction on January 1, 2019.

(7) On January 1, 2017, DNT's expansion to four lanes between Trinity Mills Road and PGBT in the northbound direction to be completed by the conversion of the shoulder to a travel lane. A similar expansion between Frankford Road and south of Keller Springs Road in the southbound direction will open on January 1, 2017.

(8) Improvements on DNT between PGBT and SRT are completed on April 1, 2018.

(9) Expansion of SRT between Bus-121 and DNT from three to four lanes per direction on January 1, 2019. Congestion pricing on the full extent of SRT mainlanes is assumed to start from July 1, 2019. Expansion of SRT between DNT and US 75 from three lanes to four lanes per direction on January 1, 2022.

(10) DNT Extension Phase 4A opens to traffic on January 1, 2020.

(11) SH 190/East Branch opens on January 1, 2028.

(12) 2058 is the fiftieth year of operation of SRT as part of the NTTA System. SRT is expected to be returned to TxDOT at the end of August 2058.

(13) TollTag share and ZipCash revenue recovery trends to not significantly deviate from the assumptions included in the March 2014 Study. The Authority would employ business rules to encourage increases in TollTag shares on its facilities and to increase the ZipCash toll revenue recovery.

(14) 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.

(15) Growth in vehicle operating costs (which include fuel, maintenance, and tires) will not significantly deviate from the assumed inflation rate.

(16) No local, regional, or national emergency will arise which would abnormally restrict the use of motor vehicles.

INCORPORATION BY REFERENCE

For additional information, the March 2014 Study, 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, the Engineering Report for the PGBT EE, the August 2013 semi-annual engineer's progress report for the PGBT WE and CTP, and the December 2013 semi-annual engineer's progress reports for the SRT, PGBT EE, and LLTB 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 documents incorporated by reference are also available upon request made to the Authority or (other than the Authority's monthly financial statements) may be accessed on the Authority's website by accessing the following respective links:

https://www.ntta.org/whatwedo/fin_invest_info/NTTAsystem/Documents/2014/NTTA_System_Comprehensive_Traffic_and_Revenue_Study_03.2014.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

https://www.ntta.org/whatwedo/fin_invest_info/financial_Info/Documents/Monthly_Financial_Reports_2014/NTTA_Semi_Annual_Progress_Report_December_2013.pdf https://www.ntta.org/whatwedo/fin_invest_info/investorspeicalprojects/Documents/Special%20Project%20System_Semi-Annual%20Progress%20Report_Aug%202013.pd

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ENGINEERING REPORTS AND PROGRESS REPORTS

The Authority has received multiple engineering reports with respect to various components of the NTTA System. 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 LLTB, SRT and PGBT EE. The engineering reports with respect to the SRT and PGBT EE are incorporated herein by reference. See "**INCORPORATION BY REFERENCE**" herein. The most recent semi-annual progress reports relating to the LLTB, SRT and PGBT EE, are incorporated herein by reference. See "**INCORPORATION BY REFERENCE**" herein. 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 NORTH TEXAS TOLLWAY AUTHORITY, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

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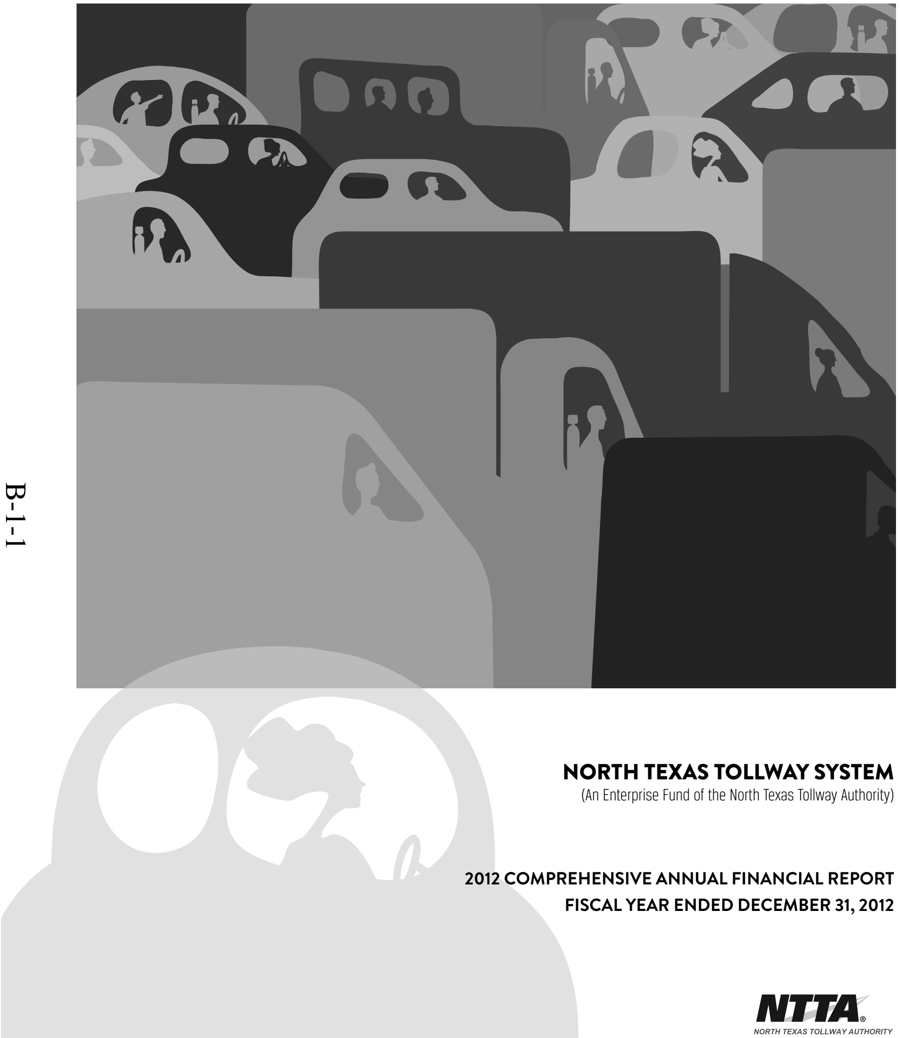

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2012

NTTA
NORTH TEXAS TOLLWAY AUTHORITY

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, 2012

Gerald Carrigan
Executive Director

Janice D. Davis
Chief Financial Officer

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2012

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INTRODUCTORY SECTION

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

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May 24, 2013

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, 2012 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, 2012, 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) including the Eastern Extension, 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, 2012. 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 is committed to being a careful steward of all resources placed in its care – financial, physical and environmental. Because the Authority is a public organization chartered by the state of Texas, every toll collected is reinvested in the region. Toll revenues, in 2012, net of bad debt expense were $485.5 million, representing an increase of 20.6% over 2011 revenues of $402.5 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, 2012. 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

Texas topped the list of desirable states for doing business, as ranked by national location consultants surveyed by editors of *Area Development Magazine*. A CNBC poll provided the same conclusion. The Dallas-Fort Worth area remains a bright spot in the state for businesses, with exports from the region exceeding $25 million, more than 40,000 newcomers arriving last year and strong employment numbers. *Forbes Magazine* cited the region for a lower than average cost of living, ranking it among the top five U.S. metropolitan areas where a paycheck stretches the furthest. The Brookings Institute ranked the region 18th in the country for economic recovery. The Fortune 500 list shows 18 firms headquartered in our region. Overall, The Dallas-Fort Worth area ranks among the top 3 U.S. metropolitan areas for business expansions, relocations and employment growth, according to the Dallas Regional Chamber.

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 2012 was 1.47 times, well above the required levels.

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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, 2011.

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

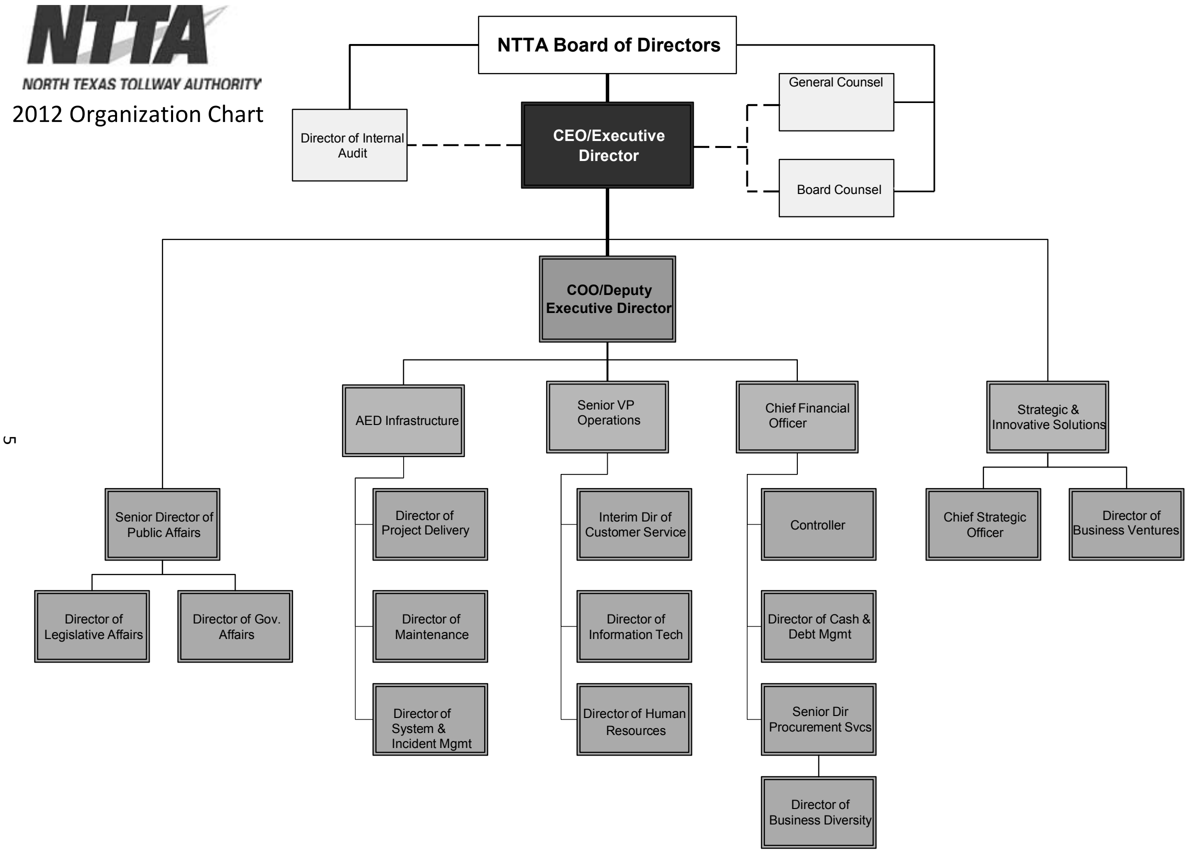
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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

Christopher P Morrill
President

Jeffrey R. Emer
Executive Director



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North Texas Tollway Authority
List of Officials
December 31, 2012

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
Mojy Haddad	Director
Jane Willard	Director

Officials

Gerald Carrigan	Executive Director
Vacant	Deputy Executive Director
Magdalena Kovats	Director, Internal Audit
Thomas Bamonte	Assistant Executive Director General Counsel
Janice D. Davis	Chief Financial Officer
E. Ray Zies	Controller
Dana Gibson Boone	Director, Cash and Debt Management
Felix Alvarez	Director, Procurement Services
Elizabeth Mow	Assistant Executive Director Project Delivery
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	Director, Maintenance
Vacant	Director, Project Delivery

FINANCIAL SECTION

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Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North Texas Tollway Authority

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

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, 2012, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of December 31, 2012, and the changes in its financial position, and, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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 58, and schedules of funding progress on page 60, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The items listed in the introductory section, and the supplementary schedules 1 through 10, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule 1 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule 1 is fairly stated, in all material respects, in relation to the basic 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 auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Crowe Horwath LLP

Crowe Horwath LLP

Irving, Texas
May 24, 2013

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) including the Eastern Extension, 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 System which is reported separately and 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, 2012. 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 Positions: This statement presents information on all of the System's assets and liabilities, with the difference between the two reported as net positions. 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 Positions: 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

2012 Highlights

- The System's total net position decreased by $126.3 million over FY 2011, mainly due to an increase in debt service.

- Total traffic transactions for FY 2012 were 587,236,062, an increase of 71,872,468 or 13.9% over FY 2011 transactions.
- Approximately 2,576,459 toll tags were active at the end of FY 2012, an increase of 325,571 or 14.5% over FY 2011 active toll tags.
- 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 $5.1 million of the grant has been recognized as grant revenue for FY 2012 with the remaining $38.8 million shown as deferred revenue.
- In return for the grant, the Authority agreed to share 20% of the tolls received on the PGBT Eastern Extension with TxDOT over the life of PGBT Eastern Extension. The extension opened in late December 2011. TxDOT received $76,011 on 500,294 transactions in 2011 and $4,224,431 on 21,126,453 transactions in 2012.
- Toll revenues, net of bad debt expense of $45.2 million, increased $83.0 million or 20.6% over FY 2011 in part, as a result of an increase in traffic.
- The Administration and Operations expenses of $106.2 million were under budget by 10.4% in FY 2012.

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Summary of Operations

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

	2012	2011
Current assets	$ 337.3	$ 286.4
Current restricted assets	429.9	582.4
Noncurrent assets		
Restricted investments	317.1	326.9
Other assets	131.6	177.1
Capital assets	6,297.8	6,328.3
Total assets	7,513.7	7,701.1
Deferred outflow of resources	42.3	-
Current liabilities	79.1	93.3
Liabilities payable from restricted assets	281.7	327.5
Long-term debt	7,652.7	7,653.8
Total liabilities	8,013.5	8,074.6
Deferred inflow of resources	42.3	-
Net position:		
Investment in capital assets	(1,254.1)	(1,178.5)
Restricted for debt service	792.6	916.9
Restricted for retiree health benefits	0.4	0.4
Unrestricted	(38.7)	(112.3)
Total net position	$ (499.8)	$ (373.5)

The System's net position indicate an unrestricted current ratio of 4.27 and 3.06 for FY 2012 and FY 2011, respectively. Working capital was $258.2 million and $193.1 million in FY 2012 and FY 2011, respectively. Total unrestricted current assets were $337.3 million in FY 2012, compared to $286.4 million in FY 2011. Total unrestricted and restricted current assets were $767.2 million at the end of FY 2012. Cash and investments of $714.4 million represent the largest component of current assets. The remaining $52.8 million is comprised of accrued interest receivable of $.8 million, accounts receivable of $34.4 million, interproject/interagency receivables of $16.7, inventory and prepaid expenses of $.9 million.

Total unrestricted current liabilities were $79.1 million at the end of FY 2012, including $1.9 million for accounts payable and retainage payable, $38.7 million of deferred revenue and $26.0 million for accrued liabilities, mainly accrued salaries and vacation liability, $11.9 million of interfund payables and $.6 million for Tolltag deposits.

Table A-2
Change in Net Position
(in millions of dollars)

Revenues	2012	2011
Tolls	$ 485.5	$ 402.5
Other revenues	20.6	28.4
Operating revenues	506.1	430.9
Operating expenses before depreciation	153.4	152.4
Income from operations before depreciation	352.7	278.5
Unallocated depreciation (Sam Rayburn Tollway)	(63.9)	(63.9)
Depreciation	(6.0)	(5.7)
Operating income	282.8	208.9
Nonoperating revenue (expenses):		
Interest income	5.3	14.1
Interest expense	(458.8)	(402.9)
Other	7.0	1.2
Net nonoperating revenue (expenses):	(446.5)	(387.6)
Capital contributions		
Capital grant contributions	8.5	25.7
Payments to other governments	-	(508.9)
BAB's subsidy	28.9	28.9
Change in net position	(126.3)	(633.0)
Net position- beginning of year	(373.5)	259.5
Net position - ending	$ (499.8)	$ (373.5)

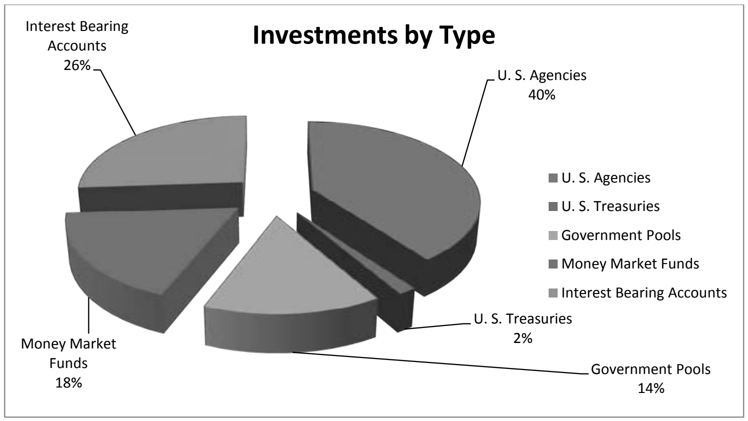
Total operating revenues were $506.1 million for FY 2012 and $430.9 million for FY 2011 (see Table A-2). Toll revenues in FY 2012 were $485.5 million (net of bad debt expense of $45.2 million), a 20.6% increase over FY 2011 toll revenues of $402.5 million (net of bad debt expense of $12.5 million). Traffic on the System continues to grow, with average daily transactions of 1,604,470 and 1,411,982 in FY 2012 and FY 2011, respectively.

Total operating expenses, including the Reserve Maintenance Fund and the Capital Improvement Fund, before depreciation for FY 2012 were $153.4 million, representing an .6% increase from FY 2011 operating expenses of $152.4 million (See Table A-2). Interest expense, inclusive of capitalized interest, for 2012 was $458.8 million, a 13.9% increase from FY 2011 interest expense of $402.9 million. Debt service coverage for all debt for FY 2012 and FY 2011 were 1.47 and 1.77 times, respectively. The Trust Agreement and the Authority's Debt Policy both require bond principal and interest coverage of 1.35 for first tier debt.

The System's overall financial position decreased in FY 2012, as indicated by the $126.3 million decrease in net positions.

Investments: The System's investments at December 31, 2012 and 2011 were approximately $1.01 billion and $1.13 billion, respectively. Table A-3 chart below shows the types of authorized investments in the December 31, 2012 portfolio.

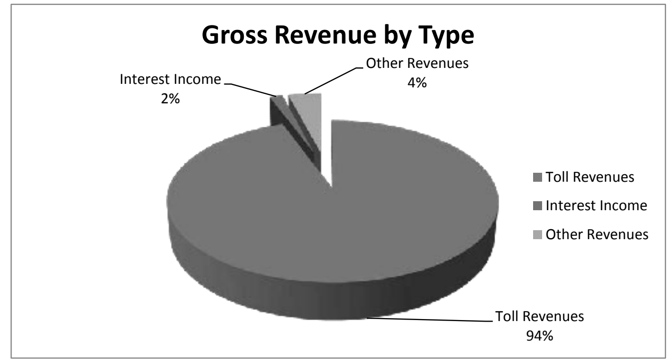
Table A-3



NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Management's Discussion and Analysis
December 31, 2012

Table A-4 below shows the System's revenue in FY 2012 by revenue source type.

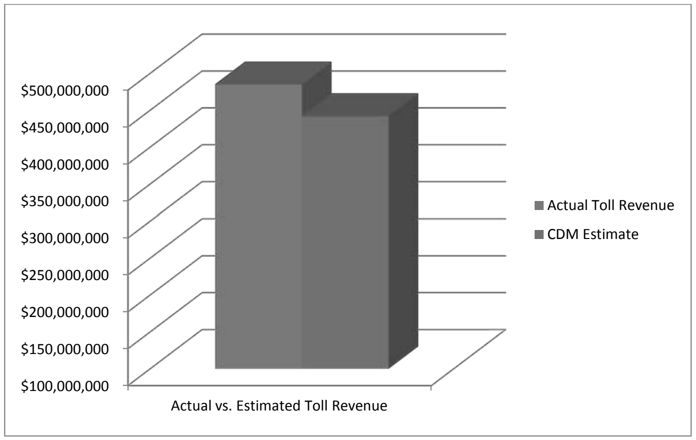
Table A-4



Gross revenues, excluding grant revenue of $8.5 million for FY 2012 were $514.2 million, an 18.8% increase over FY 2011 gross revenues of $432.7 million. Toll revenues of $485.4 million (net of bad debt expenses of $45.2 million) account for 94% of total revenue. Interest income (excluding Construction Fund interest) was $8.1 million or 2%. Other revenue, mostly administrative and statement fees for collection of tolls from violators and interoperability fees, was $20.7 million, representing 4% of the total.

Table A-5 below shows the System's actual toll revenue for FY 2012 compared to the estimated toll revenue of the Authority's traffic and toll revenue engineer, CDM Smith Inc. (CDM). Toll revenue was over CDM's estimates by 9.7%.

Table A-5



Traffic on the System continues to grow with approximately 1,604,470 average daily transactions in 2012, up 13.2% from the 1,411,982 daily averages in 2011.

The increases in the toll revenue were largely attributed to:

- The increased growth of population in the North Texas counties (Dallas, Tarrant, Denton & Collin).
- Opening of the President George Bush Turnpike Eastern Extension (PGBT-EE).

Engineering Estimates

The annual estimates by the System's traffic and revenue engineer, CDM Smith Inc. (CDM), are displayed in comparison to the actual revenue for the years of 2003 through 2012 in Table A-6 below:

Table A-6
Actual vs. Estimated Revenue

Year	Actual	Estimate	Variance
2012	$ 485,463,608(*)	$ 442,688,000	$ 39,263,359
2011	402,569,354	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

* net of bad debt expenses ($45,230,480)

The FY 2012 toll revenue of $485.5 million increased by 20.6% over FY 2011 actual toll revenue of $402.5 million. The System total revenues produced 1.47 debt coverage for 2012. 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, 2012 were $6.2 billion, decreasing from FY 2011 by approximately $34.3 million. 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 2012, the Authority estimated it would need to spend $23.5 million for infrastructure maintenance and preservation, but actually expended $10.2 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 2012 assessment, please see the Required Supplementary Information on pages 59 and 60 of this report. The Authority's Condition Index for 2012 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).

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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 2012, the Authority's total bonded debt outstanding was $7.55 billion compared to approximately $7.55 billion in 2011 (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, 2012, on page 43.

Table A-7
Revenue Bonds Outstanding
As of FY 2012 and FY 2011

	Amount Outstanding	
Series	2012	2011
Series 1998	$ -	$ 26,855,000
Series 2003A	-	225,000,000
Series 2005C	178,310,000	178,310,000
Series 2008A	1,734,130,000	1,747,210,000
Series 2008B	226,930,000	226,930,000
Series 2008D	528,102,853	498,066,589
Series 2008E	215,000,000	215,000,000
Series 2008F	1,000,000,000	1,000,000,000
Series 2008H	-	209,040,000
Series 2008I	260,697,156	245,005,325
Series 2008K	205,000,000	205,000,000
Series 2008L	-	100,000,000
Series 2009A	389,105,000	404,005,000
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	100,000,000
Series 2011B	268,625,000	268,625,000
Series 2012A	25,930,000	-
Series 2012B	383,625,000	-
Series 2012C	101,775,000	-
Series 2012D	32,815,000	-
Revenue Bonds Outstanding	$ 7,556,400,009	$ 7,555,401,914

* 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 2003 through 2012.

Table A-8
Historical Debt Coverage

Year	Coverage
2012	1.47x
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

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 payments began in FY2004. The FY 2012 payment was $8.250 million with a due date of January 1, 2012. 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. No commercial paper was issued in 2012. As of December 31, 2012 there was $38.3 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.

NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

Statement of Net Position

December 31, 2012

Assets	
Current assets:	
Cash and cash equivalents (note 3)	$ 18,429,722
Investments (note 3)	271,596,581
Accrued interest receivable	86,029
Interproject/agency receivables (note 4)	16,565,132
Accounts receivable (net of allowance for uncollectibles) (note 9)	27,879,980
Unbilled Accounts receivable (net of allowance for uncollectibles) (note 9)	1,802,016
Prepaid expenses	937,460
Total current unrestricted assets	337,296,920
Current restricted assets:	
Restricted assets:	
Restricted for construction:	
Cash and cash equivalents (notes 3 and 5)	(111,693)
Investments (notes 3 and 10)	121,913,273
Accrued interest receivable	155,566
Restricted for debt service:	
Investments (notes 3 and 5)	302,136,617
Accrued interest receivable	570,840
Accounts receivable	4,789,925
Restricted for pension benefits and other purposes:	
Investments (notes 3 and 5)	406,050
Accrued interest receivable	52
Total current restricted assets	429,860,630
Total current assets	767,157,550
Noncurrent assets:	
Investments restricted for operations (note 3)	25,215,661
Investments restricted for debt service (note 3)	291,916,605
Deferred financing costs	75,306,573
Deferred feasibility study costs	56,272,212
Capital assets (net of accumulated depreciation) (note 4)	6,297,827,016
Total noncurrent assets	6,746,538,067
Total assets	**7,513,695,617**
Deferred outflow of resources	
Fair value of SWAP	42,349,015

See accompanying notes to basic financial statements.

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NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Net Position
December 31, 2012

Liabilities		
Current liabilities:		
Accounts and retainage payable	$	1,953,119
Accrued liabilities		26,011,157
Interproject/agency payables		11,867,348
Deferred revenue		38,707,643
Tolltag deposits		575,154
Total current unrestricted liabilities		79,114,421
Payable from restricted assets:		
Construction-related payables:		
Retainage payable (note 10)		2,703,277
Deferred grant revenue		38,802,422
Debt service-related payables:		
Accrued interest payable		185,300,676
Accrued arbitrage rebate payable		23,252
Commercial paper payable (note 5)		38,300,000
Revenue bonds payable (note 5)		16,605,000
Pension benefits and other related payables		
Accounts payable (note 10)		1,191
Total current liabilities payable from restricted assets		281,735,818
Total current liabilities		360,850,239
Noncurrent liabilities:		
Other post-employment benefits (note 8)		15,346,086
Texas Department of Transportation ISTEA loan payable (note 5)		138,262,812
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of $26,871,915 and bond discount (premium) costs of $13,915,068 (note 5)		7,499,008,027
Total noncurrent liabilities		7,652,616,925
Total liabilities		**8,013,467,164**
Deferred inflow of resources		
Fair value of SWAP		42,349,015
Net Position		
Net investment in capital assets		(1,254,068,836)
Restricted for:		
Debt service		792,586,995
Pension benefits and other purposes		404,441
Unrestricted		(38,694,147)
Total net position	**$**	**(499,771,547)**

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 Position
Year ended December 31, 2012

Operating revenues:		
Tolls	$	485,463,608
Other		20,729,192
Total operating revenues		506,192,800
Operating expenses:		
General		
Administration		22,982,801
Operations		83,253,523
Preservation		
Reserve maintenance		11,446,757
Capital improvement		35,691,517
Total operating expenses before depreciation		153,374,598
Operating income before depreciation		352,818,202
Unallocated infrastructure depreciation		(63,943,350)
Depreciation		(6,038,360)
Operating income		282,836,492
Nonoperating revenues (expenses):		
Interest earned on investments		10,128,307
Net decrease in the fair value of investments		(4,977,991)
Interest expense on revenue bonds		(399,018,646)
Interest expense on short term notes		(127,347)
Interest expense on loan		(5,905,507)
Bond premium/discount amortization		(44,835,481)
Bond issuance cost amortization		(4,147,186)
Deferred amount on refunding amortization		(4,701,591)
Other		6,981,143
Net nonoperating revenues (expenses)		(446,604,299)
Income (loss) before capital contributions		(163,767,807)
Capital Grant Contributions		8,523,679
Build America Bonds Subsidy (BAB's)		28,978,075
Change in net position		(126,266,053)
Beginning net position		(373,505,494)
Ending net position	**$**	**(499,771,547)**

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, 2012

Cash flows from operating activities:		
Receipts from customers and users	$	506,567,673
Payments to contractors and suppliers		(174,964,919)
Payments to employees		(48,668,328)
Net cash provided by (used in) operating activities		282,934,426
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		(569,227,565)
Issuance of revenue bonds		544,145,000
Defeased of commercial paper		(18,000,000)
Grand Proceeds		6,845,908
Deferred financing costs		7,700,909
Deferred revenue-grant		(5,093,069)
Other		6,981,143
Interest paid on revenue bonds and other debt		(409,198,686)
Net cash provided by (used in) capital and related financing activities		(435,846,360)
Cash flows from investing activities:		
Purchase of investments		(3,760,661,264)
Proceeds from sales and maturities of investments		3,872,423,276
BABS Subsidy		28,978,075
Interest received		10,459,765
Net cash provided by (used in) investing activities		151,199,852
Net increase (decrease) in cash and cash equivalents		(1,712,080)
Cash and cash equivalents, beginning of the year		20,030,109
Cash and cash equivalents, end of the year	$	18,318,029
Classified as:		
Current assets	$	18,429,722
Restricted assets		(111,693)
Total	$	18,318,029
Noncash financing, capital, and investing activities:		
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	282,836,492
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		6,038,360
Unallocated depreciation		63,943,350
Bad debt expense		45,230,480
Changes in assets and liabilities:		
Increase in accounts receivable		(51,285,117)
Decrease in prepaid expenses and other assets		454,141
Increase in deferred revenue		5,998,911
Decrease in accounts and retainage payable		(70,258,649)
Increase in accrued liabilities		(23,542)
Total adjustments		97,934
Net cash provided by operating activities	$	282,934,426
Noncash financing activities:		
Decrease in fair value of investments		(4,977,991)
Capital Grant Contributions		8,523,679
Build America Bonds Subsidy (BAB's)		28,978,075

See accompanying notes to basic financial statements.

NTTA
NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

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 an enterprise fund of the Authority and does not purport to be the entire activities 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 System, including the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund, are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources.

Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the System are included in the Statement of Net Position. The assets of the System are stated at cost with the exception of certain investments and interest rate swap derivatives, which are stated at fair value.

The principal revenues of the System are toll revenues received from patrons. Operating expenses for the System 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 System consolidates these System 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 System'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 System 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 System for the year will meet its debt covenants. See additional information regarding legal compliance for budgets in Note (2).

(d) Restricted Assets

Certain proceeds of the Revenue Bonds are restricted by applicable bond covenants for construction or restricted as reserves to ensure repayment of the bonds. Also, certain other assets are accumulated and 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, 2012, 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 is only one (1) employee that meet these requirements.

(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

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

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 System's cumulative arbitrage rebate liabilities for the year ended December 31, 2012 are $23,252.

(l) Estimates

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

(m) New Accounting Pronouncements

GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities." –The objective of Statement No. 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources or inflows of resources. This statement will become effective in fiscal year 2013.

GASB Statement No. 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This statement is effective for financial statements for periods beginning after June 15, 2013.

GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No.27."*- This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date. This statement is effective for financial statements for periods beginning after June 15, 2014.

Management has not yet determined the effect of these statements on the financial statements.

(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 2012.

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 2012.

	2012 (unaudited)
GAAP basis operating income	$ 282,836,492
Non-construction fund interest income	8,103,314
Gross Income	290,939,806
Add:	
Depreciation	6,038,360
Unallocated infrastructure depreciation	63,943,350
Capital improvement fund expenses	35,691,517
Reserve maintenance fund expenses	11,446,757
Net revenues available for debt service	408,059,790
Bond interest expense, net of capitalized interest	260,199,174
Scheduled principal amount due	16,605,000
Calculated debt service requirement	$ 276,804,174
Coverage ratio (for all debt)	1.47

(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 2012. 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 Position.

(a) Deposits

The Authority's deposits were fully insured or collateralized at December 31, 2012. The carrying amount of the Authority's deposits was $18,318,029 and the respective bank balances totaled $20,626,392. As of December 31, 2012 the total bank balances were covered under the Temporary Liquidity Guarantee Program created by the Federal Depository Insurance Corporation (FDIC). The program provides full coverage of non-interest bearing deposit transaction accounts regardless of dollar amount.

(b) Investments

As of December 31, 2012 the maturity values are as follows:

	2012			
	Maturity Value (in Yrs)			WAM(*)
Description	Fair Value	Less Than 1 Yr	1 Yr or More	
Government Sponsored Entities (GSE):				
Federal Home Loan Bank	$ 75,276,746	$ 36,433,637	$ 38,843,109	
Federal National Mortgage Association	81,217,775	15,139,000	66,078,775	
Federal Agricultural Mortgage Corporation	39,433,560	30,004,800	9,428,760	
Federal Farm Credit Bank	105,603,271	20,026,401	85,576,870	
Federal Home Loan Mortgage Corporation	99,146,590	-	99,146,590	
Total GSE	400,677,942	101,603,838	299,074,104	413
Cash	9,702,705	9,702,705	-	-
Money Market Funds	180,208,356	180,208,356	-	-
U.S. Treasuries	15,364,500	-	15,364,500	-
Government Pool	145,755,583	145,755,583	-	-
Interest Bearing Account	261,475,702	261,475,702	-	-
Total Investments	**$ 1,013,184,788**	**$ 698,746,184**	**$ 314,438,604**	**413**

*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, 2012 was .569%, in comparison to 1.149% in 2011. The weighted average maturity in days was 413 days for 2012, compared to 394 days in 2011. Market value fluctuation of the overall portfolio is minimized by keeping the weighted average maturity low. Approximately 69% of the investment are maturing within one year and 31% are maturing one year or greater.

***(d)* Credit Risk**

Per the Investment Policy, on the date of the purchase of any Government Obligation purchased by the Authority, the obligation must have a rating as to investment quality by a nationally recognized investment firm of not less than "AAA" or its equivalent.

As of December 31, 2012, the Authority holdings allocation was: 1% in Cash, 1% in US Treasuries, 14% in State and Local Government Pools, 26% in Interest Bearing Accounts, 18% in AAA rated money market funds and 40% in Agencies backed by the full faith and credit of the U.S. Government. Agencies are AAA rated by Moody's.

The Authority participates in the TexPool local government investment pool which operates as a SEC 2a-7 like pool. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. This local government investment pool is structured similarly to money market mutual funds, to provide liquidity needs. TexPool was established in conformity with the interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code.

TexPool allows shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. TexPool seeks to maintain a constant net asset value of $1.00, although this cannot be fully guaranteed. TexPool is rated AAAm and must maintain a dollar weighted average maturity not to exceed a 60 day limit.

(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, 2012, 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	$	97,756,107
Revenue Account		63,197,624
Operations and Maintenance Account		3,057
Reserve Maintenance Account		57,982,932
Consolidated Capital Improvement Account		187,205,528
Bond Interest Account		187,967,462
Bond Reserve Account		402,059,362
Bond Redemption Account		16,606,666
DFW Turnpike Transition Trust Fund		406,050
Total investments	$	1,013,184,788

(4) Capital Assets

Capital assets are summarized as follows:

	January 1, 2012	Additions	Deletions/ Adjustments	December 31, 2012
Infrastructure network:				
Non-depreciable				
Right-of-way	$ 252,008,746	$ 13,015	$ -	$ 252,021,761
CIP	2,517,606,918	27,628,280	-	2,545,235,198
Infrastructure - Other *	525,306,612	1,950,484	-	527,257,096
Total non-depreciable infrastructure	**3,294,922,276**	**29,591,779**	**-**	**3,324,514,055**
Depreciable				
Roadway	3,197,211,448	-	-	3,197,211,448
Less accumulated depreciation	(213,188,444)	-	(63,943,350)	(277,131,794)
Total depreciable infrastructure	**2,984,023,004**	**-**	**(63,943,350)**	**2,920,079,654**
Total Infrastructure network	**6,278,945,280**	**29,591,779**	**(63,943,350)**	**6,244,593,709**
Property and Equipment				
Land	7,293,755	-	-	7,293,755
Buildings	17,434,998	-	-	17,434,998
Machinery and Equipment	40,705,767	5,826,992	(895,314)	45,637,445
Less accumulated depreciation				
Buildings	(4,067,408)	(581,161)	-	(4,648,569)
Equipment	(24,816,525)	(4,997,305)	895,314	(28,918,516)
	(28,883,933)	(5,578,466)	895,314	(33,567,085)
Total property and equipment	36,550,587	248,526	-	36,799,113
Total Capital Assets	**6,315,495,867**	**29,840,305**	**(63,943,350)**	**6,281,392,822**
Intangibles				
Intangibles	13,367,343	4,094,478	-	17,461,821
Less Amortization	(567,734)	(459,893)	-	(1,027,627)
Total Intangible Assets	**12,799,609**	**3,634,585**	**-**	**16,434,194**
Total Capital & Intangible Assets	**$6,328,295,476**	**$ 33,474,890**	**$ (63,943,350)**	**$ 6,297,827,016**

* Includes capitalized interest net of interest earnings. Total bond interest costs incurred amounted to $399,145,993 during the year ended December 31, 2012.

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

Revenue Bonds

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

The following are descriptions of Revenue Bond Series currently outstanding as of December 31, 2012.

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, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($6,087,556).

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 $753,206 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($1,981,938).

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, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($8,395,771). Outstanding principal on the Series 2005A Bonds in escrow is $208,900,000 on December 31, 2012.

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 $81,993 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($86,381).

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 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 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 Position. 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 $2,049,225 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($2,158,869).

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, 2012. The deferred amount ending balance for the year ended December 31, 2012 was $3,467,308.

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 $795,789 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($9,044,514).

On August 1, 2012 the 2009D Bonds changed interest rate modes from the weekly reset with interest due monthly into a Callable Commercial Paper Mode. The Commercial Paper is marketed with a minimum 25 day call at which they are remarketed into a new period. The interest rate is fixed for the period at the time of remarketing. Interest is payable at each call date.

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, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($789,667).

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 $29,291 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($409,030).

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 ($50,911) for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was $345,344.

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, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($971,509). The total deferred amount ending balance is ($626,165).

Series 2012A:

On June 6, 2012, the Authority issued $25,930,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2012A, for the purpose of refunding $26,855,000 of the Series 1998 Bonds for economic savings. Interest is payable January 1 and July 1 of each year, commencing January 1, 2013. These bonds were issued as serial bonds maturing January 1, 2027 through January 1, 2029. The bonds have interest rates between 3.75% and 5.00%

The refunding resulted in a decrease of $2,859,265 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 2012A Revenue Refunding Bonds of ($501,766) was deferred and is being amortized over the stated term of the Series 1998 Bonds. Amortization of the deferred amount on the refunding was $17,794 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($483,972).

Series 2012B:

On October 4, 2012, the Authority issued $383,625,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2012B, for the purpose of refunding $189,210,000 of Series 2003A Bonds and refunding $209,040,000 of Series 2008H-2 Bonds. The 2003A Bonds were refunded for economic savings. The 2008H-2 Bonds had a mandatory tender date of January 1, 2013. Interest is payable January 1 and July 1 of each year, commencing January 1, 2013. These bonds were issued as serial bonds maturing January 1, 2021 through January 1, 2034 and three Term Bonds due January 1, 2036, January 1, 2042 and January 1, 2052. The bonds have an interest rate between 5.00% and 5.25%

The refunding of this portion of the Series 2003A resulted in a decrease of $19,163,860 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 2003A Bonds refunded by 2012B Revenue Refunding Bonds of $150,689 was deferred and is being amortized over the stated term of the Series 2003A Bonds. Amortization of the deferred amount on the refunding was ($2,019) for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was $148,670.

The refunding of the Series 2008H-2 resulted in a decrease of $71,672,879 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 2008H-2 Bonds refunded by 2012B Revenue Refunding Bonds of $1,272,414 was deferred and is being amortized over the stated term of the Series 2008H-2 Bonds. Amortization of the deferred amount on the refunding was ($17,047) for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was $1,255,367.

Outstanding principal on this portion of the Series 2003A and the Series 2008H-2 Bonds in Escrow is $189,210,000 and $209,040,000 respectively at December 31, 2012 and was fully redeemed on January 1, 2013.

Series 2012C:

On November 1, 2012, the Authority issued $101,775,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2012C, for the purpose of refunding $100,000,000 of Series 2008L-2 Bonds which had a mandatory tender date of January 1, 2013. The 2012C Bonds have an initial interest rate of 1.95% payable January 1 and July 1 of each year, commencing January 1, 2013. These bonds are subject to a mandatory tender on January 1, 2019. 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 10.00% per annum. In the event that they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Series 2012C Bonds will bear interest at the rate of 10% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

The refunding of the Series 2008L-2 resulted in a decrease of $21,349,156 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 2012C Revenue Refunding Bonds of ($1,569,618) was deferred and is being amortized over the stated term of the Series 2008L-2 Bonds. Amortization of the deferred amount on the refunding was $11,517 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($1,558,101).

Outstanding principal on the portion of the Series 2008L-2 Bonds in Escrow is $100,000,000 at December 31, 2012 and was fully redeemed on January 1, 2013.

Series 2012D:

On November 1, 2012, the Authority issued $32,815,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2012D, for the purpose of refunding $35,790,000 of Series 2003A Bonds. These bonds were issued as a Term Bond due January 1, 2038. The bonds have an interest rate of 5.00% payable January 1 and July 1 of each year, commencing January 1, 2013

The refunding of this portion of the Series 2003A resulted in a decrease of $6,646,042 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 2003A Bonds refunded by 2012D Revenue Refunding Bonds of ($122,121) was deferred and is being amortized over the stated term of the Series 2003A Bonds. Amortization of the deferred amount on the refunding was $825 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was ($121,296).

Outstanding principal on this portion of the Series 2003A Bonds in Escrow is $35,790,000 at December 31, 2012 and was fully redeemed on January 1, 2013.

The following schedule summarizes the revenue bonds outstanding as of December 31, 2012:

Description of Issue	Beginning Balance	Additions	Matured or Retired	Ending Balance	Due within one year
Series '98	$ 26,855,000	$ -	$ (26,855,000)	$ -	$ -
Series '03A	225,000,000	-	(225,000,000)	-	-
Series '05C	178,310,000	-	-	178,310,000	-
Series '08A	1,747,210,000	-	(13,080,000)	1,734,130,000	925,000
Series '08B	226,930,000	-	-	226,930,000	-
Series '08D	498,066,589	30,036,264	-	528,102,853	-
Series '08E	215,000,000	-	-	215,000,000	-
Series '08F	1,000,000,000	-	-	1,000,000,000	-
Series '08H	209,040,000	-	(209,040,000)	-	-
Series '08I	245,005,325	15,691,831	-	260,697,156	-
Series '08J	-	-	-	-	-
Series '08K	205,000,000	-	-	205,000,000	-
Series '08L	100,000,000	-	(100,000,000)	-	-
Series '09A	404,005,000	-	(14,900,000)	389,105,000	15,680,000
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	-
Series '12A	-	25,930,000	-	25,930,000	-
Series '12B	-	383,625,000	-	383,625,000	-
Series '12C	-	101,775,000	-	101,775,000	-
Series '12D	-	32,815,000	-	32,815,000	-
	7,555,401,914	589,873,095	(588,875,000)	7,556,400,009	16,605,000
Less:					
Unamortized deferred amount on refunding of revenue bonds	30,803,105	770,401	(4,701,591)	26,871,915	-
Bond discount/premium	36,512,143	(29,586,397)	6,989,322	13,915,068	-
Totals	**$ 7,488,086,666**	**$ 618,689,091**	**$ (591,162,731)**	**$ 7,515,613,026**	**$ 16,605,000**

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, 2012 was $26,871,916. The discount (premium) costs for the year ended on December 31, 2012 was $13,915,067.

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The revenue bond debt service requirements below are prepared as of December 31, 2012:

	Total Revenue Bonds				
Year	Principal amount	Interest amount	Capitalized Interest	BAB Subsidy	Total
Due January 1					
2013	$ 16,605,000	$ 388,844,537	$ (35,040,632)	$ (28,978,075)	$ 341,430,830
2014	-	394,564,624	-	(28,978,075)	365,586,549
2015	965,000	403,850,863	-	(28,978,075)	375,837,788
2016	1,370,000	413,375,026	-	(28,978,075)	385,766,951
2017	22,150,000	413,005,489	-	(28,978,075)	406,177,414
2018 - 2022	463,735,000	2,028,939,386	-	(144,890,375)	2,347,784,011
2023 - 2027	1,079,665,000	1,796,716,181	-	(134,432,721)	2,741,948,460
2028 - 2032	1,191,064,913	1,470,161,397	-	(103,839,635)	2,557,386,675
2033 - 2037	1,597,657,473	1,124,845,806	-	(96,991,125)	2,625,512,154
2038- 2042	1,552,048,654	675,808,627	-	(89,666,296)	2,138,190,985
2043 - 2047	974,311,720	261,703,271	-	(48,313,102)	1,187,701,889
2048 - 2052	468,025,000	24,395,456	-	(4,617,189)	487,803,267
Interest Accretion	188,802,249	(188,802,249)		-	-
	$ 7,556,400,009	$ 9,207,408,414	$ (35,040,632)	$ (767,640,818)	$ 15,961,126,973

The Interest and Sinking and Reserve Accounts required by the Trust Agreement have been established with the Trustee. The balances as of December 31, 2012 were:

	Cash and Investment Balance	Trust Requirement
Bond Interest account*	$ 187,967,462	$ 171,514,119
Debt service reserve account**	402,059,362	392,849,234
Redemption account***	16,606,666	16,605,000
Total	$ 606,633,490	$ 580,968,353

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 $16,453,343 – NTTA prefunded $16,400,000 of 2013 Debt Service from the Capital Improvement Fund during 2011 and $53,343 interest earned during the year.

** Debt Service Reserve account per the trust agreement is not valued at market price, but amortized value. The amortized value at 12/31/12 was $399,814,842.

*** Redemption account had $1,666 excess from interest earned during the year.

SWAP Transactions

History. Pursuant to the ISDA Master Agreements dated and effective as of August 20, 2004 (the "2004 ISDA Master Agreements") and the schedules, annexes there to, the North Texas Tollway Authority (the "Authority" entered into multiple interest rate swap transactions in the cumulative notional amount of $202,720,000 with Citibank N.A., New York, Bear Stearns Financial Products Inc. and Lehman Brothers Special Financing Inc. (the "Swap Providers") The 2004 Swap Transactions were executed 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").

Pursuant to the 2004 ISDA Master Agreements and concurrent 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, 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").

In September 2008 Lehman Brothers declared bankruptcy and their portion of the Swap Transactions were terminated. On October 1, 2008, a swap termination payment of $4,511,011 was made by the Authority.

After the collapse of Bear Stearns on May 15, 2009, JPMorgan Chase Bank N.A. acquired some of the assets of Bear Stearns and some derivative transactions, including transactions with the Authority, were transferred from Bear Stearns Financial Products to JPMorgan Chase Bank N.A.

On August 14, 2009, $5,375,000 for the 2004 Swap Transaction and $706,700 for the 2005 Swap Transaction was paid to the Swap Providers to terminate a portion of each respective swap. Currently, the notional amount for the 2004 Swap Transaction and the 2005 Swap Transaction is $84,060,000 and $94,230,000 respectively. The Swap Providers 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 Swap Transactions remain *legally* tied to the Series 2005C Bonds, which have been remarketed to fixed rate. However, the Authority recognized the need for the Swap Transactions to be *economically* tied to variable rate bonds so that the Swap Transactions 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 was 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.

As of December 31, 2012, rates were as follows: (see example in table below)

Interest rate swap:	Terms	2004 Swap Rates December 31, 2012	2005 Swap Rates December 31, 2012
Fixed payment to counterparties	Fixed	3.673%	3.533%
Minus Variable payment from counterparties	67% of 1-Month LIBOR	0.140%	0.140%
Net interest rate swap payments		3.533%	3.393%
Plus 2009D Variable-rate bond coupon payments	Avg. Coupon + 100 bps*	1.200%	1.200%
Synthetic interest rate on bonds including LOC & Remarketing		4.733%	4.593%
*90bps LOC fee & 10bps remarketing fee			

Period Ended December 31, 2012

Derivative Instrument	Hedge Type	Effectiveness Test Method	Result	Classification	Amount
Combined 2004 Swaps	Cash flow hedges	Regression Analysis	**Effective**	Deferred Outflow	$ (19,028,650)
Combined 2005 Swaps	Cash flow hedges	Regression Analysis	**Effective**	Deferred Outflow	$ (23,320,365)

Fair value. As of December 31, 2012, the 2004 Swap Transactions had a negative fair value of $19,028,649.51 and the 2005 Swap Transactions had a negative fair value of $23,320,365.36. 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 values were calculated using ***FAIRVALUE ADVISOR,*** First Southwest's online swap valuation system. The system is SSAE 16 compliant. First Southwest is an independent third party provider of swap valuations.

Credit risk. As of December 31, 2012 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 fair value of the Swap Transactions.

If the Swap Providers' 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., the provider is required to post collateral to the Authority's credit.

As of December 31, 2012, 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 A3/A and JPMorgan Chase Bank N.A. Aa3/A+. 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 interest rates will adversely affect the fair values of the Authority's hedging instruments or their cash flows. The Authority is exposed to interest rate risk on its derivatives.

The underlying Bonds (Series 2009D) are issued as a callable CP product and have variable rate coupon payments which are reset with each remarketing. The Swap Payments paid to the Authority by the Swap Providers are also variable, tied to 67% of one month Libor. A decrease in Libor rates would increase the net swap payments for the Authority but it might be offset by a likely decrease in the variable coupon rate and a lower corresponding coupon payment. Any increase in the variable coupon rate would increase the corresponding coupon payment, but it might 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 extend 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.

Collateral risk. On September 30, 2008 MBIA and FGIC completed a reinsurance transaction related to the insurance on the Swap Transactions. The Swap Transaction is now insured by MBIA. The Authority may be required to post collateral, if MBIA is rated below "A-" by S&P or "A3" by Moody's. If MBIA's rating *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 amount owed by the Authority to JPMorgan Chase Bank N.A. MBIA's rating is below the referenced levels, 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) to which the swaps are economically tied. The 2009D bonds are variable rate obligations that are backed by a letter of credit. Letters of credit typically have a two or three year term, and at the end of the initial term the Authority might need to refinance the debt or secure a new letter of credit. 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 to pay 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 upon termination, the swap has a negative fair value, then 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.

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Swap payments and associated debt. Using rates as of December 31, 2012, 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.

Fiscal Year	2009D Bonds Associated with Swaps: Principal amount	2009D Bonds Associated with Swaps: Interest amount*	Total
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**	$ **250,094,706**	$ **428,494,706**

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

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Commercial Paper

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

Commercial paper 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, 2012, $38,300,000 was outstanding with an average interest rate of 0.27%.

Short-term debt activities for the year ended December 31, 2012 were as follows:

	Balance at December 31, 2011	Additions	Reductions	Balance at December 31, 2012
Commercial Paper Notes	$ 56,300,000	$ -	$ 18,000,000	$ 38,300,000

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, 2012 for the fiscal year of 2012. The loan payable was $138,262,812 as of December 31, 2012.

Debt service requirements on the TxDOT ISTEA loan payable subsequent to December 31, 2012 are as follows:

	TxDOT ISTEA Loan payable	
Fiscal years	**Principal**	**Interest**
2013(*)	$ -	$ -
2014	2,192,962	5,807,038
2015	2,285,066	5,714,934
2016	2,381,039	5,618,961
2017	2,481,043	5,518,957
2018 - 2022	37,632,735	24,762,058
2023 - 2027	62,473,084	14,138,898
2028 - 2029	28,816,883	1,827,910
Total principal and interest	$ 138,262,812	$ 63,388,756

*Note 1/1/2013 payment was made December 2012.

(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 9.10% of wages up to a maximum of $245,000, respectively, at December 31, 2012.

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, 2012, was $3,193,930 based on a covered payroll of $35,782,988. The Authority made the actuarially required contribution. Employee contributions to the plan for the year ended December 31, 2012 were $2,112,085.

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, 2009	December 31, 2010	December 31, 2011
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	20.0	20.0	30.0
Asset valuation method	SAF: 10-yr smooth value ESF: Fund value	SAF: 10-yr smooth value ESF: Fund value	SAF: 10-yr smooth value ESF: Fund value
Actuarial assumptions:			
Investment return**	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.4%	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.

Source reference: 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, 2011, the most recent actuarial valuation date, the plan was 101.15% funded. The actuarial accrued liability for benefits was $51,969,647, and the actuarial value of assets was $52,564,706, resulting in an unfunded actuarial accrued liability (UAAL) of $(595,059). The covered payroll was $31,976,241, and the ratio of the UAAL to the covered payroll was (1.86)%.

The schedule of funding progress, presented as RSI 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, 2010	$ 2,130,462	100%	$ -
December 31, 2011	$ 1,923,878	100%	$ -
December 31, 2012	$ 2,112,085	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, 2012 were $1,168,135 based on a covered payroll of $33,434,163.

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 2006-2012. 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
2011	$ 524,540	$ 8,291,582	$ 8,190,223	$ 625,899
2012	$ 625,899	$ 6,548,312	$ 6,486,504	$ 687,710

(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.

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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, 2012, 2011 and 2010 was $332,669, $312,673 and $293,509 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	$ 4,656	$ 5,568	$ -	$ -
PPO	4,200	5,076	-	-
PSS	-	-	2,193	2,193
PMA	-	-	819	819

The required contribution is based on the projected pay-as-you-go financing requirements. For fiscal year 2012 expenses of $29,616 were recognized for the post employment health care premiums paid. This represents 67.4% 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, 2012:

	2010	**2011**	**2012**
Annual Required Contribution	$ 2,073,600	$ 2,073,600	$ 3,183,888
Interest on Net OPEB Obligation	211,923	325,577	267,066
Adjustment to Annual Required Contribution	640,753	711,672	511,663
Annual OPEB Cost (expense)	2,926,276	3,110,849	3,962,617
Payments Made	19,541	24,529	29,616
Increase in Net OPEB Obligation	2,906,735	3,086,320	3,933,001
Net OPEB Obligation - Beginning of Year	5,420,030	8,326,765	11,413,085
Net OPEB Obligation - End of Year	$ 8,326,765	$ 11,413,085	$ 15,346,086

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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, 2010-2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
12/31/2010	$ 2,926,276	0.67%	$ 8,326,765
12/31/2011	$ 3,110,849	0.79%	$ 11,413,085
12/31/2012	$ 3,962,617	0.75%	$ 15,346,086

Funded Status and Funding Progress – The funded status of the plan as of January 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	$21,352,403
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$21,352,403
Funded ratio (actuarial value Of plan assets/AAL)	0%
Covered payroll (active plan members)	$31,976,241
UAAL as a percentage of covered payroll	67%

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, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a discount rate of 2.34% and an annual healthcare cost trend rate of 9.0% for 2012, 8.5% for 2013 reduced by decrements of .5% percent to an ultimate rate in 2019 of 5.5%. The actuarial assumptions include an investment rate of return at 2.34% 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, 2012 the remaining amortization period was 26 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 one remaining retired employees receiving benefits from ERS GBP. Payments during fiscal year were $6,232; which was 100% of the required contribution for the period. The trust currently has $404,911 in net assets. Due the limited number of participants no valuation was done.

(9) Disaggregation of Receivable Balances

The System has unrestricted accounts receivable balances of $27,809,058, unbilled accounts receivable of $1,802,016 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 $27,738,136 for billed video tolls (net of the allowance for doubtful accounts of $81,068,112), $70,922 for fees related to maintenance of equipment and $1,802,015 for unbilled video tolls (net of the allowance for doubtful accounts of $10,211,424). Additionally, the System has unrecorded video toll transactions of $13,305,131 (**)(matched no current address) and $51,351,474 of unmatched video toll transactions as of December 31, 2012.

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 different checkpoints/gantries before an invoice is processed, has an allowance rate of 85%.

Recorded Video Toll Transactions	2012
Billed video tolls	$108,877,170
Net of allowance for uncollectibles	(81,068,112)
	$ 27,809,058
Unbilled video tolls (Matched current address) (*)	$ 12,013,440
Net of allowance for uncollectibles	(10,211,424)
	$ 1,802,016
Unrecorded Video Toll Transactions	
Matched no current address video toll transactions (**)	$ 13,305,131
Unmatched video toll transactions (***)	$ 51,351,474

(*) 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 System currently has $1,031,502,816 in cash and investments with approximately $594,053,222 restricted for debt service and $121,802,050 restricted for construction. The System has $1,948,098 in current liabilities that are comprised primarily of construction-related payables at December 31, 2012. Additionally the System has contract and purchase order commitments at December 31, 2012 aggregating $6.7 million. This amount mainly consists of $6.5 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 $518.6 million, which may be funded from the System's Reserve Maintenance Fund, the Construction Fund, or the Capital Improvement Fund over the next five years.

The Authority manages existing leases of the Gleneagles buildings. 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:

2013		296,259
Gleneagles Offices Complex	$	296,259

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, 2012 totaled $306,866, under this lease. The following represents the required remaining payments under the terms of the building lease agreement:

2013		330,754
Frisco Center Properties (lease)	$	330,754

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:

2013		88,188
Copy Machine (lease)	$	88,188

(11) Subsequent Events

- At the end of 2012 the System had $38,300,000 in outstanding commercial paper which consisted of three series: $15,000,000, $5,000,000 and $18,300,000 with the respective maturity dates January 8th, 2013, January 9th, 2013 and February 12, 2013. All series were redeemed at the specified maturity dates.

NORTH TEXAS TOLLWAY AUTHORITY

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REQUIRED SUPPLEMENTARY INFORMATION

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) including the Eastern Extension, 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 2012.

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 2012.

Condition Index Table

	Condition Index	
Fiscal Year	Current	Goal
2012	8.9	8.0
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 March to June 2012. 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 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 2003 through 2012.

Fiscal year	Budget	Actual
2012	$ 23,464,926	$ 10,240,825
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

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	$ 52,564,706	$ 51,969,647	$ (595,059)	101.15%	$ 31,976,241	-1.86%
12/31/10	46,901,374	49,418,747	2,517,373	94.91%	36,065,565	6.98%
12/31/09	40,717,240	43,020,466	2,303,226	94.65%	36,609,412	6.29%

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]
1/1/2012	—	$ 21,352,403	$ 21,352,403	0%	$ 31,976,241	67.00%
1/1/2010	—	14,605,332	14,605,332	0%	34,392,153	43.00%

An actuarial valuation was performed as of 1/1/2012.

OTHER SUPPLEMENTARY INFORMATION

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Schedule 1

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Net Position by Trust Accounts

December 31, 2012

	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	Debt service accounts: Bond interest account	Debt service accounts: Reserve account	Debt service accounts: Redemption account
Assets											
Current assets:											
Cash and cash equivalents (note 3)	$ 18,429,722	-	-	3,031,803	15,811,629	(115,730)	(297,980)	-	-	-	-
Investments (note 3)	271,596,581	-	-	63,197,624	3,057	57,982,932	150,412,968	-	-	-	-
Accrued interest receivable	86,029	-	-	42,194	-	-	43,835	-	-	-	-
Interfund receivable	-	(780,673,364)	(12,820,788)	18,156,377	50,265,394	334,081	373,394,771	-	340,286,412	11,057,117	-
Interproject/agency receivables (Note 4)	16,565,132	-	4,015,242	2,274,554	7,008,038	-	3,267,298	-	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note 9)	27,879,980	-	-	27,809,058	10	-	70,912	-	-	-	-
Unbilled Accounts receivable (net of allowance for uncollectibles) (note 9)	1,802,016	-	-	1,802,016	-	-	-	-	-	-	-
Prepaid expenses	937,460	-	-	-	937,460	-	-	-	-	-	-
Total current unrestricted assets	337,296,920	(780,673,364)	(8,805,546)	116,313,626	74,025,588	58,201,283	526,891,804	-	340,286,412	11,057,117	-
Current restricted assets:											
Restricted assets:											
Restricted for construction:											
Cash and cash equivalents (notes 3 and 10)	(111,223)	-	(138,511)	-	-	-	27,288	-	-	-	-
Investments (notes 3 and 10)	121,913,273	(926,496)	97,756,107	-	-	-	25,083,662	-	-	-	-
Accrued interest receivable	155,566	-	155,566	-	-	-	-	-	-	-	-
Restricted for debt service:											
Investments (notes 3 and 5)	302,136,617	(316,205,770)	-	-	-	-	11,708,897	-	187,967,462	402,059,362	16,606,666
Accrued interest receivable	570,840	-	-	-	-	-	-	-	1,867	568,968	5
Accounts receivable	4,789,925	-	-	-	-	-	-	-	4,789,925	-	-
Restricted for pension benefits and other purposes:											
Cash and cash equivalents (notes 3 and 5)	(470)	-	-	-	-	-	-	(470)	-	-	-
Investments (notes 3 and 5)	406,050	-	-	-	-	-	-	406,050	-	-	-
Accrued interest receivable	52	-	-	-	-	-	-	52	-	-	-
Total current restricted assets	429,860,630	(317,132,266)	97,773,162	-	-	-	36,819,847	405,632	192,759,254	402,628,330	16,606,671
Total current assets	767,157,550	(1,097,805,630)	88,967,616	116,313,626	74,025,588	58,201,283	563,711,651	405,632	533,045,666	413,685,447	16,606,671
Noncurrent assets:											
Investments restricted for operations (note 3)	25,215,661	25,215,661	-	-	-	-	-	-	-	-	-
Investments restricted for debt service (note 3)	291,916,605	291,916,605	-	-	-	-	-	-	-	-	-
Deferred financing costs	75,306,573	-	68,707,147	-	-	-	6,599,426	-	-	-	-
Deferred feasibility study costs	56,272,212	-	-	-	-	-	56,272,212	-	-	-	-
Deferred amount on refunding	-	(26,871,915)	26,871,915	-	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation) (note 4)	6,297,827,016	(13,915,067)	6,314,362,797	-	(62)	4,950	(2,625,602)	-	-	-	-
Total noncurrent assets	6,746,538,067	276,345,284	6,409,941,859	-	(62)	4,950	60,246,036	-	-	-	-
Total assets	**7,513,695,617**	**(821,460,346)**	**6,498,909,475**	**116,313,626**	**74,025,526**	**58,206,233**	**623,957,687**	**405,632**	**533,045,666**	**413,685,447**	**16,606,671**
Deferred outflow of resources											
Fair value of SWAP	42,349,015	-	42,349,015	-	-	-	-	-	-	-	-
Liabilities											
Current liabilities:											
Accounts and retainage payable	1,953,119	-	-	-	252,278	166,257	1,534,584	-	-	-	-
Accrued liabilities	26,011,157	-	11,759,208	(6,002,438)	10,303,344	1,168,233	8,782,810	-	-	-	-
Interfund payable	476	(780,673,364)	193,039,389	233,591,551	26,888,425	3,034,644	289,477,466	-	-	-	34,642,365
Interproject/agency payables	11,866,872	-	532,670	10,302,309	873,189	-	158,704	-		-	-
Deferred revenue	38,707,643	-	-	38,707,643	-	-	-	-	-	-	-
Tolltag deposits	575,154	-	-	575,154	-	-	-	-	-	-	-
Total current unrestricted liabilities	79,114,421	(780,673,364)	205,331,267	277,174,219	38,317,236	4,369,134	299,953,564	-	-	-	34,642,365
Payable from restricted assets:											
Construction-related payables:											
Retainage payable (note 10)	2,703,277	-	2,703,277	-	-	-	-	-	-	-	-
Deferred grant revenue	38,802,422	-	38,802,422	-	-	-	-	-	-	-	-
Debt service-related payables:											
Accrued interest payable	185,300,676	-	-	-	-	-	13,748,333	-	171,552,343	-	-
Accrued arbitrage rebate payable	23,252	-	23,252	-	-	-	-	-	-	-	-
Commercial paper payable (note 5)	38,300,000	-	-	-	-	-	38,300,000	-	-	-	-
Revenue bonds payable (note 5)	16,605,000	-	16,605,000	-	-	-	-	-	-	-	-
Pension benefits and other related payables											
Accounts payable (note 10)	1,191	-	-	-	-	-	-	1,191	-	-	-
Total current liabilities payable from restricted assets	281,735,818	-	58,133,951	-	-	-	52,048,333	1,191	171,552,343	-	-
Total current liabilities	360,850,239	(780,673,364)	263,465,218	277,174,219	38,317,236	4,369,134	352,001,897	1,191	171,552,343	-	34,642,365
Noncurrent liabilities:											
Other Post Employment Benefits	15,346,086	-	-	-	15,346,086	-	-	-	-	-	-
Texas Department of Transportation ISTEA loan payable (note 5)	138,262,812	-	138,262,812	-	-	-	-	-	-	-	-
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred amount on refundings of $26,871,915 and bond discount (premium) costs of $13,915,068 (note 5)	7,499,008,027	(40,786,982)	7,139,795,009	-	-	-	400,000,000	-	-	-	-
Total noncurrent liabilities	7,652,616,925	(40,786,982)	7,278,057,821	-	15,346,086	-	400,000,000	-	-	-	-
Total liabilities	**8,013,467,164**	**(821,460,346)**	**7,541,523,039**	**277,174,219**	**53,663,322**	**4,369,134**	**752,001,897**	**1,191**	**171,552,343**	**-**	**34,642,365**
Deferred inflow of resources											
Fair value of SWAP	42,349,015	-	42,349,015	-	-	-	-	-	-	-	-
Net Position											
Net investment in capital assets	(1,254,068,836)	45,288,851	(1,042,613,564)	-	-	-	(256,744,123)	-	-	-	-
Restricted for:											
Debt service	792,586,995	170,518,818	-	(160,860,593)	-	-	7,750,000	-	361,493,323	413,685,447	-
Pension benefits and other purposes	404,441	-	-	-	-	-	-	404,441	-	-	-
Unrestricted	(38,694,147)	(215,807,669)	-	-	20,362,204	53,837,099	120,949,913	-	-	-	(18,035,694)
Total net position	**$ (499,771,547)**	**-**	**(1,042,613,564)**	**(160,860,593)**	**20,362,204**	**53,837,099**	**(128,044,210)**	**404,441**	**361,493,323**	**413,685,447**	**(18,035,694)**

See accompanying independent auditors' report.

Schedule 2

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Consolidating Schedule for Capital Improvement Fund
December 31, 2012
(Unaudited)

Assets		**Consolidated Capital Improvement Fund**	**Capital Improvement Fund**	**Feasibility Study Fund**
Current assets:				
Cash and cash equivalents (note 3)	$	(297,980)	(157,097)	(140,883)
Investments (note 3)		150,412,968	150,412,968	-
Accrued interest receivable		43,835	43,835	-
Interfund receivable		373,394,771	355,191,386	18,203,385
Interproject/agency receivables (Note 4)		3,267,298	3,241,659	25,639
Accounts receivable (note 9)		70,912	70,912	-
Total current unrestricted assets		526,891,804	508,803,663	18,088,141
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)		25,083,662	25,083,662	-
Restricted for debt service:				
Investments (notes 3 and 5)		11,708,897	11,708,897	-
Total current restricted assets		36,819,847	70,236,329	(33,416,482)
Total current assets		563,711,651	579,039,992	(15,328,341)
Noncurrent assets:				
Deferred financing costs		6,599,426	6,599,426	-
Deferred feasibility study costs		56,272,212	-	56,272,212
Capital assets net of amortization and depreciation (note 4)		(2,625,602)	(2,625,602)	-
Total noncurrent assets		60,246,036	3,973,824	56,272,212
Total assets		**623,957,687**	**583,013,816**	**40,943,871**
Liabilities				
Current liabilities:				
Accounts and retainage payable		1,534,584	555,642	978,942
Accrued liabilities		8,782,810	7,350,900	1,431,910
Interfund payable		289,477,466	(5,801,506)	295,278,972
Interagency payable		158,704	160,534	(1,830)
Total current unrestricted liabilities		299,953,564	2,265,570	297,687,994
Payable from restricted assets:				
Debt service-related payables:				
Accrued interest payable		13,748,333	13,748,333	-
Commercial paper payable (note 5)		38,300,000	38,300,000	-
Total current liabilities payable from restricted assets		52,048,333	52,048,333	-
Total current liabilities		352,001,897	54,313,903	297,687,994
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 $2,559,102) (note 5)		400,000,000	400,000,000	-
Total noncurrent liabilities		400,000,000	400,000,000	-
Total liabilities		**752,001,897**	**454,313,903**	**297,687,994**
Net Position				
Net investment in capital assets		(256,744,123)	-	(256,744,123)
Restricted for:				
Debt service		7,750,000	7,750,000	-
Unrestricted		120,949,913	120,949,913	-
Total net position	$	**(128,044,210)**	**128,699,913**	**(256,744,123)**

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, 2012
(Unaudited)

		Budget	**Actual**	**Variance**
Revenues:				
Toll revenues	$	450,572,600	485,463,608	34,891,008
Interest income		9,000,000	8,103,314	(896,686)
Other revenue		21,239,833	20,729,192	(510,641)
Gross revenues		480,812,433	514,296,114	33,483,681
Operating expenses:				
Administration:				
Administration		1,112,881	857,475	255,406
Board		255,875	316,239	(60,364)
Business diversity		457,660	449,815	7,845
Communications		2,603,135	2,199,511	403,624
Finance		16,344,249	14,664,994	1,679,255
Government affairs		450,515	462,328	(11,813)
Human resources		1,431,990	1,245,510	186,480
Internal audit		879,785	694,685	185,100
Legal		2,903,761	2,092,244	811,517
Total administration		26,439,851	22,982,801	3,457,050
Operations:				
Customer service center		36,459,525	36,530,864	(71,339)
Information technologies		14,322,096	13,066,870	1,255,226
Operations		862,682	707,072	155,610
Project delivery		1,834,997	1,062,506	772,491
Maintenance		27,763,922	22,705,697	5,058,225
System & incident management		9,706,315	9,180,514	525,801
Total operations		90,949,537	83,253,523	7,696,014
Total operating expenses		117,389,388	106,236,324	11,153,064
Net revenues available for debt service	$	363,423,045	408,059,790	44,636,745

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 Position by Trust Account
December 31, 2012
(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 positions, beginning 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)**
Gross revenues	559,526,595	-	549,418,943	793,450	696,599	1,242,472	533	53,430	7,321,101	66
Grant revenues	8,523,679	8,469,919	-	-	-	53,760	-	-	-	-
Net increase (decrease) in the fair value of investments	(4,977,991)	(977,945)	-	-	-	92,041	-	23,561	(4,115,648)	-
Interest earned on investments	1,373,486	1,373,486	-	-	-	-	-	-	-	-
Gain (loss) on sale of investments	651,507	-	-	-	-	15,611	-	-	635,896	-
Administration and operations expenses	(106,236,324)	-	-	(106,236,324)	-	-	-	-	-	-
Depreciation on property and equipment	(6,038,360)	(6,038,360)	-	-	-	-	-	-	-	-
Bond interest expense	(399,018,646)	(74,880,423)	-	-	-	(32,996,000)	-	(291,142,223)	-	-
BAB's Subsidy	28,978,075	-	-	-	-	-	-	28,978,075	-	-
Other nonoperating costs	(39,161,207)	5,829,140	(45,230,480)	245,959	-	-	(5,826)	-	-	-
Bond discount/premium amortization	(44,835,481)	609,779	-	-	-	282,835	-	(45,728,095)	-	-
Interest on short term notes (net of capitalized interest)	(127,347)	-	-	-	-	-	-	(127,347)	-	-
Interest on loan	(5,905,507)	(5,905,507)	-	-	-	-	-	-	-	-
Amortization of deferred amount on refunding (note 5)	(4,701,591)	(4,701,591)	-	-	-	-	-	-	-	-
Amortization of bond issuance costs	(4,147,186)	(3,627,267)	-	-	-	(519,919)	-	-	-	-
Unallocated infrastructure depreciation	(63,943,350)	(63,943,350)			-	-	-	-	-	-
Reserve maintenance fund expenses	(11,446,757)	-	-	-	(11,446,757)	-	-	-	-	-
Consolidated capital improvement fund expenses	(35,691,517)	-	-	-	-	(35,691,517)	-	-	-	-
Net revenues	(127,177,922)	(143,792,119)	504,188,463	(105,196,915)	(10,750,158)	(67,520,717)	(5,293)	(307,942,599)	3,841,349	66
Interfund transactions:										
Distribution from revenue fund	-	-	(206,611,201)	90,452,003	8,081,305	108,077,893	-	-	-	-
Operating transfers (other funds)	911,870	(13,711,131)	(283,422,901)	18,244,185	(1,102,955)	1,166,683		307,951,764	(16,836,752)	(11,377,023)
Net changes during the year	(126,266,053)	(157,503,250)	14,154,361	3,499,273	(3,771,808)	41,723,859	(5,293)	9,165	(12,995,403)	(11,376,957)
Net positions, end of year	**$ (499,771,547)**	**(1,042,613,564)**	**(160,860,593)**	**20,362,204**	**53,837,099**	**(128,044,210)**	**404,441**	**361,493,323**	**413,685,447**	**(18,035,694)**

See accompanying independent auditors' report.

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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, 2012

(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, 2011	**$ 20,030,109**	**1,067,376**	**6,258,732**	**13,056,428**	**13,041**	**(364,591)**	**(877)**	**-**	**-**	**-**
Receipts:										
Toll revenues	45,238,384	-	45,238,384	-	-	-	-	-	-	-
2010 B BABS rebate	28,978,075	-	-	-	-	-	-	28,978,075	-	-
Investments	138,319,317	29,835,737	-	-	-	110,051,791	-	-	(1,568,211)	-
Earnings received from investments	7,813,015	743,864	307,865	3	113,607	-	-	74,182	6,001,712	571,782
Gain/loss from sale of investments	(6,829,136)	(4,153,569)	-	-	-	-	-	9,384	(2,684,951)	-
Restricted for Debt Service	(246,431,320)	-	(246,431,320)	-	-	-	-	-	-	-
Prepaid customers' accounts	521,481,673	-	521,481,673	-	-	-	-	-	-	-
Miscellaneous revenue	21,844,567	376,540	15,212,286	1,249,667	-	5,006,074	-	-	-	-
Reimbursable receipts	10,611,557	-	-	-	-	10,611,557	-	-	-	-
Rental fee	41,210	-	41,210	-	-	-	-	-	-	-
	521,067,342	26,802,572	335,850,098	1,249,670	113,607	125,669,422	-	29,061,641	1,748,550	571,782
Disbursements:										
Revenue bonds retired	(27,980,000)	-	-	-	-	-	-	-	-	(27,980,000)
SWAP Payment	(6,125,970)	-	-	-	-	-	-	(6,125,970)	-	-
Interest on bonded debt	(192,461,609)	(33,287,905)	-	-	-	-	-	(159,173,704)	-	-
Investments	(125,028,862)	(124,517,152)	-	-	-	-	-	-	(511,710)	-
Operating expenses	(136,860,040)	-	(47,912,988)	(88,946,582)	-	-	(470)	-	-	-
Reserve maintenance fund expenses	(11,869,568)	-	-	-	(11,869,568)	-	-	-	-	-
Capital improvement fund expenses	(40,613,319)	-	-	-	-	(40,613,319)	-	-	-	-
Deferred study cost	(231,346)	-	-	113	-	(231,459)	-	-	-	-
Capitalized costs	(1,850,801)	(1,850,801)	-	-	-	-	-	-	-	-
	(543,021,515)	(159,655,858)	(47,912,988)	(88,946,469)	(11,869,568)	(40,844,778)	(470)	(165,299,674)	(511,710)	(27,980,000)
Interfund and interproject transactions:										
Transfer of deferred revenue	(488,586,840)	-	(488,586,840)	-	-	-	-	-	-	-
Transfer of CIF	(1,719,252)	(1,719,252)	-	-	-	-	-	-	-	-
Distribution from revenue fund	26,614,697	-	(259,736,016)	90,452,003	33,613,367	24,868,036	-	137,417,307	-	-
Other interfund transactions – net	483,932,611	133,366,651	457,158,817	(3)	(21,986,177)	(109,598,781)	-	(1,179,274)	(1,236,840)	27,408,218
Transition trust fund – net	877	-	-	-	-	-	877	-	-	-
	20,242,093	131,647,399	(291,164,039)	90,452,000	11,627,190	(84,730,745)	877	136,238,033	(1,236,840)	27,408,218
Receipts over (under) disbursements and interfund and interproject transactions for the year ended December 31, 2010	(1,712,080)	(1,205,887)	(3,226,929)	2,755,201	(128,771)	93,899	407	-	-	-
Balance of cash, December 31, 2012	**$ 18,318,029**	**(138,511)**	**3,031,803**	**15,811,629**	**(115,730)**	**(270,692)**	**(470)**	**-**	**-**	**-**

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, 2012

(Unaudited)

Toll revenue:		
AVI	$	411,893,120
ZipCash		118,800,968
Less bad debt expense		(45,230,480)
Total	$	485,463,608
Vehicle transactions (unaudited):		
Two-axle vehicle transactions		574,200,575
Multiaxle vehicle transactions		10,851,270
Nonrevenue vehicle transactions		2,184,217
Total		587,236,062
Toll revenue – average per day:		
AVI		1,125,391
Zipcash		324,593
Average	$	1,449,984
Vehicle transactions – average per day (unaudited):		
Two-axle vehicle transactions		1,568,854
Multiaxle vehicle transactions		29,648
Nonrevenue vehicle transactions		5,968
Average		1,604,470

Toll Revenue and Traffic by Class of Vehicle

Year Ended December 31, 2012

(Unaudited)

Class of vehicle	Revenue	Vehicle transactions
Two-axle vehicles	$ 411,893,120	574,200,575
Multiaxle vehicles and combinations	118,800,968	10,851,270
Less bad debt expense	(45,230,480)	
Nonrevenue vehicles	-	2,184,217
Toll revenue	485,463,608	587,236,062

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, 2012

(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	
	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	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:	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**
Main Lane 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:	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**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:	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**
Main Lane 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:	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**
Main Lane 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)	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**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 EE (2)	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**TollTag**	**ZipCash**	**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

Footnote: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC). Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

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, 2012

(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 2003 through 2012:

Year	Annual revenue vehicle transactions (unaudited)	Annual toll revenue
2003	296,140,087	149,323,784
2004 (1)	315,031,754	160,695,030
2005 (2)	338,390,215	172,537,345
2006	370,696,171	191,434,120
2007 (3)	383,481,098	202,675,564
2008 (4)	412,272,003	240,776,791
2009 (5)	455,546,197	290,404,547
2010 (6)	481,913,338	366,597,323
2011 (7)	513,454,344	402,569,534
2012	585,051,845	485,463,608

(1) Reflects the completion of DNT and State Highway 121 interchange on April 2004.
(2) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
(3) Reflects the opening of DNT Phase 3 and toll rate increase in late September 2007.
(4) Reflects the opening of Sam Rayburn Tollway (121 Tollway) in September 2008.
(5) Reflects the opening of Lake Lewisville August 2009.
(6) Four major direct connectors at SRT/US75 interchange were opened during 2010
(7) PGBT EE mainlanes from SH 78 to IH 30 opened in December 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 2003 through 2012:

Year	Toll revenue	Current expenses	Investment and other earnings	Net revenues	Coverage
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
2012	485,463,608	151,466,804	28,832,506	362,829,310	1.47

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, 2012

(Unaudited)

	Cumulative Total Through December 31, 2012
Dallas North Tollway - 3711	
Preliminary costs	17,863,848
Construction	155,999,243
Right-of-way	49,536,424
Engineering	22,056,064
Administration	3,332,630
Buildings	5,580,003
Land	1,781,434
Equipment	771,382
Subtotal	256,921,028
Financing costs	56,568,228
Total capitalized costs – Dallas North Tollway	313,489,256
Dallas North Tollway Extension - 3712	
Preliminary costs	6,619,072
Construction	208,325,100
Right-of-way	8,499,710
Engineering	22,258,348
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	295,204
Subtotal	25,256,903
Financing costs	(1,015,147)
Total capitalized cost – Addison Airport Toll Tunnel	24,241,756
President George Bush Turnpike - Segments I - IV - 3721	
Preliminary costs	18,040,105
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	44,830,380
Accumulated Depreciation on Equipment	(33,567,086)
Subtotal	895,412,560
Financing costs	56,228,431
Total capitalized cost – President George Bush Turnpike - Segments I - IV	951,640,991
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, 2012
(Unaudited)

Dallas North Tollway Phase 3 - 3713	
Preliminary costs	5,118,815
Construction	229,837,506
Right-of-way	569,831
Engineering	33,061,961
Administration	2,690,663
Subtotal	271,278,776
Financing costs	(20,316,333)
Total capitalized cost – Dallas North Tollway Phase 3	250,962,443
Lewisville Lake Toll Bridge - 3761	
Preliminary costs	9,875
Construction	99,156,608
Right-of-way	13,177
Engineering	14,226,480
Administration	249,624
Subtotal	113,655,764
Financing costs	(405,373)
Total capitalized cost – Lewisville Lake Toll Bridge	113,250,391
Sam Rayburn Tollway (121 Tollway) - 3751	
Preliminary costs	1,142,465
Construction	503,258,999
Right-of-way	15,103,568
Engineering	88,065,136
Administration	21,219,782
Roadways	3,197,211,448
Accumulated depreciation on infrastructure	(277,131,794)
Subtotal	3,548,869,604
Financing costs	180,928,463
Total capitalized cost – Sam Rayburn Tollway (121 Tollway)	3,729,798,067
President George Bush Turnpike - Eastern Extension - 3722	
Infrastructure (Other)	30,192
Construction	376,832,484
Right-of-way	104,963,323
Engineering	71,298,563
Administration	4,850,422
Subtotal	557,974,984
Financing costs	51,010,196
Total capitalized cost – President George Bush Turnpike - Eastern Extension	608,985,181
Totals by Category	
Infrastructure (Other)	30,192
Preliminary costs	51,634,469
Construction	2,292,392,149
Right-of-way	256,226,076
Engineering	379,082,736
Administration	59,540,551
Buildings	17,434,997
Land	7,293,755
Roadways	3,197,211,448
Equipment	45,637,446
Accumulated depreciation Equipment	(33,567,086)
Accumulated depreciation on infrastructure	(277,131,794)
Subtotal	5,995,784,939
Financing costs	285,607,883
Total Capitalized Cost as of December 31, 2012	$ 6,281,392,822

(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, 2012
(Unaudited)

The table below sets forth the accumulated deferred study costs, by project, through December 31, 2012 that have not been transferred out of the Feasibility Study Fund into a construction project.

Projects		**Accumulated December 31, 2012**
Trinity Tollway	$	374,328
Dallas North Tollway:		
380 Interchange		285,767
Extension Phase 4		3,677,585
Extension Phase 4B/5A		3,560,670
President George Bush Turnpike - East Branch		121,176
State Highway 360		6,183,550
Trinity Parkway		34,669,211
North Central Texas Council of Governments		848,892
State Highway 170 - Alliance Gateway		4,668,835
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
	$	56,272,212

See accompanying independent auditor's report

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NORTH TEXAS TOLLWAY AUTHORITY

STATISTICAL SECTION

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.

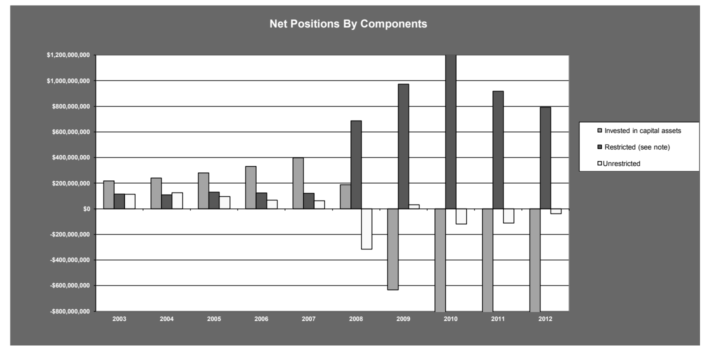
B-1-44

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Net Positions by Components
Last Ten Fiscal Years
(Unaudited)

Business-Type Activities

Components	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Invested in capital assets	$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)	$ (1,254,068,836)
Restricted (see note)	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	792,586,995
Unrestricted	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)	(38,289,706)
Total net positions	$ 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	-499,771,547

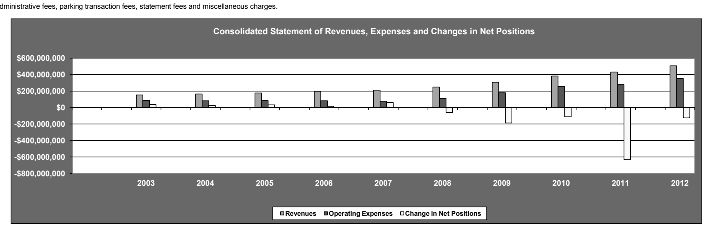
NOTE----Information prior to implementation of GASB 34 in FY 2002 is not available.



NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statements of Revenues, Expenses, and Changes in Net Positions
Last Ten Fiscal Years
(Unaudited)

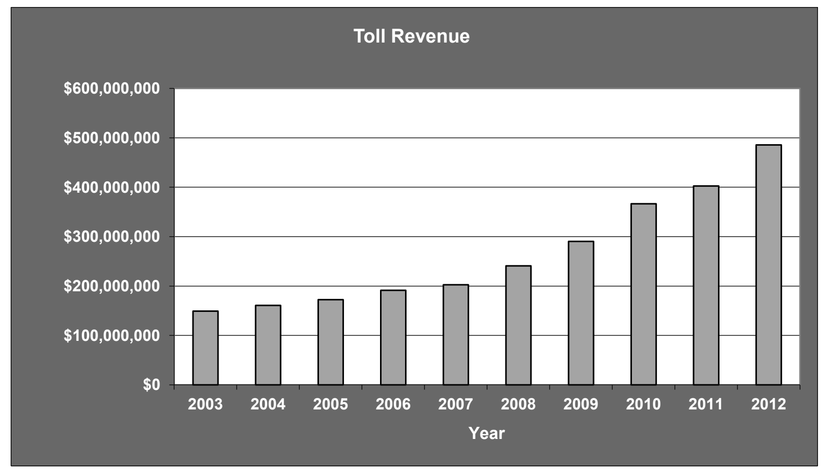
Business-Type Activities	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Tolls	$ 149,323,784	$ 160,695,030	$ 172,537,345	$ 191,434,120	$ 202,675,564	$ 240,776,791	$ 290,404,547	$ 366,597,323	$ 402,569,534	$ 485,463,608
Other (1)	3,180,903	4,574,224	5,103,941	6,647,546	7,988,624	9,273,124	17,195,849	17,268,589	28,372,616	20,729,193
Total operating revenues	152,504,687	165,269,254	177,641,286	198,081,666	210,664,188	250,049,915	307,600,396	383,865,912	430,942,150	506,192,801
Operating expenses:										
Administration	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	22,982,801
Operations	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	83,253,523
Reserve maintenance	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	11,446,757
Capital improvement	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	35,691,517
Total operating expenses before depreciation	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	153,374,598
Operating income before depreciation	85,741,800	82,330,033	83,463,552	81,913,583	77,853,197	112,584,983	181,181,844	258,195,258	278,541,417	352,818,203
Unallocated infrastructure depreciation	-	-	-	-	-	-	-	-	(63,947,216)	(63,943,350)
Depreciation	(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)	(6,038,360)
Operating income	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	282,836,493
Nonoperating revenues (expenses):										
Interest earned on investments	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	10,112,695
Net increase(decrease) in the fair value of investments	(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)	(4,962,380)
Unallocated infrastructure depreciation	-	-	-	-	-	(24,555,772)	(60,703,200)	(63,801,840)	-	-
Interest expense on revenue bonds	(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)	(444,746,741)
Interest expense on short term notes	(214,067)	-	-	(24,658)	(2,653,677)	(35,086,229)	(6,364,724)	(6,269,247)	(6,269,405)	(6,032,854)
Bond premium/discount amortization	(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)	892,614
Bond issuance cost amortization	-	-	-	-	-	(17,543,223)	(9,216,397)	(5,002,937)	(4,173,546)	(4,147,186)
Deferred amount on refunding amortization	(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)	(4,701,591)
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)	911,870
Capital Grant Contributions	-	-	-	-	-	74,902,422	59,588,883	31,526,405	25,712,730	8,523,679
BAB's Subsidy	-	-	-	-	-	-	7,489,870	26,263,784	28,978,075	28,978,075
Other	(306,984)	(342,570)	395,564	1,013,964	135,327	(355,245)	2,565,331	(7,346,832)	1,284,373	6,069,273
Net nonoperating revenues (expenses)	(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)	(409,102,546)
Change in net positions	$ 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)	$ (126,266,053)

(1) Administrative fees, parking transaction fees, statement fees and miscellaneous charges.



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
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
2012	585,051,845	485,463,608	0.83



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		Years									
Roadway		**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$0.75	$0.75	$0.75	$0.75	-	-	-	-	-	-
	TollTag	0.60	0.60	0.60	0.60	$0.60	$0.70	$1.26	$1.26	$1.33	$1.33
(all ETC, effective in Jan., 2007)	ZipCash	-	-	-	-	0.75	1.00	1.89	1.89	2.00	2.00
Main Lane Plaza 2	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.35	1.35	1.43	1.43
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	0.90	0.90	0.95	0.95
Main Lane Plaza 3	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.20	1.20	1.28	1.28
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	0.80	0.80	0.85	0.85
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	1.30	1.30	2.15	2.12	2.24	2.24
	TollTag	-	-	-	-	1.05	1.05	1.41	1.41	1.49	1.49
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.80	0.80
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.53	0.53
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	2.28	2.28
	TollTag	-	-	-	-	-	-	-	-	1.52	1.52
Main Lane Plaza 6	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.50	1.50	1.58	1.58
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	1.00	1.00	1.05	1.05
Main Lane Plaza 7	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.62	1.62	1.71	1.71
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	1.08	1.08	1.14	1.14
Main Lane Plaza 8 (2)	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.50	1.50	1.59	1.59
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	1.00	1.00	1.06	1.06
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	0.75	0.75	1.00	1.00	1.20	1.20	1.26	1.26
	TollTag	-	-	0.60	0.60	0.70	0.70	0.80	0.80	0.84	0.84
Main Lane Plaza 10 (4)	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	0.69	0.69	0.74	0.74
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	0.46	0.46	0.49	0.49
Mountain Creek Lake Bridge:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.80	0.80
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.53	0.53
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	0.65	0.72	0.72	0.75	0.75
	TollTag	-	-	-	-	-	0.45	0.48	0.48	0.50	0.50
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	1.71	1.86	1.86	1.95	1.95
	TollTag	-	-	-	-	-	1.18	1.24	1.24	1.30	1.30
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	2.04	2.57	2.70	2.70
	TollTag	-	-	-	-	-	-	1.36	1.71	1.80	1.80
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	1.50	1.50	1.59	1.59
	TollTag	-	-	-	-	-	-	1.00	1.00	1.06	1.06

(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		**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$1.20	$1.20	$1.20	$1.20	-	-	-	-	-	-
	TollTag	0.95	0.95	0.95	0.95	$0.95	$1.40	$2.52	$2.52	$2.66	$2.66
(all ETC, effective in Jan., 2007)	ZipCash	-	-	-	-	1.20	2.00	3.78	3.78	4.00	4.00
Main Lane Plaza 2	Cash/ZipCash	1.20	1.20	1.20	1.20	2.00	2.00	2.70	2.70	2.86	2.86
	TollTag	0.95	0.95	0.95	0.95	1.40	1.40	1.80	1.80	1.90	1.90
Main Lane Plaza 3	Cash/ZipCash	1.20	1.20	1.20	1.20	2.00	2.00	2.40	2.40	2.56	2.56
	TollTag	0.95	0.95	0.95	0.95	1.40	1.40	1.60	1.60	1.70	1.70
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	2.60	2.60	4.30	4.24	4.48	4.48
	TollTag	-	-	-	-	2.10	2.10	2.82	2.82	2.98	2.98
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	1.50	1.50	1.60	1.60
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.06	1.06
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	4.56	4.56
	TollTag	-	-	-	-	-	-	-	-	3.04	3.04
Main Lane Plaza 6	Cash/ZipCash	1.50	1.50	1.50	1.50	2.00	2.00	3.00	3.00	3.16	3.16
	TollTag	1.20	1.20	1.20	1.20	1.40	1.40	2.00	2.00	2.10	2.10
Main Lane Plaza 7	Cash/ZipCash	1.50	1.50	1.50	1.50	2.00	2.00	3.24	3.24	3.42	3.42
	TollTag	1.20	1.20	1.20	1.20	1.40	1.40	2.16	2.16	2.28	2.28
Main Lane Plaza 8 (2)	Cash/ZipCash	1.50	1.50	1.50	1.50	2.00	2.00	3.00	3.00	3.18	3.18
	TollTag	1.20	1.20	1.20	1.20	1.40	1.40	2.00	2.00	2.12	2.12
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	1.50	1.50	2.00	2.00	2.40	2.40	2.52	2.52
	TollTag	-	-	1.20	1.20	1.40	1.40	1.60	1.60	1.68	1.68
Main Lane Plaza 10 (4)	Cash/ZipCash	1.50	1.50	1.50	1.50	2.00	2.00	1.38	1.38	1.48	1.48
	TollTag	1.20	1.20	1.20	1.20	1.40	1.40	0.92	0.92	0.98	0.98
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash/ZipCash	0.75	0.75	0.75	0.75	0.75	0.75	1.50	1.50	1.60	1.60
	TollTag	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.06	1.06
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	1.30	1.44	1.44	1.50	1.50
	TollTag	-	-	-	-	-	0.90	0.96	0.96	1.00	1.00
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	3.42	3.72	3.72	3.90	3.90
	TollTag	-	-	-	-	-	2.36	2.48	2.48	2.60	2.60
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	4.08	5.14	5.40	5.40
	TollTag	-	-	-	-	-	-	2.72	3.42	3.60	3.60
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	3.00	3.00	3.18	3.18
	TollTag	-	-	-	-	-	-	2.00	2.00	2.12	2.12

(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		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$1.50	$1.50	$1.50	$1.50	-	-	-	-	-	-
	TollTag	1.20	1.20	1.20	1.20	$1.20	$2.10	$3.78	$3.78	$3.99	$3.99
(all ETC, effective in Jan., 2007)	ZipCash	-	-	-	-	1.50	3.00	5.67	5.67	6.00	6.00
Main Lane Plaza 2	Cash/ZipCash	1.50	1.50	1.50	1.50	3.00	3.00	4.05	4.05	4.29	4.29
	TollTag	1.20	1.20	1.20	1.20	2.10	2.10	2.70	2.70	2.85	2.85
Main Lane Plaza 3	Cash/ZipCash	1.50	1.50	1.50	1.50	3.00	3.00	3.60	3.60	3.84	3.84
	TollTag	1.20	1.20	1.20	1.20	2.10	2.10	2.40	2.40	2.55	2.55
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	3.90	3.90	6.45	6.36	6.72	6.72
	TollTag	-	-	-	-	3.15	3.15	4.23	4.23	4.47	4.47
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	2.25	2.25	2.40	2.40
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	1.50	1.50	1.59	1.59
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	6.84	6.84
	TollTag	-	-	-	-	-	-	-	-	4.56	4.56
Main Lane Plaza 6	Cash/ZipCash	2.25	2.25	2.25	2.25	3.00	3.00	4.50	4.50	4.74	4.74
	TollTag	1.80	1.80	1.80	1.80	2.10	2.10	3.00	3.00	3.15	3.15
Main Lane Plaza 7	Cash/ZipCash	2.25	2.25	2.25	2.25	3.00	3.00	4.86	4.86	5.13	5.13
	TollTag	1.80	1.80	1.80	1.80	2.10	2.10	3.24	3.24	3.42	3.42
Main Lane Plaza 8 (2)	Cash/ZipCash	2.25	2.25	2.25	2.25	3.00	3.00	4.50	4.50	4.77	4.77
	TollTag	1.80	1.80	1.80	1.80	2.10	2.10	3.00	3.00	3.18	3.18
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	2.25	2.25	3.00	3.00	3.60	3.60	3.78	3.78
	TollTag	-	-	1.80	1.80	2.10	2.10	2.40	2.40	2.52	2.52
Main Lane Plaza 10 (4)	Cash/ZipCash	2.25	2.25	2.25	2.25	3.00	3.00	2.07	2.07	2.22	2.22
	TollTag	1.80	1.80	1.80	1.80	2.10	2.10	1.38	1.38	1.47	1.47
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash/ZipCash	1.00	1.00	1.00	1.00	1.00	1.00	2.25	2.25	2.40	2.40
	TollTag	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.59	1.59
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	1.95	2.16	2.16	2.25	2.25
	TollTag	-	-	-	-	-	1.35	1.44	1.44	1.50	1.50
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	5.13	5.58	5.58	5.85	5.85
	TollTag	-	-	-	-	-	3.54	3.72	3.72	3.90	3.90
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	6.12	7.71	8.10	8.10
	TollTag	-	-	-	-	-	-	4.08	5.13	5.40	5.40
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	4.50	4.50	4.77	4.77
	TollTag	-	-	-	-	-	-	3.00	3.00	3.18	3.18

(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		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$1.80	$1.80	$1.80	$1.80	-	-	-	-	-	-
	TollTag	1.45	1.45	1.45	1.45	$1.45	$2.80	$5.04	$5.04	$5.32	$5.32
(all ETC, effective in Jan., 2007)	ZipCash	-	-	-	-	1.80	4.00	7.56	7.56	8.00	8.00
Main Lane Plaza 2	Cash/ZipCash	1.80	1.80	1.80	1.80	4.00	4.00	5.40	5.40	5.72	5.72
	TollTag	1.45	1.45	1.45	1.45	2.80	2.80	3.60	3.60	3.80	3.80
Main Lane Plaza 3	Cash/ZipCash	1.80	1.80	1.80	1.80	4.00	4.00	4.80	4.80	5.12	5.12
	TollTag	1.45	1.45	1.45	1.45	2.80	2.80	3.20	3.20	3.40	3.40
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	5.20	5.20	8.60	8.48	8.96	8.96
	TollTag	-	-	-	-	4.20	4.20	5.64	5.64	5.96	5.96
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	3.00	3.00	3.20	3.20
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	2.00	2.00	2.12	2.12
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	9.12	9.12
	TollTag	-	-	-	-	-	-	-	-	6.08	6.08
Main Lane Plaza 6	Cash/ZipCash	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.32	6.32
	TollTag	2.40	2.40	2.40	2.40	2.80	2.80	4.00	4.00	4.20	4.20
Main Lane Plaza 7	Cash/ZipCash	3.00	3.00	3.00	3.00	4.00	4.00	6.48	6.48	6.84	6.84
	TollTag	2.40	2.40	2.40	2.40	2.80	2.80	4.32	4.32	4.56	4.56
Main Lane Plaza 8 (2)	Cash/ZipCash	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.36	6.36
	TollTag	2.40	2.40	2.40	2.40	2.80	2.80	4.00	4.00	4.24	4.24
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	3.00	3.00	4.00	4.00	4.80	4.80	5.04	5.04
	TollTag	-	-	2.40	2.40	2.80	2.80	3.20	3.20	3.36	3.36
Main Lane Plaza 10 (4)	Cash/ZipCash	3.00	3.00	3.00	3.00	4.00	4.00	2.76	2.76	2.96	2.96
	TollTag	2.40	2.40	2.40	2.40	2.80	2.80	1.84	1.84	1.96	1.96
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash/ZipCash	1.25	1.25	1.25	1.25	1.25	1.25	3.00	3.00	3.20	3.20
	TollTag	1.25	1.25	1.25	1.25	1.25	1.25	2.00	2.00	2.12	2.12
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	2.60	2.88	2.88	3.00	3.00
	TollTag	-	-	-	-	-	1.80	1.92	1.92	2.00	2.00
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	6.84	7.44	7.44	7.80	7.80
	TollTag	-	-	-	-	-	4.72	4.96	4.96	5.20	5.20
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	8.16	10.28	10.80	10.80
	TollTag	-	-	-	-	-	-	5.44	6.84	7.20	7.20
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	6.00	6.00	6.36	6.36
	TollTag	-	-	-	-	-	-	4.00	4.00	4.24	4.24

(continued)

(1) Main Lane Plaza 4 opened September 2007
(2) Main Lane Plaza 8 opened July 2001
(3) Main Lane Plaza 9 opened September 2005
(4) Main Lane Plaza 10 opened December 2001
(5) Main Lane Gantry 1 & 2 (ETC) on SRT; NTTA began collecting revenues on SRT on its own behalf on September 1, 2008
(6) Main Lane Plaza 3 on SRT opened September 2009
(7) Lewisville Lake Toll Bridge opened August 2009
(8) SRT mainlanes were extended to US 75 in December 2010
(9) PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011
Note: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC).
Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

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		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dallas North Tollway:											
Main Lane Plaza 1	Cash	$2.10	$2.10	$2.10	$2.10	-	-	-	-	-	-
	TollTag	1.70	1.70	1.70	1.70	$1.70	$3.50	$6.30	$6.30	$6.65	$6.65
(all ETC, effective in Jan., 2007)	ZipCash	-	-	-	-	2.10	5.00	9.45	9.45	10.00	10.00
Main Lane Plaza 2	Cash/ZipCash	2.10	2.10	2.10	2.10	5.00	5.00	6.75	6.75	7.15	7.15
	TollTag	1.70	1.70	1.70	1.70	3.50	3.50	4.50	4.50	4.75	4.75
Main Lane Plaza 3	Cash/ZipCash	2.10	2.10	2.10	2.10	5.00	5.00	6.00	6.00	6.40	6.40
	TollTag	1.70	1.70	1.70	1.70	3.50	3.50	4.00	4.00	4.25	4.25
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	6.50	6.50	10.75	10.60	11.20	11.20
	TollTag	-	-	-	-	5.25	5.25	7.05	7.05	7.45	7.45
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	3.75	3.75	4.00	4.00
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	2.50	2.50	2.65	2.65
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	11.40	11.40
	TollTag	-	-	-	-	-	-	-	-	7.60	7.60
Main Lane Plaza 6	Cash/ZipCash	3.75	3.75	3.75	3.75	5.00	5.00	7.50	7.50	7.90	7.90
	TollTag	3.00	3.00	3.00	3.00	3.50	3.50	5.00	5.00	5.25	5.25
Main Lane Plaza 7	Cash/ZipCash	3.75	3.75	3.75	3.75	5.00	5.00	8.10	8.10	8.55	8.55
	TollTag	3.00	3.00	3.00	3.00	3.50	3.50	5.40	5.40	5.70	5.70
Main Lane Plaza 8 (2)	Cash/ZipCash	3.75	3.75	3.75	3.75	5.00	5.00	7.50	7.50	7.95	7.95
	TollTag	3.00	3.00	3.00	3.00	3.50	3.50	5.00	5.00	5.30	5.30
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	3.75	3.75	5.00	5.00	6.00	6.00	6.30	6.30
	TollTag	-	-	3.00	3.00	3.50	3.50	4.00	4.00	4.20	4.20
Main Lane Plaza 10 (4)	Cash/ZipCash	3.75	3.75	3.75	3.75	5.00	5.00	3.45	3.45	3.70	3.70
	TollTag	3.00	3.00	3.00	3.00	3.50	3.50	2.30	2.30	2.45	2.45
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash/ZipCash	1.50	1.50	1.50	1.50	1.50	1.50	3.75	3.75	4.00	4.00
	TollTag	1.50	1.50	1.50	1.50	1.50	1.50	2.50	2.50	2.65	2.65
										0.00	0.00
Sam Rayburn Tollway (SRT):										0.00	0.00
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	3.25	3.60	3.60	3.75	3.75
	TollTag	-	-	-	-	-	2.25	2.40	2.40	2.50	2.50
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	8.55	9.30	9.30	9.75	9.75
	TollTag	-	-	-	-	-	5.90	6.20	6.20	6.50	6.50
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	10.20	12.85	13.50	13.50
	TollTag	-	-	-	-	-	-	6.80	8.55	9.00	9.00
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	7.50	7.50	7.95	7.95
	TollTag	-	-	-	-	-	-	5.00	5.00	5.30	5.30
											(concluded)

(1) Main Lane Plaza 4 opened September 2007
(2) Main Lane Plaza 8 opened July 2001
(3) Main Lane Plaza 9 opened September 2005
(4) Main Lane Plaza 10 opened December 2001
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Note: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC).
Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

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)
2003	1,139,285,000	-	-	135,000,000	4,600,000	1,278,885,000	296,140,087	4.32	261
2004	1,125,735,000	-	-	135,000,000	4,600,000	1,265,335,000	315,031,754	4.02	254
2005	1,420,605,000	-	-	135,000,000	4,600,000	1,560,205,000	338,390,215	4.61	308
2006	1,390,130,000	-	25,000,000	135,000,000	4,600,000	1,554,730,000	370,696,171	4.19	299
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	953
2008	6,150,814,166	-	89,700,000	135,000,000	4,600,000	6,380,114,166	412,272,003	15.48	1,175
2009	7,122,390,015	-	5,200,000	146,609,022	4,600,000	7,278,799,037	455,546,197	15.98	1,312
2010	7,543,021,558	-	119,200,000	142,857,298	-	7,805,078,856	481,913,338	16.20	1,388
2011	7,555,401,914	-	56,300,000	140,607,304	-	7,752,309,218	513,454,344	15.10	1,345
2012	7,556,400,009	-	38,300,000	138,262,812	-	7,732,962,821	585,051,845	13.22	1,316

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)

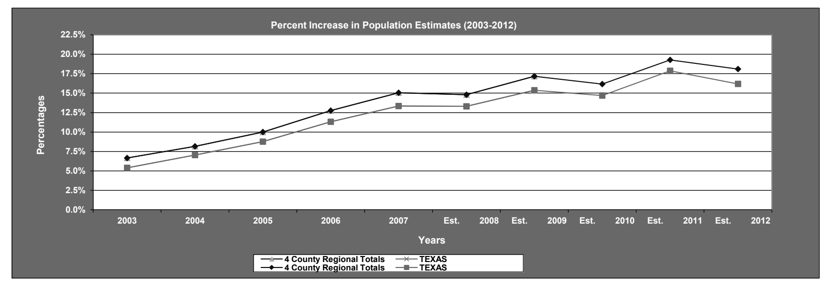
Year	Revenue Bonds	Bond Anticipation Notes	Less: amounts Available in Bond Redemption Account	Commercial Paper Notes Payable	Texas Department of Transportation ISTEA Loan	Total Debt Amount	Annual Toll Revenues(1)	Debt Per Annual Toll Revenue	Debt Per Capita(2)
2003	1,139,285,000	-	(13,553,662)	-	135,000,000	1,260,731,338	149,323,784	8	257
2004	1,125,735,000	-	(15,447,037)	-	135,000,000	1,245,287,963	160,695,030	8	250
2005	1,420,605,000	-	(17,311,773)	-	135,000,000	1,538,293,227	172,537,345	9	304
2006	1,390,130,000	-	(22,008,278)	25,000,000	135,000,000	1,528,121,722	191,434,120	8	294
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	947
2008	6,150,814,166	-	(34,110,000)	89,700,000	135,000,000	6,341,404,166	240,776,791	26	1168
2009	7,122,390,015	-	(32,170,000)	5,200,000	146,609,022	7,242,029,037	290,404,547	25	1306
2010	7,543,021,558	-	(29,685,000)	119,200,000	142,857,298	7,775,393,856	366,597,323	21	1383
2011	7,555,401,914	-	(27,980,000)	56,300,000	140,607,304	7,724,329,218	402,569,534	19	1340
2012	7,556,400,009	-	(16,605,000)	38,300,000	138,262,812	7,716,357,821	485,463,608	16	1339

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 2003-2012
(Unaudited)

	Year	COLLIN	DALLAS	DENTON	TARRANT	Est. Four County Regional Totals	Estimated Texas Totals	Percentage Change (From Prior Years) 4 County	TEXAS
	2003	589,394	2,246,432	509,732	1,553,086	4,898,644	22,030,931	1.51%	1.57%
	2004	617,802	2,244,020	529,811	1,580,595	4,972,228	22,394,023	1.50%	1.65%
	2005	647,187	2,250,830	553,669	1,612,048	5,063,734	22,778,123	1.84%	1.72%
	2006	683,935	2,275,434	581,561	1,662,005	5,202,935	23,359,580	2.75%	2.55%
	2007	714,330	2,291,891	609,001	1,707,157	5,322,379	23,831,983	2.30%	2.02%
Est.	2008	741,264	2,314,018	630,104	1,745,602	5,430,988	24,309,039	2.04%	1.98%
Est.	2009	765,791	2,346,378	649,702	1,784,078	5,545,949	24,801,761	2.12%	2.03%
Est.	2010	782,341	2,368,139	662,614	1,809,034	5,622,128	25,145,561	1.37%	1.39%
Est.	2011	812,226	2,416,014	686,406	1,849,815	5,764,461	25,674,681	2.10%	2.50%
Est.	2012	834,642	2,453,843	707,304	1,880,153	5,875,942	26,059,203	1.93%	1.50%
Increase Total from Year 2003 to Year 2012		**245,248**	**207,411**	**197,572**	**327,067**	**977,298**	**4,028,272**		

Source: US Census Bureau



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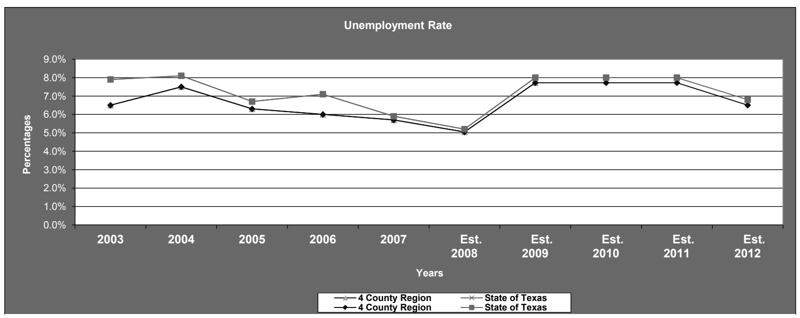
NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Demographic Data-Combined Four County Region and State of Texas Employment Status Estimates
For Years 2003-2012
(Unaudited)

	Year	COLLIN	DALLAS	DENTON	TARRANT	Combined Four County Regional Estimated Totals	Texas Estimated Totals	Unemployment Rate 4 County	Unemployment Rate Texas
	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%
Est.	2012	413,783	1,102,322	356,467	883,503	2,756,075	11,742,600	6.5%	6.8%
Increase Total from Year 2003 to Year 2012		88,744	(73,785)	69,325	69,307	153,591	1,186,136		

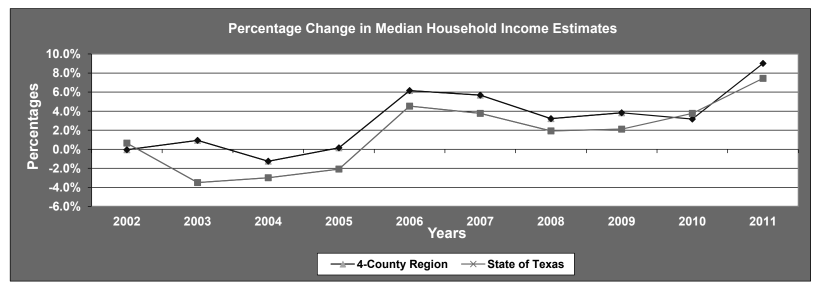
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University



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 2002 - 2011
(Unaudited)

Year	COLLIN	DALLAS	DENTON	TARRANT	Regional Totals Estimated Avg Median Income	Texas Estimated Avg Median Income	Percentage Change from Prior Years 4 County	Percentage Change from Prior Years Texas
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%
2011	82,758	48,942	72,305	56,178	65,046	50,920	5.80%	5.51%
Averaged Yearly Totals	$75,737	$45,609	$66,430	$52,135	$59,978	$45,815		

Source: U.S. Census Buerau



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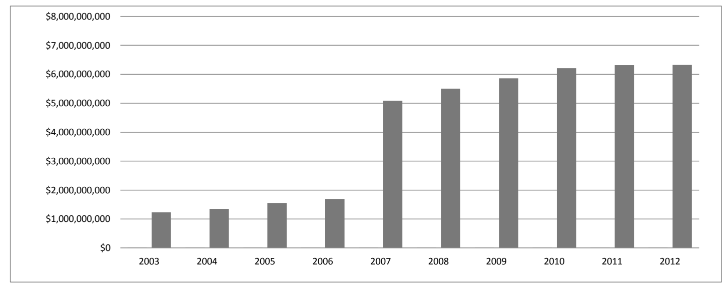
NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
North Texas Four County Region's Top Ten Employers
(Unaudited)

2012				2003			
COLLIN COUNTY TOP TEN EMPLOYERS				**COLLIN COUNTY TOP TEN EMPLOYERS**			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
BANK OF AMERICA HOME LOANS	12,311	3.22%	FINANCIAL SERVICES	PLANO ISD	6,761	4.03%	PUBLIC INDEPENDENT SCHOOL
ELECTRONIC DATA SYSTEMES CORP/HP	10,000	2.62%	PROF/TECH	ELECTRONIC DATA SYSTEMES CORP/HP	6,700	3.99%	TECHNOLOGY
PLANO ISD	6,443	1.68%	SCHOOL DISTRICT	JC PENNEY	4,700	2.80%	RETAIL
CAPITAL ONE	4,915	1.29%	FINANCIAL SERVICES	RAYTHEN	3,200	1.91%	TECHNOLOGY
J.C.PENNEY,INC.	3,800	0.99%	RETAIL	BANK OF AMERICA HOME LOANS	3,000	1.79%	FINANCE
WALMART	3,261	0.85%	RETAIL	FRITO LAY	3,000	1.79%	RETAIL
MEDICAL CENTER OF PLANO (HCA MEDICAL CTR)	3,000	0.78%	HEALTH CARE	ALCATEL	2,800	1.67%	TECHNOLOGY
UNIVERSITY OF TEXAS AT DALLAS	3,000	0.78%	EDUCATION	CITY OF PLANO	2,616	1.56%	PUBLIC INDEPENDENT SCHOOL
FRITO LAY	2,500	0.65%	RETAIL	WALMART	1,792	1.07%	RETAIL
ALLEN INDEPENDENT SCHOOL DISTRICT	2,229	0.58%	EDUCATION	ERICSSON HEADQUATERS	1,664	0.99%	TECHNOLOGY
Total	51,459	13.46%		Total	36,233	21.60%	
DALLAS COUNTY TOP TEN EMPLOYERS				**DALLAS COUNTY TOP TEN EMPLOYERS**			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
AMR COPORATION (AMERICAN AIRLINES)	24,700	2.17%	TECHNOLOGY AND MANAGEMENT SERVICES	AMR CORPORATION (AMERICAN AIRLINES)	30,000	1.91%	TRANSPORTATION
BANK OF AMERICA	20,000	1.76%	FINANCIAL SERVICES	DALLAS PUBLIC SCHOOLS	19,244	1.23%	PUBLIC INDEPENDENT SCHOOL
TEXAS HEALTH RESOURCES	19,230	1.69%	HEALTH CARE	SBC TELEPHONE CO	18,000	1.15%	TELEPHONE UTILITY
DALLAS PUBLIC SCHOOLS	18,314	1.61%	SCHOOL DISTRICT	TEXAS HEALTH RESOURCE	16,114	1.03%	HEALTH CARE
BAYLOR HEALTH CARE SYSTEM	17,097	1.50%	HEALTH CARE PROVIDER	U.S. POSTAL SERVICES-DALLAS	13,255	0.85%	MAIL DELIVERLY
AT&T	15,800	1.39%	TELECOMMUNICATIONS	BAYLOR HEALTH CARE SYSTEM	13,000	0.83%	HEALTH CARE
LOCKHEED MARTIN AERONAUTICS CO	14,126	1.24%	MILITARY AIRCRAFT DESIGN AND PRODUCTION	VERIZON COMMUNICATIONS	13,000	0.83%	TELECOMMUNICATIONS
JPMORGAN CHASE	13,500	1.19%	FINANCIAL SERVICES	VISITING NURSE ASSOCIATION OF TEXAS	12,897	0.82%	NON-PROFIT HEALTH RELATED SERVICES
SOUTHWESTERN MIDICAL CENTER	13,122	1.15%	HEALTH CARE PROVIDER	CITY OF DALLAS	10,800	0.69%	MUNICIPAL GOVERNMENT
CITY OF DALLAS	12,836	1.13%	MUNICIPAL GOVERNMENT	TEXAS INSTRUMENTS INCORPORATED	10,000	0.64%	ELECTRONICS AND SEMI-CONDUCTORS
Total	168,725	14.82%		Total	156,310	9.98%	
DENTON COUNTY TOP TEN EMPLOYERS				**DENTON COUNTY TOP TEN EMPLOYERS**			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
UNIVERSITY OF NORTH TEXAS	7,762	2.38%	EDUCATION	UNIVERSITY OF NORTH TEXAS	5,900	4.93%	EDUCATION
LEWISVILLE ISD	6,508	1.99%	EDUCATION	LEWISVILLE ISD	4,500	3.76%	EDUCATION
WALMART	3,900	1.19%	RETAIL	DENTON ISD	2,000	1.67%	EDUCATION
DENTON ISD	3,266	1.00%	EDUCATION	FRITO LAY	2436	2.04%	RETAIL
CENTEX HOME EQUITY	2,600	0.80%	HOME BILUDER	AMERICAN AIRLINES	2,350	1.96%	TRANSPORTATION
FRITO LAY	2,500	0.77%	RETAIL	HORIZON HEALTH	1,500	1.25%	HEALTH CARE
AMERICAN AIRLINES	2,154	0.66%	TRANSPORTATION	DENTON COUNTY	1,379	1.15%	MUNICIPAL GOVERNMENT
PETERBILT MOTORS	2,100	0.64%	TRANSPORTATION	DENTON STATE SCHOOL	1,350	1.13%	EDUCATION
NORTHWEST ISD	1,636	0.50%	EDUCATION	PETERBILT MOTORS	1,200	1.00%	TRANSPORTATION
DENTON STATE SCHOOL	1,500	0.46%	EDUCATION	CITY OF DENTON	1,200	1.00%	PUBLIC INDEPENDENT SCHOOL
Total	33,926	10.39%		Total	23,815	19.91%	
TARRANT COUNTY TOP TEN EMPLOYERS				**TARRANT COUNTY TOP TEN EMPLOYERS**			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
AMRCORP./AMERICAN AIRLINES	24,888	2.98%	TRANSPORTATION	AMRCORP./AMERICAN AIRLINES	26,700	3.80%	TRANSPORTATION
TEXAS HEALTH RESOURCES	22,000	2.63%	HEALTH CARE PROVIDER	LOCKHEED FORT WORTH DIVISION	16,800	2.39%	MANUFACTURING
LOCKHEED MARTIN AERONAUTICS CO	14,988	1.79%	MANUFACTURING	FORT WORTH INDEPENDENT SCHOOL DISTRICT	11,200	1.59%	EDUCATION
NAS FORT WORTH JOINT RESERVE BASE	11,350	1.36%	MILITARY	ARINGTON INDEPENDENT SCHOOL DISTRICT	8,082	1.15%	EDUCATION
FORT WORTH INDEPENDENT SCHOOL DISTRICT	11,000	1.32%	EDUCATION	TEXAS HEALTH RESOURCE	7,268	1.03%	HEALTH CARE
ARINGTON INDEPENDENT SCHOOL DISTRICT	7,908	0.95%	EDUCATION	CITY OF FORT WORTH	5,400	0.77%	MUNICIPAL GOVERNMENT
BELL HELICOPTER TEXTRON	6,700	0.80%	MANUFACTURING	BELL HELICOPTER TEXTRON	5,053	0.72%	MANUFACTURING
CITY OF FORT WORTH	6,195	0.74%	MUNICIPAL GOVERNMENT	RADIO SHACK CORP	4,453	0.63%	RETAIL
UNIVERSITY OF TEXAS AT ARLINGTON	6,022	0.72%	EDUCATION	TARRANT COUNTY	4,373	0.62%	COUNTY GOVERNMENT
COOK CHILDREN'S HEALTH CARE SYSTEM	5,310	0.64%	HEALTH CARE PROVIDER	U.S. POSTAL SERVICES	4,231	0.60%	PUBLIC ADMINSTRATION
	116,361	13.94%		Total	93,560	13.31%	
Source: Dallas Major Employers-DFW and Bureau of Labor Statistics				**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**			

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	Deletions	Ending Balance
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)	5,501,488,922
2009	3,558,138,403 *(4)*	5,501,488,622	(3,197,211,448)	5,862,415,577
2010	344,755,250	5,862,415,577	(234,076)	6,206,936,751
2011	108,559,116	6,206,936,751	(62,875,322)	6,315,495,867
2012	35,418,771	6,315,495,867	(69,521,816)	6,281,392,822

(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)

Year	Total Toll Revenue	Two-Axle Vehicles	Multi-Axle Vehicles	Adjustments	Total
Toll Revenue					
2003		161,376,894	4,040,344	(16,093,454)	149,323,784
2004	(1)	169,631,935	4,635,864	(13,572,769)	160,695,030
2005	(2)	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	(3)	214,283,866	8,189,103	(19,797,405)	202,675,564
2008	(4)	262,432,292	12,115,529	(33,771,030)	240,776,791
2009	(5)	333,428,667	16,308,187	(59,332,307)	290,404,547
2010	(6)	416,417,929	24,396,549	(74,217,155)	366,597,323
2011	(7)	490,399,454	29,528,914	(117,358,834) (*)	402,569,534
2012		411,893,120	118,800,968	(45,230,480)	485,463,608
Toll Revenue - Average Per Day					
2003		442,128	11,069	(44,092)	409,105
2004	(1)	463,475	12,666	(37,084)	439,057
2005	(2)	494,368	14,862	(36,526)	472,704
2006		541,761	18,343	(35,627)	524,477
2007	(3)	587,079	22,436	(54,239)	555,276
2008	(4)	717,028	33,103	(92,271)	657,860
2009	(5)	913,503	44,680	(162,554)	795,629
2010	(6)	1,334,571	81,057	(344,270)	1,071,358
2011	(7)	1,343,560	80,901	(287,384)	1,137,077
2012		1,449,984	-	-	1,449,984

Notes:
(1) Reflects the opening of Segment III of the President George Bush Turnpike from Midway Road to Frankford in March 2001 and to IH 35E in July 2001, and the opening of Segment V in December 2001.
(2) Toll rate increase for the President George Bush Turnpike went into effect in January 2002. High speed lanes installed (Open Lane Tolling).
(1) Reflects the completion of DNT and State Highway 121 interchange in April 2004.
(2) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
(3) 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.
(4) Reflects the opening of Sam Rayburn Tollway in September 2008 as the Authority's first All Electronic Toll Collection (all-ETC) facility.
(5) Reflects the opening of Lewisville Lake Toll Bridge and PGBT-WE Phase 2 in August 2009 and System-wide toll rate increase in September 2009.
(6) Reflects the addition of southbound entrance ramp toll gantry and northbound exit ramp toll gantry from/to Keller Springs Rd on DNT. Also, eastbound/northbound entrance ramp toll gantry and westbound/southbound exit ramp toll gantry from/to Lake Forest Drive and Hardin Boulevard on SRT opened. DNT, MCLB, AATT converted to all-ETC in December 2010; with this conversion, cash collection was discontinued on all NTTA facilities. PGBT-WE Phase 3 opened in April 2010.
(7) Toll rate increases on all NTTA facilities went into effect in July 2011. DNT/SRT interchange and the associated toll ramps were substantially open by November 2011. PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011.
(*) Adjustment includes bad debt expense of $12,463,708

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Lane Miles	306	315	319	319	365	618	669	685	744	744

Note----Lane miles are recorded during the year proportionate to the number of months they were operational.

Full-time Equivalent Employees

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administration	6	11	7	9	9	9	6	4	6	7
Board	0	0	0	0	0	0	1	1	1	2
Operations	0	0	0	0	0	0	2	3	3	1
Finance	4	4	5	5	6	6	10	22	24	23
Business Diversity	0	0	0	1	1	3	5	5	5	5
Communications	4	3	7	8	9	12	15	15	15	14
Internal Audit	0	0	0	0	0	2	5	6	5	8
Human Resources	8	8	8	12	12	13	14	12	12	11
Legal Services	4	4	4	3	3	3	3	5	6	5
System & Incident Management	22	20	26	26	25	51	57	73	79	84
Accounting	5	5	6	7	5	8	7	0	0	0
Information Technology	16	16	19	19	20	32	47	61	64	71
Vault	28	28	31	30	28	23	19	2	0	0
Audit - Revenue Reconciliation	0	0	6	5	7	6	5	0	0	0
Procurement Services	3	3	6	6	6	10	12	11	11	11
Government Affairs	0	0	1	1	1	3	3	3	2	3
Toll Collection	379	392	412	416	386	321	162	4	0	0
Maintenance	67	71	76	68	81	178	162	163	160	181
Customer Service Center	75	81	92	98	115	133	228	232	236	248
Project Delivery	9	11	12	11	9	6	9	10	10	11
Project Evaluation	0	0	0	0	3	4	0	0	0	0
Cash and Debt Management	0	0	0	0	0	0	5	5	5	4
Total	630	657	718	725	726	823	777	637	644	689

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.

NORTH TEXAS TOLLWAY AUTHORITY

5900 West Plano Parkway
Plano, Texas 75093

P.O. Box 260729
Plano, Texas 75026

214-461-2000

www.NTTA.org

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APPENDIX B-2

UNAUDITED FINANCIAL REPORT OF THE NORTH TEXAS TOLLWAY AUTHORITY SYSTEM, AN ENTERPRISE FUND OF NORTH TEXAS TOLLWAY AUTHORITY, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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NTTA®

NORTH TEXAS TOLLWAY AUTHORITY

PRELIMINARY REPORT

(DOES NOT INCLUDE ALL YEAR-END ADJUSTMENTS)

MONTHLY FINANCIAL REPORT
FOR THE MONTH ENDED
DECEMBER 31, 2013

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
December 31, 2013

This report is unaudited and is furnished as general information only.

Horatio Porter

Horatio Porter, 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

December 31, 2013

REPORT CONTENTS

This report is unaudited and is furnished as general information only.

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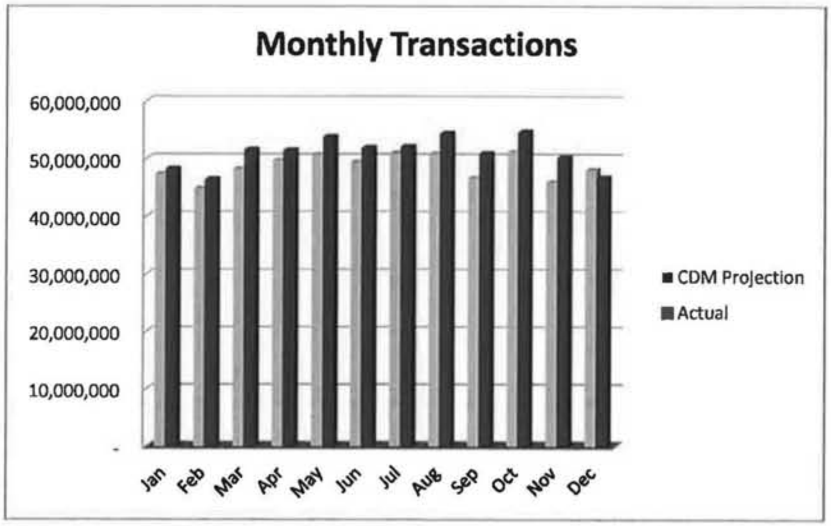
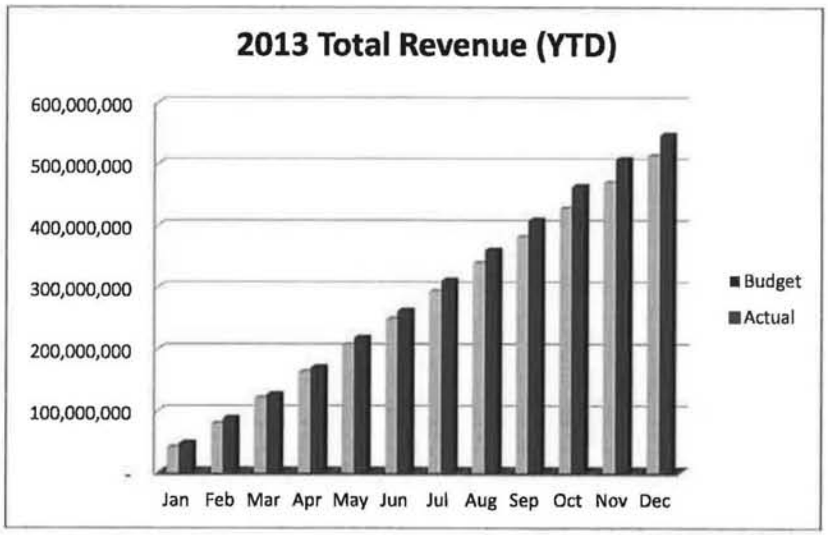
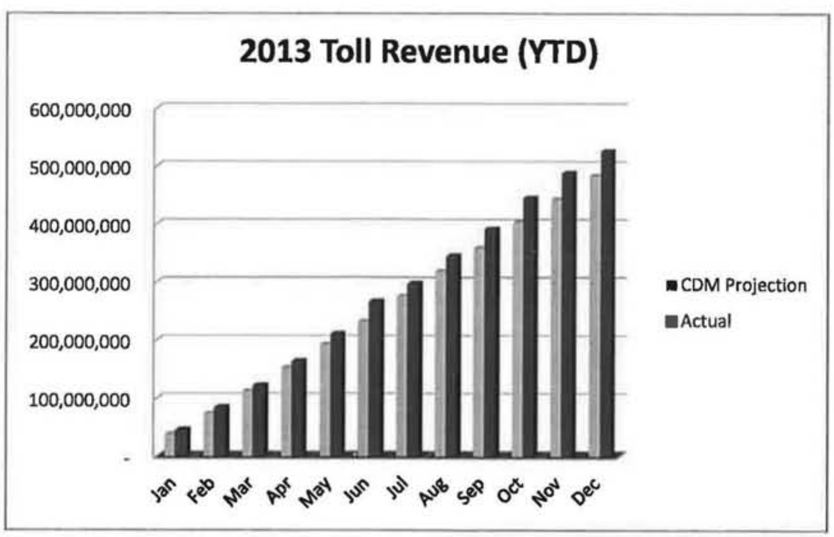
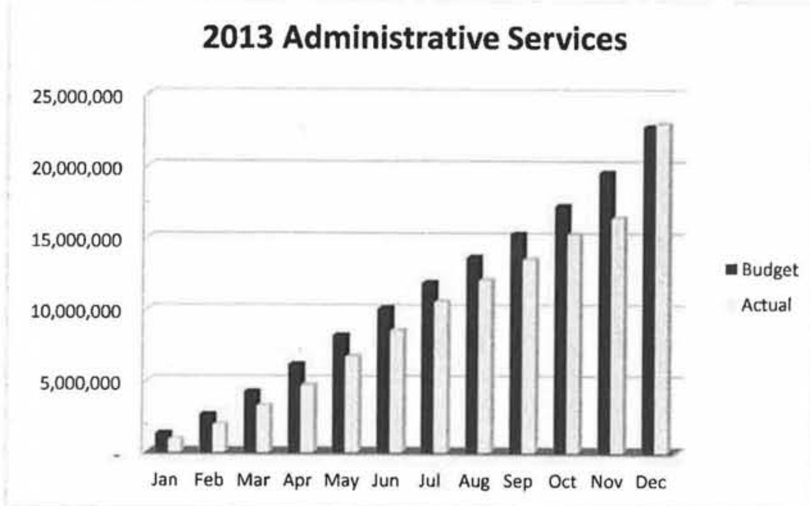
December 2013 At A Glance

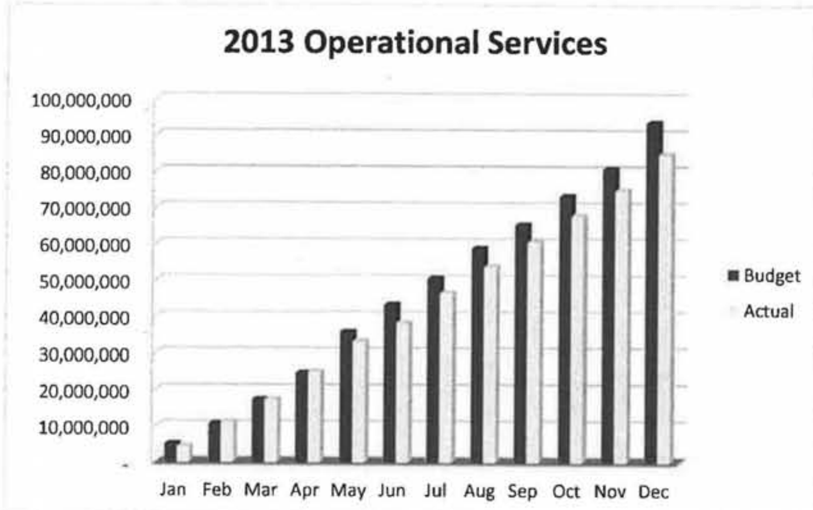


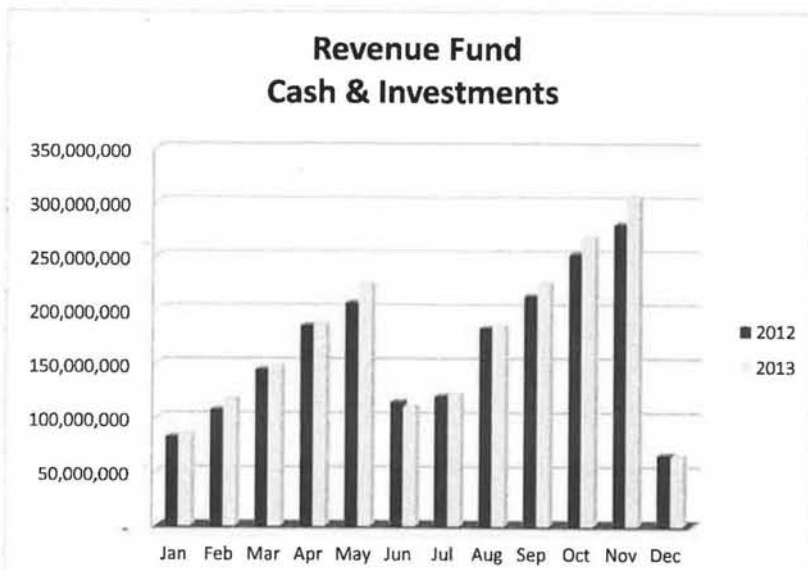




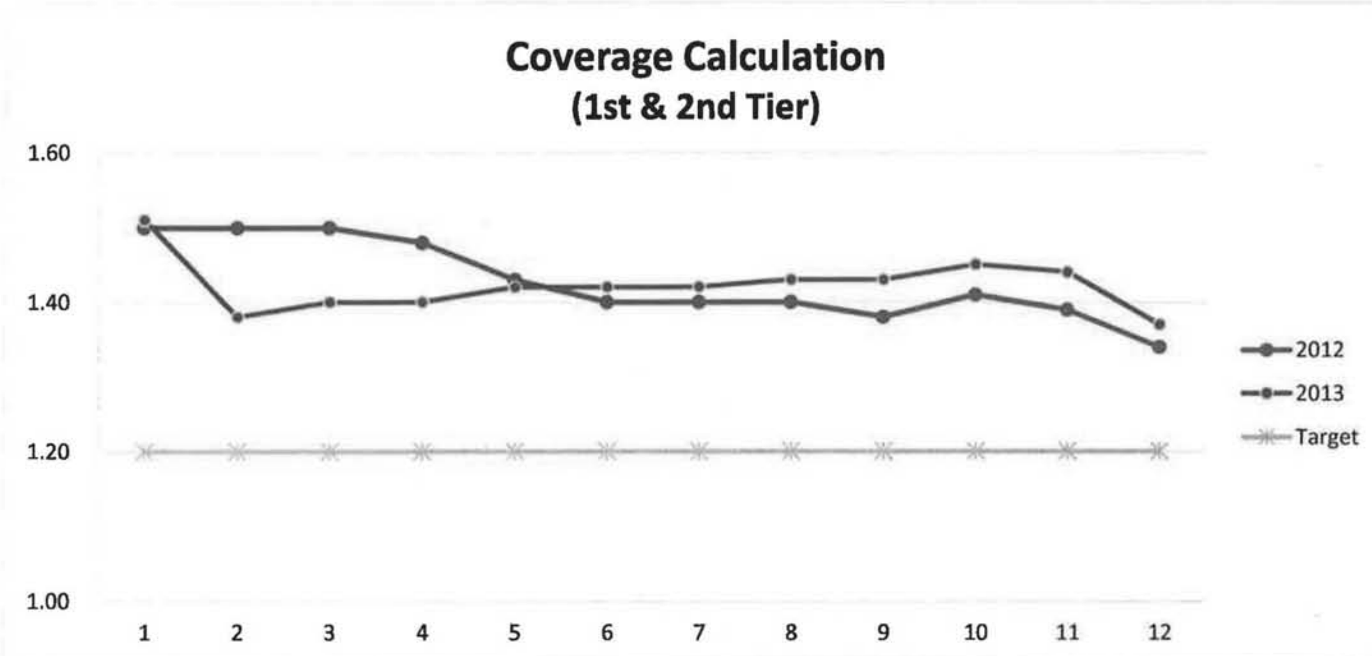
December 2013 At A Glance

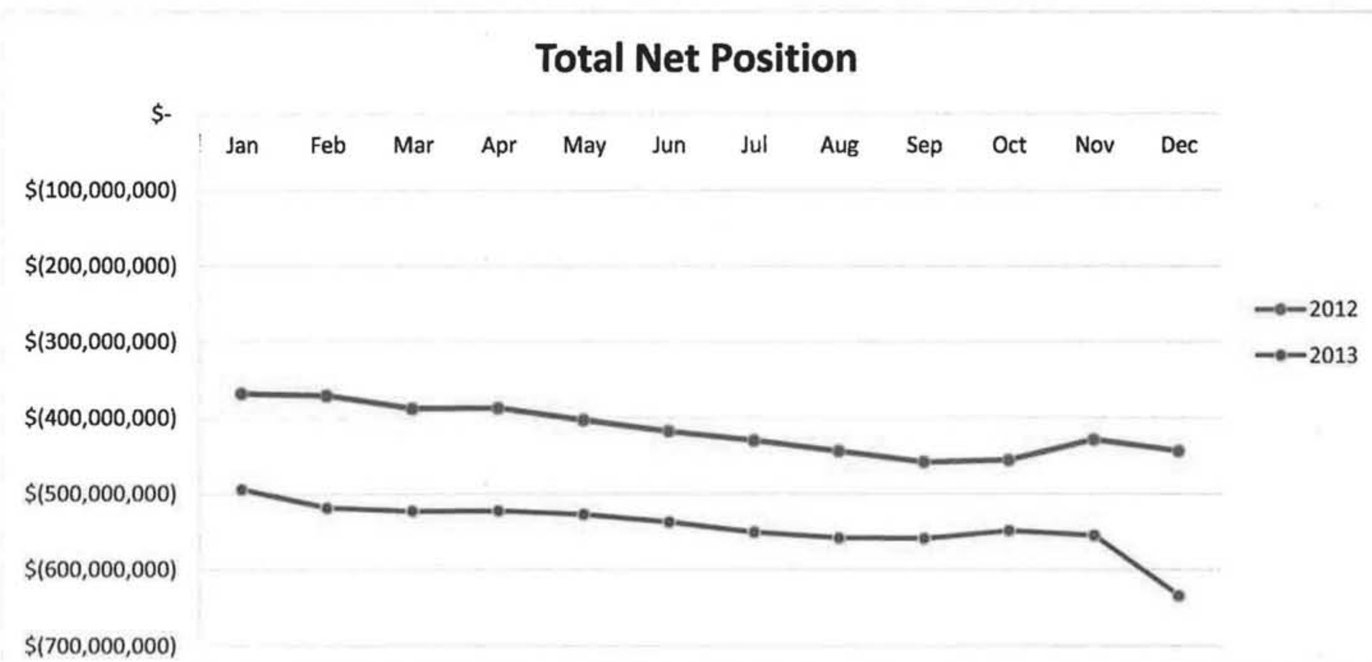


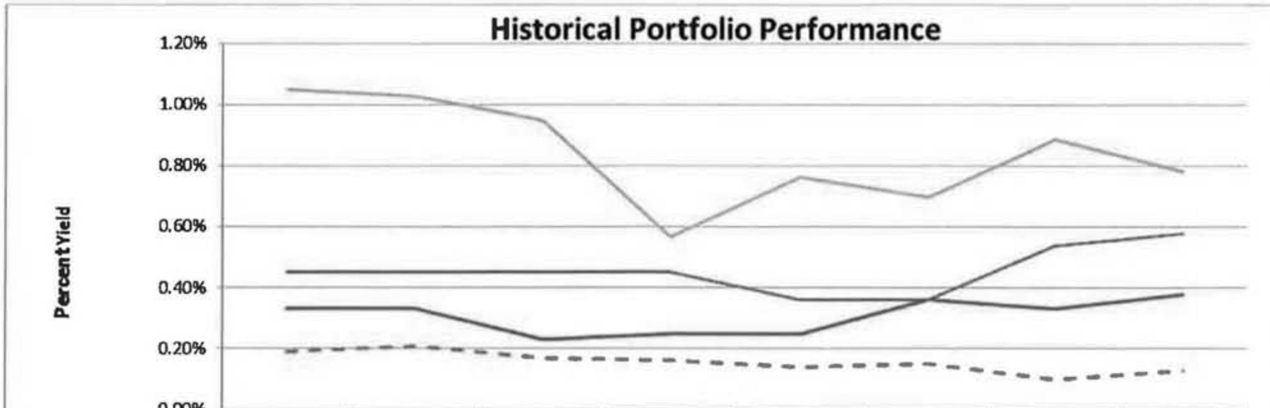




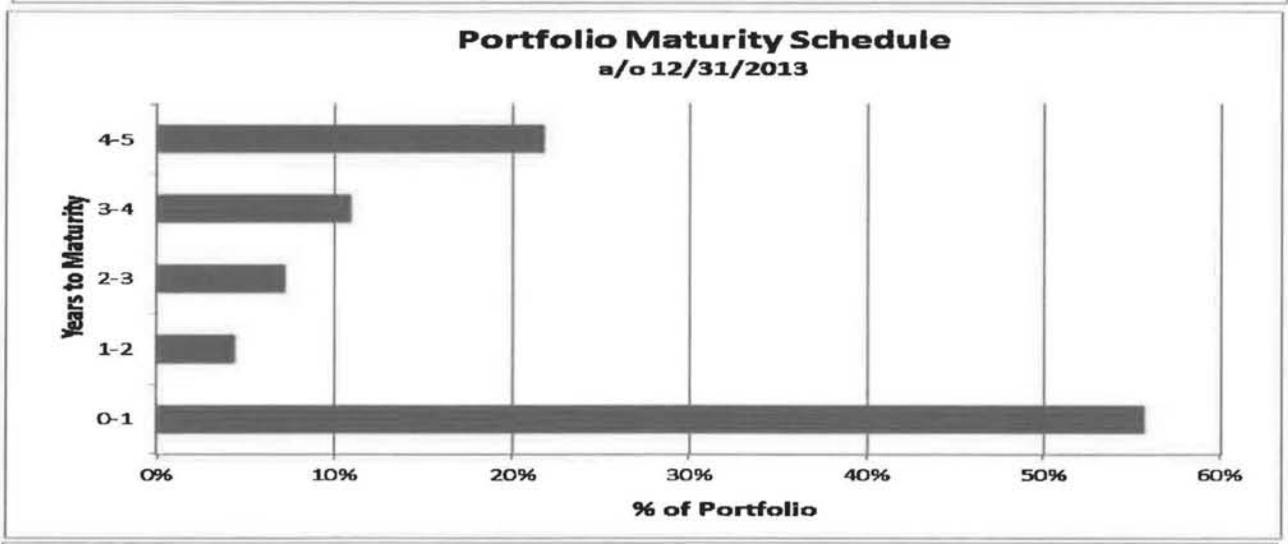
December 2013 At A Glance

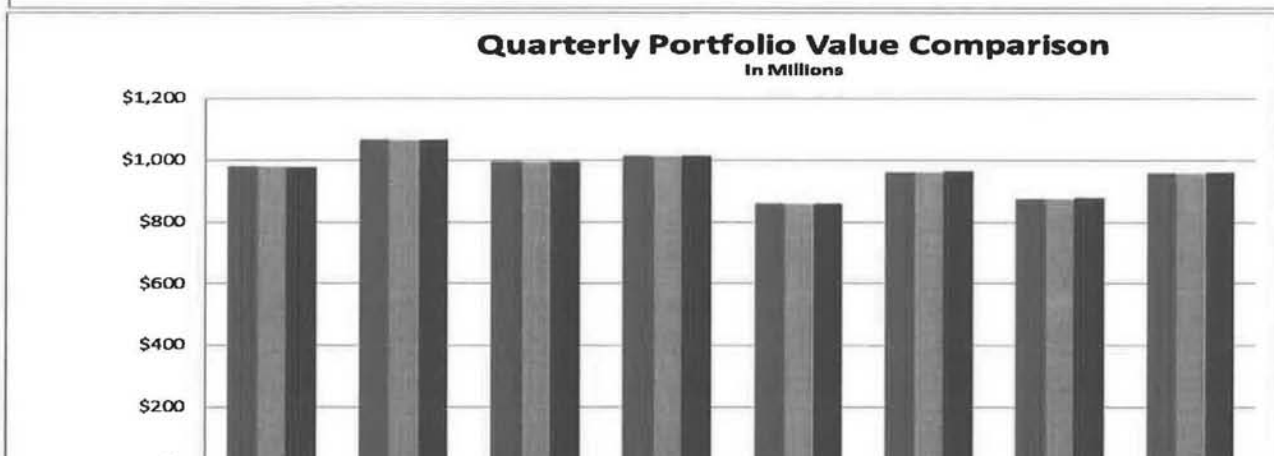






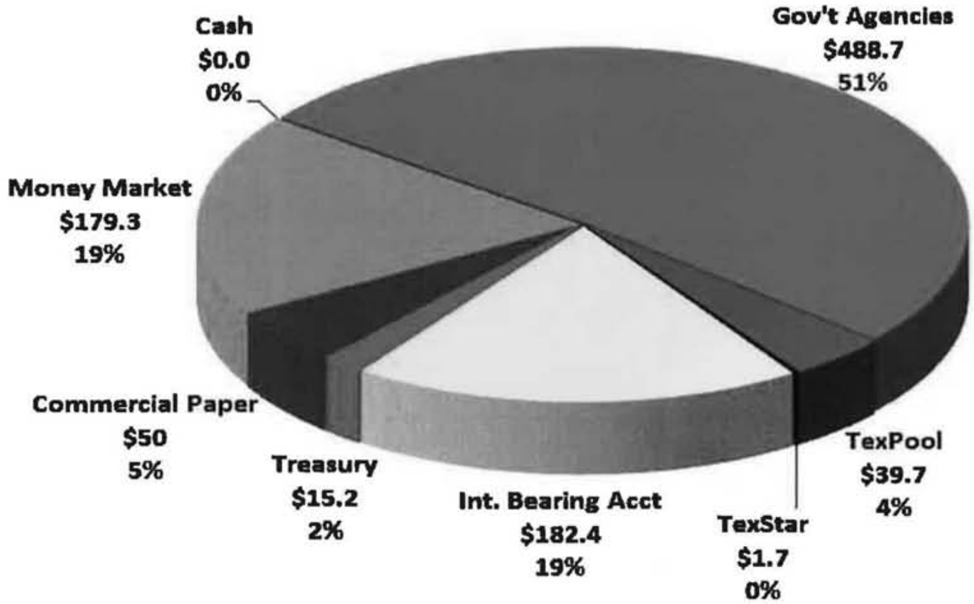
	1st Qtr12	2nd Qtr 12	3rdQtr 12	4thQtr 12	1stQtr 13	2nd Qtr 13	3rd Qtr 13	4th Qtr 13
Portfolio Yield	1.05%	1.03%	0.95%	0.57%	0.77%	0.70%	0.89%	0.78%
1 year UST	0.19%	0.21%	0.17%	0.16%	0.14%	0.15%	0.10%	0.13%
2 year UST	0.33%	0.33%	0.23%	0.25%	0.25%	0.36%	0.33%	0.38%
2 year CD	0.45%	0.45%	0.45%	0.45%	0.36%	0.36%	0.54%	0.58%



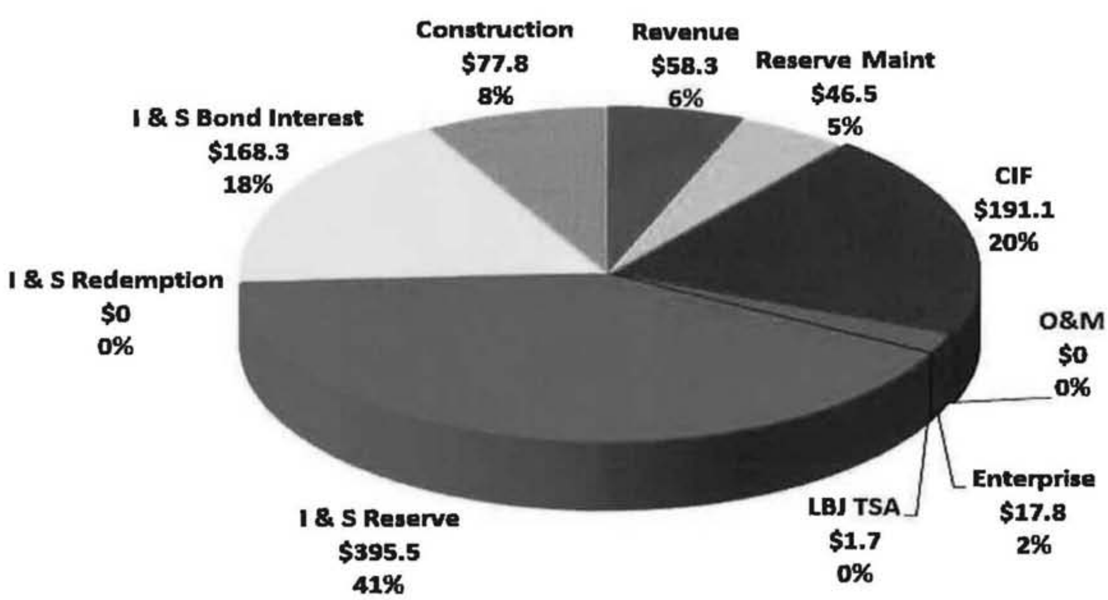


	1st Qtr 12	2nd Qtr 12	3rd Qtr 12	4th Qtr 12	1stQtr 13	2ndQtr 13	3rdQtr 13	4thQtr 13
Book Value	$977.8	$1,066.5	$995.4	$1,013.2	$860.3	$959.7	$875.7	$957.0
Market Value	$977.8	$1,066.5	$995.4	$1,013.2	$860.3	$959.7	$875.7	$957.0
Par Value	$975.5	$1,064.4	$994.0	$1,011.7	$858.8	$964.7	$878.8	$961.3

NTTA Portfolio Composition by Type
a/o 12/31/2013
$957.0
(In Millions)



NTTA Portfolio Composition by Fund
a/o 12/31/2013
$957.0
(In Millions)



NORTH TEXAS TOLLWAY AUTHORITY
NORTH TEXAS TOLLWAY AUTHORITY SYSTEM
STATEMENT OF NET POSITION
December 31, 2013
(Unaudited)

ASSETS	North Texas Tollway Authority System Totals	Interfund eliminations/ reclassifications	Construction & Property Fund	Revenue Fund
Current Assets:				
Cash	19,371,527	-	-	6,478,824
Investments, at amortized cost	234,623,987	-	-	58,264,193
Accrued interest receivable on investments	197,465	-	-	51,676
Interfund receivables	-	(780,673,364)	(12,820,788)	18,156,377
Interproject/agency receivables	13,676,532	-	4,030,852	2,323,514
Accounts receivable	103,133,962	-	-	103,059,587
Allowance for uncollectible receivables	(71,001,312)	-	-	(71,001,312)
Unbilled accounts receivable	8,989,544	-	-	8,989,544
Allowance of unbilled receivables	(7,625,340)	-	-	(7,625,340)
Prepaid expenses	1,173,161	-	1,825	-
Total current unrestricted assets	302,539,526	(780,673,364)	(8,788,111)	118,697,063
Current restricted assets:				
Restricted for construction:				
Cash	3,350	-	(23,938)	-
Investments, at amortized cost	127,841,420	-	77,841,420	-
Accrued interest receivable on investments	149,352	-	149,352	-
Restricted for debt service:				
Investments, at amortized cost	150,776,783	(424,352,853)	-	-
Accrued interest receivable on investments	989,517	-	-	-
Accounts receivable-2009 & 2010 BABS credit	13,445,826	-	-	-
Restricted for TSA's and other purposes:				
Investments, at amortized cost	1,697,058	-	-	-
Accrued interest receivable on investments	51	-	-	-
Total current restricted assets	294,903,357	(424,352,853)	77,966,834	-
Total current assets	597,442,883	(1,205,026,217)	69,178,723	118,697,063
Noncurrent Assets:				
Investments, at amortized cost restricted for operations	81,836,662	64,076,807	-	-
Investments, at amortized cost restricted for debt service	360,274,046	360,274,046	-	-
Deferred outflow of resources	50,645,530	-	50,645,530	-
Deferred feasibility study cost	59,129,389	-	-	-
Capitalized cost (net of accumulated depreciation)	6,256,292,982	(15,787,158)	6,274,495,034	(77,014)
Total noncurrent assets	6,808,178,609	408,565,695	6,325,140,564	(77,014)
TOTAL ASSETS	7,405,621,492	(796,460,522)	6,394,319,287	118,620,049
LIABILITIES				
Current liabilities:				
Accounts payable	1,117,460	-	-	15,472
Retained from contractors	1,940,529	-	-	-
Employees' income taxes, payroll taxes, and retirement contributions withheld	370,568	-	-	-
Accrued payroll	3,140,787	-	-	-
Interfund payables	477	(780,673,364)	193,039,390	233,591,551
Interproject/agency payables	6,783,668	-	532,669	7,956,517
Interagency Payable	158,704	-		-
Recurring accrued liabilities	15,595,121	-	10,073,468	(2,521,679)
Deferred income	40,743,608	-	-	40,743,608
Toll tag deposits	259,721	-	-	259,721
Total current unrestricted liabilities	70,110,643	(780,673,364)	203,645,527	280,045,190
Payable from Restricted Assets:				
Construction related payables:				
Retained from contractors	1,096,306	-	1,096,306	-
Deferred grant income (Toll Equity Grant)	33,581,241	-	33,581,241	-
Debt service related payables:				
Accrued interest payable on bonded debt	177,341,578	-	-	-
Accrued interest payable on commercial paper	13,748,333	-	-	-
Accrued arbitrage rebate payable	23,252	-	23,252	-
Total current liabilities payable from restricted assets	225,790,710	-	34,700,799	-
Noncurrent liabilities:				
Texas Department of Transportation - ISTEA loan payable	136,069,850	-	136,069,850	-
Dallas North Tollway System revenue bonds payable	7,572,842,084	(15,787,158)	7,188,629,242	-
Deferred inflow of resources	27,323,905	-	27,323,905	-
OPEB and workers comp. liabilities	19,279,087	-	-	-
Total noncurrent liabilities	7,755,514,926	(15,787,158)	7,352,022,997	-
TOTAL LIABILITIES	8,051,416,279	(796,460,522)	7,590,369,323	280,045,190
NET POSITION				
Investment in capital assets	(1,329,396,476)	85,750,117	(1,196,050,036)	-
Restricted:				
Restricted for debt service	745,720,080	147,122,121	-	(161,425,141)
Restricted for TSA's (toll service agreements)	1,697,109	-	-	-
Unrestricted:				
Unrestricted	(63,815,500)	(63,815,500)	-	-
Reserved for operations, maintenance, and retiree health benefits	-	(78,073,001)	-	-
Reserved for capital improvements	-	(125,624,426)	-	-
Reserved for bond redemption	-	34,640,689	-	-
TOTAL NET POSITION	(645,794,787)	-	(1,196,050,036)	(161,425,141)

These balances are preliminary and subject to year-end adjustments

Operation & Maint. Fund	Reserve Maint. Fund	Consolidated Capital Improvement Fund	DFW Turnpike Transition Trust Fund	Enterprise Fund	Debt Service Fund		
					Bond Interest	Reserve Account	Redemption Account
13,012,578	(160,855)	(219,378)	-	260,358	-	-	-
3,059	46,552,687	129,804,048	-	-	-	-	-
-	1,028	144,761	-	-	-	-	-
50,265,394	334,081	373,394,771	-	-	340,286,412	11,057,117	-
5,282,139	-	1,918,263	-	121,764	-	-	-
3,463	-	70,912	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,171,336	-	-	-	-	-	-	-
69,737,969	46,726,941	505,113,377	-	382,122	340,286,412	11,057,117	-
-	-	27,288	-	-	-	-	-
-	-	50,000,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	11,292,154	-	-	168,325,402	395,510,404	1,676
-	-	-	-	-	272	989,245	-
-	-	-	-	-	13,445,826	-	-
-	-	-	-	1,697,058	-	-	-
-	-	-	-	51	-	-	-
-	-	61,319,442	-	1,697,109	181,771,500	396,499,649	1,676
69,737,969	46,726,941	566,432,819	-	2,079,231	522,057,912	407,556,766	1,676
-	-	-	-	17,757,855	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	59,129,389	-	-	-	-	-
(62)	4,950	(2,342,768)	-	-	-	-	-
(62)	4,950	56,786,621	-	17,757,855	-	-	-
69,737,907	46,731,891	623,219,440	-	19,837,086	522,057,912	407,556,766	1,676
230,399	41,094	830,495	-	-	-	-	-
-	166,563	1,773,966	-	-	-	-	-
370,568	-	-	-	-	-	-	-
3,140,787	-	-	-	-	-	-	-
26,888,425	3,034,644	289,477,466	-	-	-	-	34,642,365
(1,705,542)	-	-	-	24	-	-	-
-	-	158,704	-	-	-	-	-
3,890,491	1,200,234	2,952,607	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
32,815,128	4,442,535	295,193,238	-	24	-	-	34,642,365
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	177,341,578	-	-
-	-	13,748,333	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	13,748,333	-	-	177,341,578	-	-
-	-	-	-	-	-	-	-
-	-	400,000,000	-	-	-	-	-
-	-	-	-	-	-	-	-
19,279,087	-	-	-	-	-	-	-
19,279,087	-	400,000,000	-	-	-	-	-
52,094,215	4,442,535	708,941,571	-	24	177,341,578	-	34,642,365
-	-	(219,096,557)	-	-	-	-	-
-	-	7,750,000	-	-	344,716,334	407,556,766	-
-	-	-	-	1,697,109	-	-	-
-	-	-	-	-	-	-	-
17,643,692	42,289,356	-	-	18,139,953	-	-	-
-	-	125,624,426	-	-	-	-	-
-	-	-	-	-	-	-	(34,640,689)
17,643,692	42,289,356	(85,722,131)	-	19,837,062	344,716,334	407,556,766	(34,640,689)

These balances are preliminary and subject to year-end adjustments

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NORTH TEXAS TOLLWAY AUTHORITY
NORTH TEXAS TOLLWAY AUTHORITY SYSTEM
STATEMENT OF NET POSITION
December 31, 2013
(Unaudited)

ASSETS	Consolidated Capital Improvement Fund	Capital Improvement Fund	Feasibility Study Fund
Current Assets:			
Cash	(219,378)	(219,378)	-
Investments, at amortized cost	129,804,048	129,804,048	-
Accrued interest receivable on investments	144,761	144,761	-
Interfund receivables	373,394,771	355,191,386	18,203,385
Interproject/agency receivables	1,918,263	1,846,882	71,381
Accounts receivable	70,912	70,912	-
Total current unrestricted assets	505,113,377	486,838,611	18,274,766
Current restricted assets:			
Restricted for construction:			
Cash	27,288	27,288	-
Investments, at amortized cost	50,000,000	50,000,000	-
Restricted for debt service:			
Investments, at amortized cost	11,292,154	11,292,154	-
Total current restricted assets	61,319,442	61,319,442	-
Total current assets	566,432,819	548,158,053	18,274,766
Noncurrent Assets:			
Deferred feasibility study cost	59,129,389	-	59,129,389
Capitalized cost (net of accumulated depreciation)	(2,342,768)	(2,342,768)	-
Total noncurrent assets	56,786,621	(2,342,768)	59,129,389
TOTAL ASSETS	623,219,440	545,815,285	77,404,155
LIABILITIES			
Current liabilities:			
Accounts payable	830,495	807,560	22,935
Retained from contractors	1,773,966	795,024	978,942
Interfund payables	289,477,466	(5,801,506)	295,278,972
Interagency Payable	158,704	160,534	(1,830)
Recurring accrued liabilities	2,952,607	2,730,914	221,693
Total current unrestricted liabilities	295,193,238	(1,307,474)	296,500,712
Payable from Restricted Assets:			
Debt service related payables:			
Accrued interest payable on commercial paper	13,748,333	13,748,333	-
Total current liabilities payable from restricted assets	13,748,333	13,748,333	-
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	708,941,571	412,440,859	296,500,712
NET POSITION			
Investment in capital assets	(219,096,557)	-	(219,096,557)
Restricted:			
Restricted for debt service	7,750,000	7,750,000	-
Unrestricted:			
Reserved for capital improvements	125,624,426	125,624,426	-
TOTAL NET POSITION	(85,722,131)	133,374,426	(219,096,557)

NORTH TEXAS TOLLWAY AUTHORITY
STATEMENT OF CHANGES IN NET POSITION
Year to Date December 31, 2013
(Unaudited)

		Totals	Construction & Property Fund	Revenue Fund
BEGINNING NET POSITION (as restated per GASB 65) January 1, 2013	$	(575,080,799)	(1,111,323,389)	(160,860,593)
Revenues:				
Toll revenue		571,593,519	-	571,593,519
Interest revenue		6,210,316	-	215,279
Other revenue		19,957,636	-	14,238,474
Less: bad debt expense		(46,133,481)	-	(46,133,481)
Total operating revenues		551,627,990	-	539,913,791
Operating expenses:				
Administration		(23,036,272)	-	-
Operations		(84,893,783)	-	-
		(107,930,055)	-	-
Preservation of system assets:				
Reserve Maintenance Fund expenses		(10,655,274)	-	-
Capital Improvement Fund expenses		(27,614,529)	-	-
Total operating expenses before amortization and depreciation		(146,199,858)	-	-
Operating revenues before amortization and depreciation		405,428,132	-	539,913,791
Amortization and depreciation		(6,126,690)	(6,126,690)	-
Unallocated infrastructure depreciation - Sam Rayburn Tollway		(64,020,364)	(63,943,350)	(77,014)
Operating revenues		335,281,078	(70,070,040)	539,836,777
Nonoperating revenues (expenses):				
Interest earned on investments		419,671	419,671	-
Gain (loss) on sale of investments		(133,909)	8,389	(478)
Net increase (decrease) in fair value of investments		(6,573,173)	(265,398)	(4,514)
Reimbursements from other governments		6,261,578	5,221,181	-
Government subsidy (BABS)		26,674,318	-	-
Interest expense on revenue bonds		(329,938,995)	-	-
Interest accretion on 2008D Bonds		(48,834,234)	-	-
Interest expense on 2nd Tier Bonds		(58,038,275)	-	-
Bond discount/premium amortization		1,872,091	1,589,256	-
Interest on loan		(5,807,038)	(5,807,038)	-
Interest on short term notes (net of capitalized interest)		(7,282)	-	-
Deferred amount on refunding amortization		(3,550,291)	(3,550,291)	-
Other nonoperating revenues		10,740,865	13,873,052	-
Net nonoperating revenues (expenses):		(406,914,674)	11,488,822	(4,992)
Net revenues		(71,633,596)	(58,581,218)	539,831,785
Operating transfers (other funds)		919,608	(26,145,428)	(341,832,282)
Distribution from Revenue Fund		-	-	(198,564,051)
Change in net position year to date December 31, 2013		(70,713,988)	(84,726,646)	(564,548)
ENDING NET POSITION December 31, 2013	$	(645,794,787)	(1,196,050,036)	(161,425,141)

Operation & Maint. Fund	Reserve Maint. Fund	Consolidated Capital Improvement Fund	DFW Turnpike Transition Trust Fund	Enterprise Fund	Debt Service Funds		
					Bond Interest	Reserve Account	Redemption Account
20,362,204	53,837,099	(134,643,636)	404,441	-	361,493,323	413,685,447	(18,035,694)
-	-	-	-	-	-	-	-
2	99,102	639,867	-	36,697	26,397	5,192,967	5
1,215,166	12,920	110,356	-	4,380,720	-	-	-
-	-	-	-	-	-	-	-
1,215,168	112,022	750,223	-	4,417,417	26,397	5,192,967	5
(23,036,272)	-	-	-	-	-	-	-
(84,893,783)	-	-	-	-	-	-	-
(107,930,055)	-	-	-	-	-	-	-
-	(10,655,274)	-	-	-	-	-	-
-	-	(27,614,529)	-	-	-	-	-
(107,930,055)	(10,655,274)	(27,614,529)	-	-	-	-	-
(106,714,887)	(10,543,252)	(26,864,306)	-	4,417,417	26,397	5,192,967	5
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(106,714,887)	(10,543,252)	(26,864,306)	-	4,417,417	26,397	5,192,967	5
-	-	-	-	-	-	-	-
-	-	(4,459)	-	-	-	(137,361)	-
-	(42,777)	(1,062,900)	-	-	(13,296)	(5,184,287)	-
-	-	1,040,397	-	-	-	-	-
-	-	-	-	-	26,674,318	-	-
-	-	(32,996,000)	-	-	(296,942,995)	-	-
-	-	-	-	-	(48,834,234)	-	-
-	-	-	-	-	(58,038,275)	-	-
-	-	282,835	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(7,282)	-	-
-	-	-	-	-	-	-	-
(586)	-	(925,159)	-	(2,206,442)	-	-	-
(586)	(42,777)	(33,665,286)	-	(2,206,442)	(377,161,765)	(5,321,649)	-
(106,715,473)	(10,586,029)	(60,529,592)	-	2,210,975	(377,135,367)	(128,681)	5
16,222,439	(1,696,378)	(603,768)	(404,441)	17,626,087	360,358,378	(6,000,000)	(16,605,000)
87,774,522	734,664	110,054,865	-	-	-	-	-
(2,718,512)	(11,547,743)	48,921,505	(404,441)	19,837,062	(16,776,989)	(6,128,681)	(16,604,995)
17,643,692	42,289,356	(85,722,131)	-	19,837,062	344,716,334	407,556,766	(34,640,689)

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North Texas Tollway Authority
Statement of Cash Flows
Year to Date December 31, 2013

Cash flows from operating activities:		
Receipts from customers and users	$	554,896,112
Payments to contractors and suppliers		(169,585,609)
Payments to employees		(47,069,577)
Net cash provided by operating activities		338,240,926
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		85,649,499
Defeased of commercial paper		(24,551,667)
Grand proceeds		9,150,178
Deferred financing costs		(35,694,306)
Deferred grant revenue		(5,221,181)
Interest paid on revenue bonds		(442,625,824)
Net cash provided by capital and related financing activities		(413,293,301)
Cash flows from investing activities:		
Purchase of investments		(4,202,798,845)
Proceeds from sales and maturities of investments		4,252,360,505
Capital contributions - BABS Subsidy		26,674,318
Interest received		(126,754)
Net cash provided used in investing activities		76,109,224
Net increase (decrease) in cash and cash equivalents		1,056,848
Cash and cash equivalents, beginning of the year		18,318,029
Cash and cash equivalents, end of the year	$	19,374,877
Classified as:		
Current assets	$	19,371,527
Restricted assets		3,350
Total	$	19,374,877
Noncash financing, capital, and investing activities:		
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	335,281,078
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		6,126,690
Unallocated depreciation		64,020,364
Unallocated bad debt expense		46,133,481
Changes in assets and liabilities:		
Increase in accounts receivable		(44,238,806)
Decrease in accounts and retainage payable		(73,966,684)
Increase in accrued liabilities		3,511,355
Increase in prepaid expenses		(235,701)
Increase in accrued interest receivable		(111,384)
Increase deferred revenue		1,720,533
Total adjustments		2,959,848
Net cash provided by operating activities	$	338,240,926
Noncash financing activities:		
Net decrease in the fair value of investments		(6,573,173)
Capital Grant Contributions		6,261,578
Build America Bonds Subsidy (BAB's)		26,674,318

NORTH TEXAS TOLLWAY AUTHORITY
CASH RECEIPTS AND DISBURSEMENTS
Year to Date December 31, 2013

		Totals	Construction & Property Fund	Revenue Fund
Beginning cash balance, Dec 31, 2012	$	18,318,029	(138,511)	3,031,803
Receipts				
Toll revenues		36,881,710	-	36,881,710
Enterprise IOP revenue		3,081,072	-	-
2010 BABS rebate		8,855,033	-	-
Investments		(15,917,354)	10,567,572	-
Earnings received from investments		3,581,615	431,026	266,245
Gain/Loss from sale of investments		(4,229,112)	(401,900)	-
Restricted for debt service		316,263,995	-	316,263,995
Prepaid customers' accounts		372,850,890	-	372,850,890
Misc revenue		1,724,830	-	552,906
		723,092,679	10,596,698	726,815,746
Disbursements				
Revenue bonds retired		(16,605,000)	-	-
SWAP Payment		(6,156,765)	-	-
CP Principal Payment		(33,926,543)	-	-
Interest on bonded debt		(342,669,538)	(1,218,796)	-
Investments		(30,451,451)	(24,709,964)	-
Operating expenses		(838,069,614)	-	(750,815,011)
Reserve Maintenance Fund expenses		(12,291,490)	-	-
Capital Improvement Fund expenses		82,428,767	-	-
Transfer of deferred revenue		212,135,891	-	212,135,891
Transfer of CIF		(3,926,243)	(3,926,243)	-
Deferred feasibility study cost		(291,262)	-	-
Capitalized costs		(21,689)	(21,689)	-
		(989,844,938)	(29,876,692)	(538,679,120)
Interfund and Interproject Transactions				
Distribution from Revenue Fund		211,651,643	-	(189,623,036)
Other interfund transactions		56,157,463	19,394,567	4,933,431
		267,809,107	19,394,567	(184,689,605)
Receipts over (under) disbursements year to date, December 31, 2013		1,056,848	114,573	3,447,021
Ending cash balance, December 31, 2013	$	19,374,877	(23,938)	6,478,824

These balances are preliminary and subject to year-end adjustments

Operation & Maint. Fund	Reserve Maint. Fund	Consolidated Capital Improvement Fund	DFW Turnpike Transition Trust Fund	Enterprise Fund	Debt Service Funds		
					Bond Interest	Reserve Account	Redemption Account
15,811,629	(115,730)	(270,692)	(470)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,081,072	-	-	-
-	-	-	-	-	8,855,033	-	-
-	-	(44,234,584)	-	17,749,658	-	-	-
-	81,350	-	-	29,167	34,657	2,739,165	5
-	-	-	-	-	(15,907)	(3,811,305)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,160,556	-	11,368	-	-	-	-	-
1,160,556	81,350	(44,223,216)	-	20,859,897	8,873,783	(1,072,140)	5
-	-	-	-	-	-	-	(16,605,000)
-	-	-	-	-	(6,156,765)	-	-
-	-	(33,926,543)	-	-	-	-	-
-	-	-	-	-	(341,450,742)	-	-
-	-	-	-	-	-	(5,741,487)	-
(85,398,890)	-	-	(405,613)	(1,450,100)	-	-	-
-	(12,291,490)	-	-	-	-	-	-
-	-	82,428,767	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(291,262)	-	-	-	-	-
-	-	-	-	-	-	-	-
(85,398,890)	(12,291,490)	48,210,962	(405,613)	(1,450,100)	(347,607,507)	(5,741,487)	(16,605,000)
81,439,283	734,664	-	-	-	319,100,732	-	-
-	11,430,351	(3,909,144)	406,083	(19,149,439)	19,632,992	6,813,627	16,604,995
81,439,283	12,165,015	(3,909,144)	406,083	(19,149,439)	338,733,724	6,813,627	16,604,995
(2,799,051)	(45,125)	78,602	470	260,358	-	-	-
13,012,578	(160,855)	(192,090)	-	260,358	-	-	-

NORTH TEXAS TOLLWAY AUTHORITY
Budget and Actual Revenues and Expenses on Trust Agreement Basis
Month Ending
December 31, 2013

	Total 2013 Budget	Budget To Date	Actual To Date	Variance Over(Under) Budget
Revenues:				
Toll Revenues	$ 483,799,800	483,799,800	571,593,519	87,793,719
Interest revenue	6,000,000	6,000,000	6,173,619	173,619
Other revenues	28,061,148	28,061,148	15,576,916	(12,484,232)
Less: Bad debt expense	(4,031,026)	(4,031,026)	(46,133,481)	(42,102,455)
Gross revenues	513,829,922	513,829,922	547,210,573	33,380,651
Operating expenses:				
Administration:				
Administration	995,663	995,663	686,631	(309,032)
Board	235,003	235,003	167,381	(67,622)
Finance	12,720,869	12,720,869	14,287,905	1,567,036
Human resources	1,470,626	1,470,626	1,368,801	(101,825)
Internal audit	875,746	875,746	786,370	(89,376)
Legal services	2,504,759	2,504,759	2,419,475	(85,284)
Public Affairs	2,773,697	2,773,697	2,583,414	(190,284)
Strategic & Innovative Solutions	1,194,443	1,194,443	736,295	(458,148)
Total administration	22,770,806	22,770,806	23,036,272	265,466
Operations:				
Customer service center	44,387,815	44,387,815	39,244,526	(5,143,289)
Information technology	12,949,116	12,949,116	13,310,785	361,669
Maintenance	26,046,348	26,046,348	23,166,766	(2,879,582)
Operations	356,845	356,845	488,309	131,464
Project delivery	285,051	285,051	210,690	(74,361)
System & incident management	9,472,926	9,472,926	8,472,707	(1,000,219)
Total operations	93,498,101	93,498,101	84,893,783	(8,604,318)
Total operating expenses	116,268,907	116,268,907	107,930,055	(8,338,852)
Inter-fund transfer	(4,923,720)	(4,923,720)	(4,652,921)	270,799
Net revenues available for debt service	$ 402,484,735	402,484,735	443,933,439	41,448,704

Net revenues available for debt service	443,933,439
1st Tier Bond Interest Expense	296,942,995
2nd Tier Bond Interest Expense	58,045,557
Prefunded Debt Service Allocation	(16,400,000)
BABS Subsidy	(8,855,290)
Total 1st & 2nd Tier Bond Interest Expense	329,733,262
Allocated 1st Tier Principal Amount	-
Allocated 2nd Tier Principal Amount	-
Net Debt Service	329,733,262
1st Tier Calculated Debt Service Coverage	1.63
1st & 2nd Tier Calculated Debt Service Coverage	1.35

These balances are preliminary and subject to year-end adjustments

NORTH TEXAS TOLLWAY AUTHORITY
TOLL REVENUE AND TRAFFIC ANALYSIS
December 31, 2013

	Month To Date		Year To Date	
	2013	2012	2013	2012
TOLL REVENUE				
AVI	$ 40,413,937	33,898,392	$ 453,394,964	$ 403,322,622
ZipCash	10,282,225	7,478,030	72,065,074 (*)	73,528,462 (**)
TOTAL	$ 50,696,162	$ 41,376,422	$ 525,460,038	$ 476,851,084
Percent increase (decrease)	22.5%		10.2%	

	Month To Date		Year To Date	
	2013	2012	2013	2012
VEHICLE TRANSACTIONS				
Two-axle vehicles	45,575,725	47,278,659	597,203,897	574,244,187
Three or more axle vehicles	958,652	804,730	12,926,262	10,815,174
Non Revenue	198,059	175,846	2,314,850	2,176,701
TOTAL	46,732,436	48,259,235	612,445,009	587,236,062
Percent increase (decrease)	-3.2%		4.3%	
TOLL REVENUE AVERAGE PER DAY				
Total Revenue	1,635,360	1,334,723	1,439,617	1,306,441
AVERAGE	$ 1,635,360	$ 1,334,723	$ 1,439,617	$ 1,306,441
VEHICLE TRANSACTIONS AVERAGE PER DAY				
Two-axle vehicles	1,470,185	1,525,118	1,636,175	1,573,272
Three or more axle vehicles	30,924	25,959	35,414	29,631
Non Revenue	6,389	5,672	6,342	5,964
AVERAGE	1,501,109	1,551,077	1,671,589	1,602,903

(*) 2013 Zip Cash reported Net of Bad Debt Expense of $ 46,133,481
(**) 2012 Zip Cash reported Net of Bad Debt Expense of $ 45,230,479

NORTH TEXAS TOLLWAY AUTHORITY
TOLL RECEIVABLE ANALYSIS
December 31, 2013

	A/R Balance as of January 1st,	Month To Date December 31, 2013		Year To Date December 31, 2013
TOLL RECEIVABLE				
Beginning A/R Balance, January 1st,	$ 108,877,170	-		$ 108,877,170
Invoiced:				
ZipCash	140,525,311	9,114,042		149,639,353
Violations	-	-		-
Write-Offs	-	(56,192,668)		(56,192,668)
Adjustments	(46,963,953)	(2,241,115)	**	(49,205,068)
Invoice Payments:				
ZipCash	(42,369,026)	(4,947,134)		(47,316,160)
Violations	(5,089,827)	(1,181,618)		(6,271,445)
Payment Shortages	(5,088)	(2,529)	***	(7,617)
Ending Balance A/R, December 31, 2013	154,974,587	(55,451,022)		99,523,565
Allowance Uncoll A/R	(114,470,350)	43,469,038		(71,001,312)
A/R Aging Adjustment	686,271	2,849,751		3,536,022
TOTAL	41,190,508	(9,132,233)		32,058,275
Beginning Unbilled A/R as of Jan. 1st,	12,013,439 *	(3,023,895)		8,989,544
Allowance Unbilled A/R	(10,211,423)	2,586,083		(7,625,340)
	1,802,016	(437,812)		1,364,204

*** Unbilled transactions that are matched with a current address through December 2013**
****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.**

INVESTMENT REPORT
NORTH TEXAS TOLLWAY AUTHORITY
10/1/2013-12/31/2013

This report summarizes the investment position of the North Texas Tollway Authority for the period 10/1/2013-12/31/2013

	10/1/2013	Purchases	Maturities / Redemptions	Chg in Mkt Value	Amortization (Net)	12/31/2013
Book Value	$875,653,210	$1,027,319,666	($944,770,525)	($1,610,371)	$457,976	$957,049,956
Market Value	$875,653,210	$1,027,319,666	($944,770,525)	($1,610,371)	$457,976	$957,049,956
Par Value	$878,768,165	$1,027,319,666	($944,770,525)	$0	$0	$961,317,306
Weighted Avg. Days to Maturity	722					650
Weighted Avg. Yield to Maturity	0.89%					0.78%
Yield to Maturity of 2-Year Treasury Note	0.33%					0.38%
Accrued Interest						$1,336,385
Earnings for the Period						$1,901,355

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

December 31, 2013

Fund	CUSIP	Invest #	Issuer	Purchase Date	Par Value	Market Value	YTM 365	Maturity Date
			CONSTRUCTION FUNDS					
3722-01 - PGBT EE Toll Equity Grant	932994031	10222	TexPool	08/31/2010	883,909.39	883,909.39	0.037	
	Total	**3722-01 - PGBT EE Toll Equity Grant**				**883,909.39**		
3713 - DNT Phase 3 Construction Fund	932994049	10224	TexPool	08/31/2010	14,271,978.65	14,271,978.65	0.037	
	Total	**3713 - DNT Phase 3 Construction Fund**				**14,271,978.65**		
3761 - LLTB BABs Construction Fund	SA6000499	10159	Bank of America	08/31/2010	6,784,515.21	6,784,515.21	0.240	
	Total	**3761 - LLTB BABs Construction Fund**				**6,784,515.21**		
3751-10 - 2009B SRT BABs Constr	SA6000507	10160	Bank of America	01/01/2010	6,496,591.70	6,496,591.70	0.240	
	3134G3GC8	10351	Federal Home Loan Mtg Corp	08/27/2012	10,000,000.00	10,000,900.00	0.743	01/06/2016
	3134G45L8	10396	Federal Home Loan Mtg Corp	05/29/2013	10,000,000.00	9,949,800.00	0.625	11/25/2016
	3133EAA81	10350	Federal Farm Credit Bank	08/27/2012	10,000,000.00	9,942,300.00	0.806	01/30/2017
	3133EAK98	10354	Federal Farm Credit Bank	09/14/2012	10,000,000.00	9,953,100.00	0.873	02/15/2017
	313380MK0	10355	Federal Home Loan Bank	09/21/2012	9,650,000.00	9,558,325.00	0.877	03/21/2017
	Total	**3751-10 - 2009B SRT BABs Constr**				**55,901,016.70**		
3751 2011A Letter of Credit			Cash		0.01	.01		
	Total	**3722-01 - PGBT EE Toll Equity Grant**				**0.01**		
	TOTAL CONSTRUCTION FUNDS					**77,841,419.96**	**0.547**	
			REVENUE FUND					
1101 - Revenue Fund	SA6000960	10399	BB&T	06/20/2013	1,000,000.00	1,000,000.00	0.200	
	SA6000523	10161	Bank of America	01/01/2010	1,831,883.25	1,831,883.25	0.240	
	VP4510005	10416	Wells Fargo MMF	12/31/2013	9,000,776.41	9,000,776.41	0.010	
	Total	**1101 - Revenue Fund**				**11,832,659.66**		
1101 - Revenue Fund - Rest For Debt Svc	SA6000960	10161	Bank of America	06/20/2013	.00	.00	0.240	
	Total	**1101 - Revenue Fund - Rest For Debt Svc**				**0.00**		
1101-02 Custody Prepaid Funds	932995673	10316	Texpool	10/14/2011	9,448,180.62	9,448,180.62	0.037	
	VP4510005	10317	Wells Fargo MMF	11/03/2011	2,000,000.00	2,000,000.00	0.010	
	36959JCQ4	10408	GE Capital Corp Comm Paper	09/25/2013	15,000,000.00	14,993,250.00	0.190	03/24/2014
	313382N25	10383	Federal Home Loan Bank	03/25/2013	10,000,000.00	10,000,900.00	0.170	03/25/2014
	3133ECNU4	10391	Federal Farm Credit Bank	05/17/2013	10,000,000.00	9,989,200.00	0.262	05/06/2015
	Total	**1101-02 Custody Prepaid Funds**				**46,431,530.62**		
1101-03 Revenue Consolidation	VP4510005	10413	Wells Fargo MMF	12/17/2013	2.75	2.75	0.240	
	Total	**1101-03 Revenue Consolidation**				**2.75**		
	TOTAL REVENUE FUND					**58,264,193.03**	**0.141**	
			OPERATIONS & MAINTENANCE FUND					
1001 - Operation & Maintenance Fund	932994122	10233	TexPool	08/31/2010	3,058.76	3,058.76	0.037	
	Total	**1001 - Operation & Maintenance Fund**				**3,058.76**		
	TOTAL OPERATIONS & MAINTENANCE FUND					**3,058.76**	**0.037**	
			RESERVE MAINTENANCE FUND					
1201 - Reserve Maintenance Fund	Regions	10322	Regions Bank	12/15/2011	26,603,776.66	26,603,776.66	0.150	
	36959JDG5	10408	GE Capital Corp Comm Paper	09/25/2013	15,000,000.00	14,984,550.00	0.190	04/17/2014
	3134G4QV3	10412	Federal Home Loan Mtg Corp	12/27/2013	5,000,000.00	4,964,360.00	1.850	12/27/2018
	Total	**1201 - Reserve Maintenance Fund**				**46,552,686.66**		
	TOTAL RESERVE MAINTENANCE FUND					**46,552,686.66**	**0.346**	
			CONSOLIDATED CAPITAL IMPROVEMENT FUND					
1501 - Capital Improvement Fund	36959JCS0	10409	GE Capital Corp Comm Paper	09/27/2013	20,000,000.00	19,983,000.00	0.190	03/26/2014
	Regions	10323	Regions Bank	12/15/2011	20,640,442.84	20,640,442.84	0.150	
	BB&T	10415	BB&T	12/31/2013	90,055,358.18	90,055,358.18	0.200	
	Total	**1501 - Capital Improvement Fund**				**130,678,801.02**		
1501 - CIF Bond Payment Account	Regions	10323	Regions Bank	12/15/2011	11,292,154.33	11,292,154.33	0.150	
	Total	**1501 - CIF Bond Payment Account**				**11,292,154.33**		
1501 - CIF Rest. Rainy Day Fund	3133378UB5	10334	Federal Home Loan Bank	04/11/2012	6,890,000.00	6,962,517.25	1.075	10/11/2016
	3135G0RU9	10394	Federal Home Loan Mtg Corp	05/17/2013	10,000,000.00	9,828,000.00	1.016	11/15/2017
	3135G0UK7	10379	Federal National Mtg Assn	02/28/2013	13,610,000.00	13,310,117.26	1.174	02/28/2018
	3135G0UK7	10387	Federal National Mtg Assn	04/10/2013	9,500,000.00	9,290,677.00	1.150	02/28/2018
	313382QR7	10389	Federal National Mtg Assn	04/30/2013	2,750,000.00	7,065,451.25	1.100	04/26/2018
	3134G42G2	10388	Federal National Mtg Assn	04/26/2013	7,250,000.00	2,668,484.50	1.057	04/30/2018
	Total	**1501 - CIF Rainy Day Fund**				**49,125,247.26**		
	TOTAL CONSOLIDATED CAPITAL IMPROVEMENT FUND					**191,096,202.61**	**0.427**	
			BUSINESS UNIT 3					
7801 - Enterprise Fund	Regions	10303	Regions Bank	08/29/2011	17,757,854.28	17,757,854.28	0.150	
	Total	**7801 - Enterprise Fund**				**17,757,854.28**		
7802 - LBJ TSA Perf Sec	TexSTAR	10401	TexSTAR	07/18/2013	1,697,058.44	1,697,058.44	0.036	
	Total	**7802 - LBJ TSA Perf Sec**				**1,697,058.44**		
	TOTAL BUSINESS UNIT 3 FUNDS					**19,454,912.72**	**0.140**	

North Texas Tollway Authority

INVESTMENTS AT

December 31, 2013

Fund	CUSIP	Invest #	Issuer	Purchase Date	Par Value	Market Value	YTM 365	Maturity Date
			INTEREST & SINKING - BOND INTEREST FUND					
4211 - Bond Interest Fund			Cash		4,602.74	4,602.74		
	VP4510005	10336	Wells Fargo MMF	12/31/2013	139,300,948.36	139,300,948.36	0.010	
	932990997	10218	TexPool	12/31/2012	599.35	599.35	0.037	
	Total	**4211 - Bond Interest Fund**				**139,306,150.45**		
4211- 01 - 2nd Tier Bond Int Acct	932994155	10237	TexPool	12/31/2012	0.01	.01	0.037	
	VP4510005	10370	Wells Fargo MMF	12/31/2013	29,019,137.49	29,019,137.49	0.010	
	Total	**4211-1 - 2nd Tier Bond Int Acct**				**29,019,137.50**		
4211-02 - 2009B BABs Direct Pay Acct	932994163	10238	TexPool	01/01/2013	0.01	.01	0.037	
	VP4510005	10414	Wells Fargo MMF	12/31/2013	114.65	114.65	0.010	
	Total	**4211-02 - 2009B BABs Direct Pay Acct**				**114.66**		
	TOTAL INTEREST & SINKING - BOND INTEREST FUND					**168,325,402.61**	**0.010**	
			INTEREST & SINKING - RESERVE FUND					
4221 - Bond Reserve Fund	932994015	10239	TexPool	08/31/2010	14,858,938.88	14,858,938.88	0.037	
	313589RG0	10400	Federal National Mtg Assn	07/01/2013	15,139,000.0000	15,139,000.00	4.807	01/02/2014
	313586QR3	10077	Federal National Mtg Assn	08/12/2009	23,542,000.00	23,516,103.80	3.326	07/05/2014
	3134A4MH4	10078	Federal Home Loan Mtg Corp	09/12/2009	19,225,000.00	19,150,791.50	3.385	07/15/2014
	3134A4VT8	10080	Federal Home Loan Mtg Corp	08/12/2009	170,000.00	169,343.80	3.326	07/15/2014
	31359YBU0	10081	Federal National Mtg Assn	08/12/2009	704,000.00	703,169.28	3.326	07/15/2014
	3137F0FG0	10079	Federal Home Loan Mtg Corp	08/12/2009	832,000.00	828,788.48	3.326	07/15/2014
	3137EACY3	10329	Federal Home Loan Mtg Corp	03/21/2012	10,000,000.00	10,052,900.00	0.655	11/25/2014
	3133EAHP6	10330	Federal Farm Credit Bank	03/21/2012	10,000,000.00	10,031,800.00	0.697	03/16/2015
	912828NV8	10326	US Treasury Note	02/22/2012	15,000,000.00	15,238,500.00	0.554	08/31/2015
	3133727K4	10281	Federal Home Loan Bank	06/29/2011	6,650,000.00	6,869,250.50	1.615	12/28/2015
	31315PDZ9	10311	Federal Agricultural Mtg Corp	09/30/2011	9,000,000.00	9,264,510.00	1.119	01/11/2016
	3133EAN53	10353	Federal Farm Credit Bank	09/14/2012	10,000,000.00	10,000,600.00	0.800	08/22/2016
	3133EA2D9	10357	Federal Farm Credit Bank	09/26/2012	10,000,000.00	9,964,100.00	0.706	09/26/2016
	313378PN5	10347	Federal Home Loan Bank	08/15/2012	9,000,000.00	9,093,150.00	0.860	03/02/2017
	3136G0RT0	10343	Federal National Mtg Assn	07/26/2012	12,000,000.00	11,919,600.00	1.137	07/26/2017
	3135G0PD9	10356	Federal National Mtg Assn	09/27/2012	10,000,000.00	9,882,300.00	1.042	09/27/2017
	3134G3Y38	10364	Federal Home Loan Mtg Corp	11/27/2012	12,000,000.00	11,714,040.00	1.822	11/27/2017
	3134G3Y79	10365	Federal Home Loan Mtg Corp	11/28/2012	12,000,000.00	11,772,960.00	1.823	11/28/2017
	313381LC7	10368	Federal Home Loan Bank	12/28/2012	6,000,000.00	5,862,300.00	0.950	12/28/2017
	313382L92	10390	Federal Home Loan Bank	05/17/2013	10,000,000.00	9,800,600.00	1.010	01/10/2018
	3135G0TK9	10371	Federal National Mtg Assn	01/30/2013	14,000,000.00	13,722,660.00	1.050	01/30/2018
	313381TW5	10374	Federal Home Loan Bank	01/30/2013	12,000,000.00	11,738,160.00	1.013	01/30/2018
	3135G0VL4	10380	Federal National Mtg Assn	03/20/2013	15,000,000.00	14,701,650.00	1.128	03/20/2018
	3135G0VL4	10381	Federal National Mtg Assn	03/20/2013	15,500,000.00	15,191,705.00	1.128	03/20/2018
	3133836L0	10395	Federal Home Loan Bank	05/28/2013	15,000,000.00	14,612,100.00	1.200	05/24/2018
	3134G45D6	10392	Federal Home Loan Mtg Corp	05/30/2013	10,000,000.00	9,739,500.00	1.121	05/25/2018
	313383EP2	10397	Federal Home Loan Mtg Corp	06/20/2013	10,000,000.00	9,765,500.00	1.250	06/20/2018
	3134G4AX6	10398	Federal Home Loan Mtg Corp	07/09/2013	10,000,000.00	9,871,700.00	1.750	07/09/2018
	3134G4GE2	10404	Federal Home Loan Mtg Corp	09/26/2013	14,000,000.00	14,037,660.00	2.223	09/26/2018
	3134G4GE2	10406	Federal Home Loan Mtg Corp	09/26/2013	9,000,000.00	9,024,210.00	2.218	09/26/2018
	3134G4GX0	10407	Federal Home Loan Mtg Corp	09/27/2013	5,000,000.00	4,991,550.00	2.100	09/27/2018
	3134G4QV3	10411	Federal Home Loan Mtg Corp	12/27/2013	10,000,000.00	9,928,700.00	1.850	12/27/2018
	Total	**4221 - Bond Reserve Fund**				**353,157,841.24**		
4221-01 - NTTA 2nd Tier DS Res Fund	932994171	10239	TexPool	08/31/2010	221,746.85	221,746.85	0.037	
	3136FTXU8	10376	Federal National Mtg Assn	01/25/2013	13,000,000.00	13,091,000.00	0.818	12/29/2016
	3133EC2M5	10403	Federal Farm Credit Bank	09/18/2013	5,230,000.00	5,108,925.50	1.653	11/13/2017
	313381SP1	10372	Federal Home Loan Bank	01/30/2013	11,500,000.00	11,269,540.00	1.050	01/30/2018
	3134G45D6	10393	Federal Home Loan Mtg Corp	05/30/2013	13,000,000.00	12,661,350.00	1.125	05/25/2018
	Total	**4221-01 - NTTA 2nd Tier DS Res Fund**				**42,352,562.35**		
	TOTAL INTEREST & SINKING RESERVE FUND					**395,510,403.59**	**1.496**	
			INTEREST & SINKING - REDEMPTION FUND					
4231 - Bond Redemption Fund	932994189	10241	TexPool	12/31/2012	1,675.75	1,675.75	0.037	
	Total	**4231 - Bond Redemption Fund**				**1,675.75**		
	TOTAL INTEREST & SINKING - REDEMPTION FUND					**1,675.75**	**0.037**	
	INVESTMENT TOTAL AS OF 12/31/2013					**957,049,955.69**	**0.780**	

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Deferred Study Costs-Feasibility Study Fund
Dec 2013
(Unaudited)

The table below sets forth the accumulated deferred study costs by project that have not been transferred out of the Feasibility Study Fund into a construction project.

Projects	Accumulated as of Dec 31,2012	Current Year	Accumulated as of December 31, 2013	TxDOT Reimbursement as of December 31, 2013
Trinity Tollway	374,328	-	374,328	-
SH 161 FSF (FREE)	-	133,015	133,015	-
DNT- 380 Interchange	285,767	-	285,767	-
DNT Extension Phase 4 / 4A	3,677,585	19,983	3,697,568	-
DNT Ext Phase 4B/5A	3,560,670	39,649	3,600,319	-
PGBT-East Branch (SH190)	121,176	-	121,176	-
SH 360	6,183,550	244,238	6,427,788	-
Trinity Pkwy	34,669,211	2,119,332	36,788,543	27,866,879
NCTCG	848,892	-	848,892	-
SH 170 - Alliance Gateway	4,668,835	195,065	4,863,900	-
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	56,272,212	2,751,282	59,023,494	27,866,879

North Texas Tollway Authority
Estimated Project Cash Flow
for the Year Ended December 31, 2013
as of
31-Dec-13

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
PGBT EE Construction Fund												
Beginning Balance	6,562,069	6,510,513	6,306,697	5,797,007	4,511,740	4,172,317	3,894,408	3,166,562	2,592,388	2,319,361	1,921,666	1,223,459
Investment Gain/(Loss)	884	555	468	537	432	271	196	167	121	87	94	67
Miscellaneous Revenue / Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	(154,991)	(153,725)	(535,298)	(1,278,026)	(332,615)	(239,362)	(714,595)	(559,225)	(261,470)	(382,834)	(679,530)	(338,946)
Other	102,551	(50,647)	25,140	(7,775.63)	(7,241)	(38,818)	(13,447)	(15,116)	(11,678)	(14,947)	(18,771)	(12,640)
Total Expenditures	(52,440)	(204,372)	(510,158)	(1,285,804)	(339,856)	(278,180)	(728,042)	(574,341)	(273,148)	(397,781)	(698,300)	(351,586)
Projected Ending Balance	6,510,513	6,306,697	5,797,007	4,511,740	4,172,317	3,894,408	3,166,562	2,592,388	2,319,361	1,921,666	1,223,459	871,940
DNT Phase 3 Construction Fund												
Beginning Balance	14,318,352	14,320,183	14,321,383	14,322,410	14,323,683	14,324,010	14,293,443	14,290,178	14,287,066	14,282,373	14,276,274	14,271,455
Investment Gain/(Loss)	1,831	1,200	1,027	1,273	1,203	870	679	646	530	463	605	523
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	-	-	-	-	-	-	-	-	-		-	-
Other	-	-	-	-	(876)	(31,437)	(3,944)	(3,758)	(5,223)	(6,562)	(5,424)	(3,990)
Total Expenditures	-	-	-	-	(876)	(31,437)	(3,944)	(3,758)	(5,223)	(6,562)	(5,424)	(3,990)
Projected Ending Balance	14,320,183	14,321,383	14,322,410	14,323,683	14,324,010	14,293,443	14,290,178	14,287,066	14,282,373	14,276,274	14,271,455	14,267,969
LLTB Construction Fund												
Beginning Balance	6,865,312	6,864,271	6,852,252	6,844,984	6,845,348	6,836,012	6,820,753	6,809,708	6,803,843	6,801,526	6,792,877	6,791,384
Investment Gain/(Loss)	361	344	252	364	433	824	607	649	647	1,342	648	602
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	(1,402)	(6,087)	(17,462)	-	(9,770)	(8,286)	(11,651)	(6,515)	(2,963)	(6,510)	(2,141)	(7,470)
Other	-	(6,276)	9,941	-	-	(7,798)	-	-	-	(3,481)	-	-
Total Expenditures	(1,402)	(12,363)	(7,520)	-	(9,770)	(16,083)	(11,651)	(6,515)	(2,963)	(9,991)	(2,141)	(7,470)
Projected Ending Balance	6,864,271	6,852,252	6,844,984	6,845,348	6,836,012	6,820,753	6,809,708	6,803,843	6,801,526	6,792,877	6,791,384	6,784,515
Sam Rayburn Construction Fund												
Beginning Balance	63,039,427	62,871,014	62,656,677	61,999,037	61,615,156	61,304,819	60,001,320	59,332,276	58,963,192	58,785,461	56,514,158	56,537,020
Investment Gain/(Loss)	(42,916)	160,667	46,986	29,112	(165,112)	(363,970)	254,653	(134,733)	269,886	163,092	122,780	(191,916)
Miscellaneous Revenue / Cash Receipts		-	-	-	-	-	12,000	-	420	-	-	-
Transfer from other accounts	1,063,278	-	-	-	-	-	-	-	-	-	-	-
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	(676,044)	(112,603)	(457,875)	(297,735)	(99,070)	(171,570)	(391,020)	(221,656)	(155,014)	(1,920,359)	(84,726)	(24,147)
Other	(512,731)	(262,421)	(246,750)	(115,259)	(46,154)	(767,959)	(544,677)	(12,695)	(293,022)	(514,037)	(15,189)	(427,920)
Total Expenditures	(1,188,775)	(375,024)	(704,625)	(412,994)	(145,224)	(939,529)	(935,697)	(234,352)	(448,036)	(2,434,395)	(99,917)	(452,067)
Projected Ending Balance	62,871,014	62,656,677	61,999,037	61,615,156	61,304,819	60,001,320	59,332,276	58,963,192	58,785,461	56,514,158	56,537,020	55,893,037
90 Construction Fund				-								
Beginning Balance	0.00	0.00	0.00	0.00	0.00	0.00	(6,664)	0.00	0.00	(62,471)	0.00	(6,664.17)
Investment Gain/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Account Closeouts	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	(6,664)	(105,844)	(54,046)	(128,607)	(127,731)	(6,664)	(3,261,345)
Transfer from CIF	-	-	-	-	-	-	112,508	54,046	66,135	190,202	-	3,268,009
Projected Ending Balance	0.00	0.00	0.00	0.00	0.00	(6,664)	0.00	0.00	(62,471)	0.00	(6,664)	0

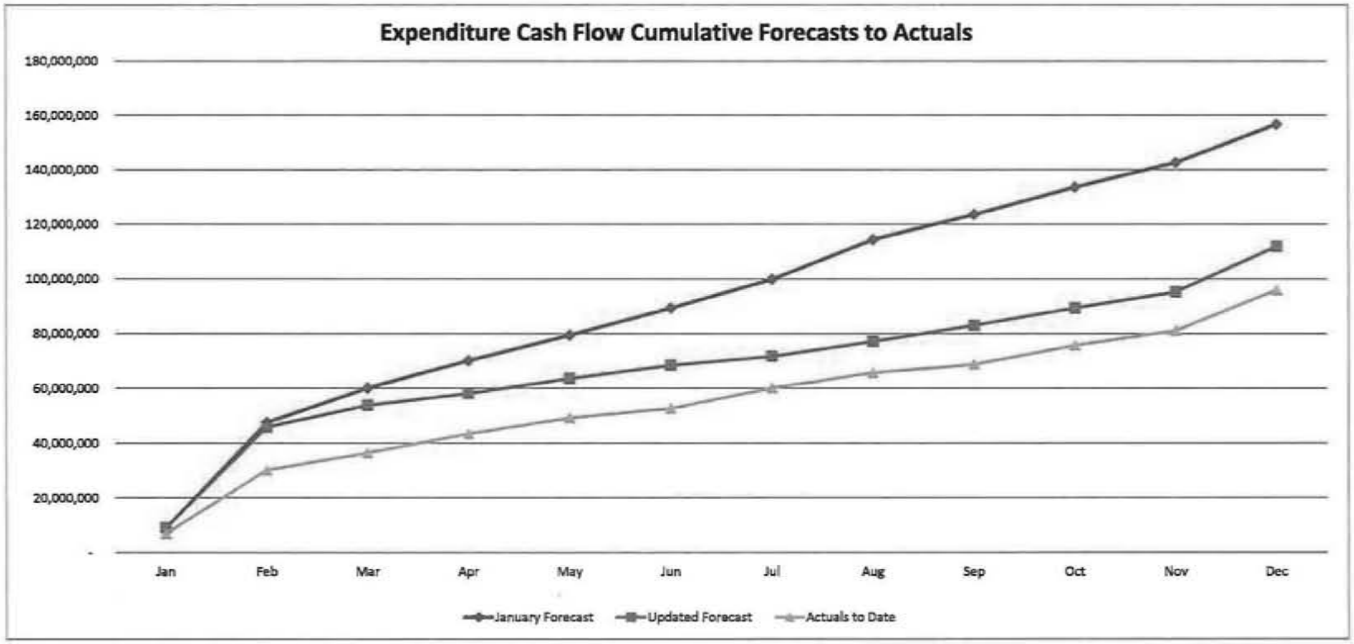
North Texas Tollway Authority
Estimated Project Cash Flow
for the Year Ended December 31, 2013
as of
31-Dec-13

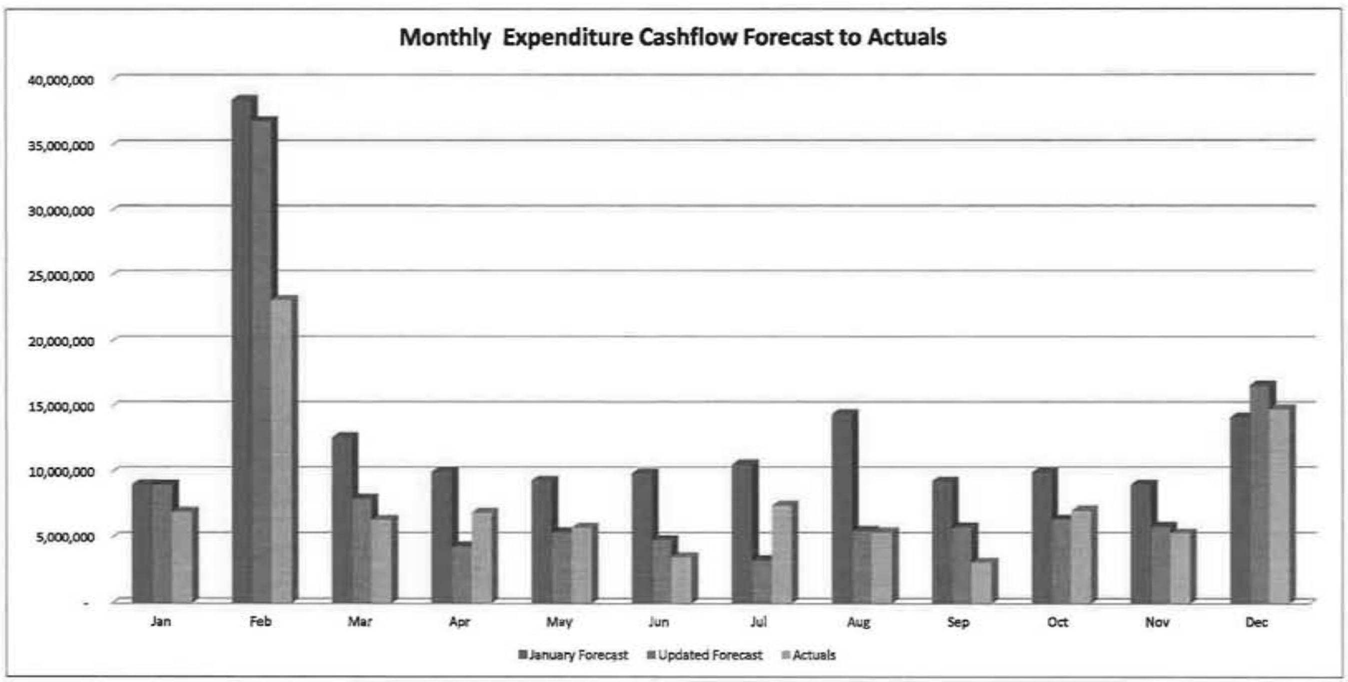
	Jan-13 Actuals	Feb-13 Actuals	Mar-13 Actuals	Apr-13 Actuals	May-13 Actuals	Jun-13 Actuals	Jul-13 Actuals	Aug-13 Actuals	Sep-13 Actuals	Oct-13 Actuals	Nov-13 Actuals	Dec-13 Actuals
Total Construction Funds												
Beginning Balance	90,785,160	90,565,982	90,137,008	88,963,438	87,295,926	86,637,158	85,003,260	83,598,724	82,646,489	82,126,249	79,504,975	78,816,654
Investment Gain/(Loss)	(39,839)	162,785	48,733	31,286	(163,043)	(362,005)	256,134	(133,271)	271,183	164,984	124,126	(190,723)
Account Closeouts	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue / Cash Receipts	-	-	-	-	-	-	12,000	-	420	-	-	-
Transfer from other accounts	1,063,278	-	-	-	-	-	-	-	-	-	-	-
IT Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Project Delivery Expenditures	(832,437)	(272,414)	(1,010,634)	(1,575,763)	(441,455)	(419,217)	(1,117,266)	(787,396)	(419,448)	(2,309,703)	(766,399)	(370,564)
TXDOT Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Other	(410,180)	(319,344)	(211,669)	(123,035)	(54,271)	(852,676)	(555,404)	(31,569)	(372,395)	(476,556)	(46,048)	(437,886)
Total Expenditures	(1,242,617)	(591,758)	(1,222,303)	(1,698,797)	(495,726)	(1,271,893)	(1,672,670)	(818,965)	(791,842)	(2,786,259)	(812,446)	(808,449)
Projected Ending Balance	90,565,982	90,137,008	88,963,438	87,295,926	86,637,158	85,003,260	83,598,724	82,646,489	82,126,249	79,504,975	78,816,654	77,817,482
Feasibility Study Fund[2]												
Beginning Balance	(140,882.76)	(183,633)	(140,883)	(113)	(33,770)	(10,248)	(417,775)	3,002	(70,138)	0	(1,398)	(177,478)
Investment Gain/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements / Miscellaneous Cash Receipts	-	-	-	-	-	-	-	11,368	-	-	21,902	-
Transfers from CIF[2]	-	405,248	890,137	127,910	583,854	436,433	732,212	338,870	604,527	110,969	114,065	701,050
Transfer from Con Funds	12,610	-	-	-		-	-	-	-	-	-	-
Trinity Parkway	-	(210,690)	(584,565)	-	(386,744)	(620,366)	(189,041)	(198,988)	(436,804)	(74,971)	(149,918)	(164,814)
SH 170	(25,361)	(22,064)	(29,872)	-	(31,635)	(3,681)	(18,995)	(7,050)	(44,634)	(16,655)	(2,674)	(18,165)
SH 190	-			-		-	-	-	-	-	-	-
SH 360	-	(89,539)	(22,250)	(104,907)	(10,502)	(11,239)	(36,382)	(68,082)	(17,645)	(1,730)	(329)	(1,062)
DNT 4A	-	(10,205)		-	(6,470)	(15,659)	(16,863)	(8,968)	-	-		
DNT 4B/5A	-		(13,790)	-					(5,038)	(784)		
Collin County Outer Loop	-	-		-		-	-	-	-	-	-	-
Outer Loop Southeast (Loop 9)	-	-	-	-		-	-	-	-	-	-	-
Other	(30,000)	(30,000)	(98,890)	(56,661)	(124,982)	(193,015)	(50,154)	(140,289)	(30,268)	(18,228)	(159,126)	(339,531)
Total NTTA System Expenditures	(55,361)	(362,497)	(749,367)	(161,567)	(560,332)	(843,960)	(311,435)	(423,378)	(534,389)	(112,368)	(312,047)	(523,572)
Projected Ending Balance	(183,633)	(140,883)	(113)	(33,770)	(10,248)	(417,775)	3,002	(70,138)	(0)	(1,398)	(177,478)	0
Reserve Maintenance Fund												
Beginning Balance	57,867,202	57,223,833	55,947,586	55,013,782	54,403,025	53,495,262	53,636,943	53,155,355	51,996,768	51,830,095	50,150,469	48,811,182
Investment Gain/(Loss)	7,258	13,652	8,776	8,627	8,229	7,321	8,642	7,787	7,896	13,519	(16,543)	(19,973)
Transfer From Revenue Fund	-	-	-	-	-	734,664	-	-	-	-	-	-
Miscellaneous Revenue / Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-
IT Expenditures	(21,086)	(423,706)	(55,857)	(181,566)	(78,387)	(28,421)	(42,430)	(15,332)	40,225	(204,850)	(33,957)	(108,796)
Maintenance Expenditures	(487,580)	(866,193)	(714,313)	(270,643)	(612,896)	(595,971)	(310,886)	(1,019,519)	(78,557)	(1,352,710)	(1,103,882)	(2,117,218)
Project Delivery Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Other	(141,961)	-	(172,412)	(167,176)	(224,708)	24,088	(136,914)	(131,523)	(136,240)	(135,584)	(184,904)	(173,462)
Total Expenditures	(650,627)	(1,289,899)	(942,582)	(619,385)	(915,992)	(600,305)	(490,230)	(1,166,374)	(174,572)	(1,693,145)	(1,322,744)	(2,399,478)
Projected Ending Balance	57,223,833	55,947,586	55,013,782	54,403,025	53,495,262	53,636,943	53,155,355	51,996,768	51,830,095	50,150,469	48,811,182	46,391,731

North Texas Tollway Authority
Estimated Project Cash Flow
for the Year Ended December 31, 2013
as of
31-Dec-13

	Jan-13 Actuals	Feb-13 Actuals	Mar-13 Actuals	Apr-13 Actuals	May-13 Actuals	Jun-13 Actuals	Jul-13 Actuals	Aug-13 Actuals	Sep-13 Actuals	Oct-13 Actuals	Nov-13 Actuals	Dec-13 Actuals
Capital Improvement Fund												
Beginning Balance	150,123,772	111,017,748	46,411,151	57,574,252	53,475,469	49,703,655	49,374,200	44,811,331	41,799,972	40,091,205	37,674,279	34,779,554
Investment Gain/(Loss)	18,403	17,783	23,856	8,487	41,785	5,120	5,586	3,753	26,514	3,854	3,254	3,580
BABS Subsidy (3)	4,790,459.40	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue / Cash Receipts	112,983.12	-	-	328,866	-	474,238.76	-	-	-	-	-	-
Transfer From Revenue Fund	-	-	-	-	-	-	-	-	-	-	-	110,054,864.73
Transfer to Rainy Day Account	-	(24,916,338)	-	-	-	-	-	-	-	-	-	-
Transfer to Bond Payment Account	(23,415,328)	(4,790,472)	-	-	-	-	-	-	-	-	-	-
Transfer to Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to CIF Cash for Investment	-	(14,010,220)	14,615,608	-	-	-	404,879	-	-	-	-	-
Transfer from Con Funds	4,427,803	-	-	-	-	-	-	-	-	-	-	(3,268,009.25)
CP Proceeds (1)	-	-	-	-	-	-	-	-	-	-	-	-
Paydown of CP	(20,000,000)	(18,300,000)	-	-	-	-	-	-	-	-	-	-
Transfer to FSF (2)	-	(405,248)	(890,137)	(127,910)	(583,854)	(436,433)	(732,212)	(338,870)	(604,527)	(110,969)	(114,065)	(701,050)
Transfer to 1990 Const Fund	-	-	-	-		-	(112,508)	(54,046)	(66,135)	(190,202)	-	
IT Expenditures	(710,100)	(1,055,831)	(620,177)	(622,721)	(1,234,464)	(879,701)	(1,715,644)	(1,134,741)	(165,256)	(367,611)	(2,133,033)	(1,624,330)
Maintenance Expenditures	(2,326,645)	(65,153)	(900,766)	(669,807)	(297,473)	(423,118)	(713,994)	(842,231)	(277,436)	(328,419)	-	(203,290)
Project Delivery Expenditures	(527,930)	(450,945)	(388,325)	(1,378,704)	(576,480)	(407,963)	(566,263)	(579,587)	(757,849)	(499,655)	(101,603)	(277,908)
Other	(1,475,670)	(630,173)	(676,958)	(1,436,994)	(1,121,327)	1,338,399	(1,132,712)	(65,637)	135,921	(923,923)	(549,278)	(287,109)
CIF Subordinate Debt (3)	-	-	-	-		-	-	-	-	-	-	-
Transfer to SPS	-	-	-	-		-	-	-	-	-	-	-
ISTEA Payment	-	-	-	-	-	-	-	-	-	-	-	(8,000,000.00)
Total Expenditures	(5,040,345)	(20,907,350)	(3,476,363)	(4,436,136)	(3,813,598)	(808,815)	(4,973,334)	(3,015,112)	(1,735,282)	(2,420,780)	(2,897,978)	(11,093,688)
Projected Ending Balance	111,017,748	46,411,151	57,574,252	53,475,469	49,703,655	49,374,200	44,811,331	41,799,972	40,091,205	37,674,279	34,779,554	130,476,303

(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
180,000,000
160,000,000
140,000,000
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
-
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 period indicated in the schedules.
- Toll rate for two-axle vehicles with TollTags is $0.145 per mile for the DNT and PGBT (Segments I through V) starting September 1, 2009. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- Toll rate for two-axle vehicles with TollTags is $0.50 for the MCLB and the AATT starting September 1, 2009 and $1.00 for LLTB starting August 1, 2009. Toll rate is increased 2.75% per year thereafter, with toll adjustments made every two years commencing July 1, 2011.
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of the TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year with toll adjustments made every two years commencing July 1, 2011, for DNT, PGBT, MCLB, AATT and LLTB.
- Tolls for two-axle vehicles at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle.

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 period indicated in the schedules. Toll rate for two-axle vehicles with TollTags is $0.145 per mile starting September 1, 2009, and thereafter toll rates shall be determined in accordance with Exhibit R of the SRT Project Agreement, as amended, and shall be the maximum rates ("*Maximum Base*" or "*MBT*") allowed under the SRT Project Agreement, as amended.
- Video toll for two-axle vehicles is equal to the sum of (i) the TollTag toll and (ii) the greater of (a) 50% of TollTag toll or (b) 20 cents per transaction on September 1, 2009, increased 2.75% per year with toll adjustments made every two years commencing July 1, 2011.
- Tolls for two-axle vehicles at any tolling location are rounded to the next highest penny.
- Tolls for all vehicle classifications are calculated based on "N-1" weighting on the SRT, where "N" denotes the number of axles. For example, the TollTag toll charged to a five-axle vehicle will be four times the TollTag toll charged to a two-axle vehicle and the total Video toll charged to a five-axle vehicle will be four times the total Video toll charged to a two-axle vehicle.
- The SRT Project Agreement permits the Authority to implement congestion pricing if certain capacity improvement triggers are met, which is anticipated to occur by January 1, 2019. Congestion pricing is assumed to begin on SRT on July 1, 2019 in the March 2014 Study. The following are toll rates assumed in the March 2014 Study for traffic and toll revenue forecasting purposes:
    - Peak periods (6:30 a.m. and 3:00 p.m. – 6:30 p.m.): 1.30 x MBT
    - Low-volume periods (weekdays from 11:00 p.m. – 5:00 a.m.): 0.80 x MBT
    - Off-peak periods (all other times), including holidays and weekends: 1.00 x MBT
- It should be noted that the congestion pricing related toll rate schedules to be actually implemented on the SRT will be determined based on the observed speed levels along the SRT and the times of day when the speed levels will fall below the thresholds/triggers established in the SRT Project Agreement.

SRT 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 Boulevard (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 period 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, 2013 THROUGH JUNE 30, 2015

PGBT EE (Unified Toll)

	Two-Axle Passenger Cars and Trucks		Three-Axle Vehicles and Vehicle Combinations		Four-Axle Vehicles and Vehicle Combinations		Five-Axle Vehicles and Vehicle Combinations		Six or More Axle Vehicles and Special Permits	
Toll Gantry	**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
Lakeview Parkway (LAKPY)	$0.53	$0.80	$1.06	$1.60	$1.59	$2.40	$2.12	$3.20	$2.65	$4.00
Merritt - Liberty Grove Road (MERLG)	$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 (MLSRD)	$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 LEWISVILLE LAKE TOLL BRIDGE, SAM RAYBURN TOLLWAY, AND THE PRESIDENT GEORGE BUSH TURNPIKE EASTERN EXTENSION

NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY AUTHORITY SEMI-ANNUAL PROGRESS REPORT

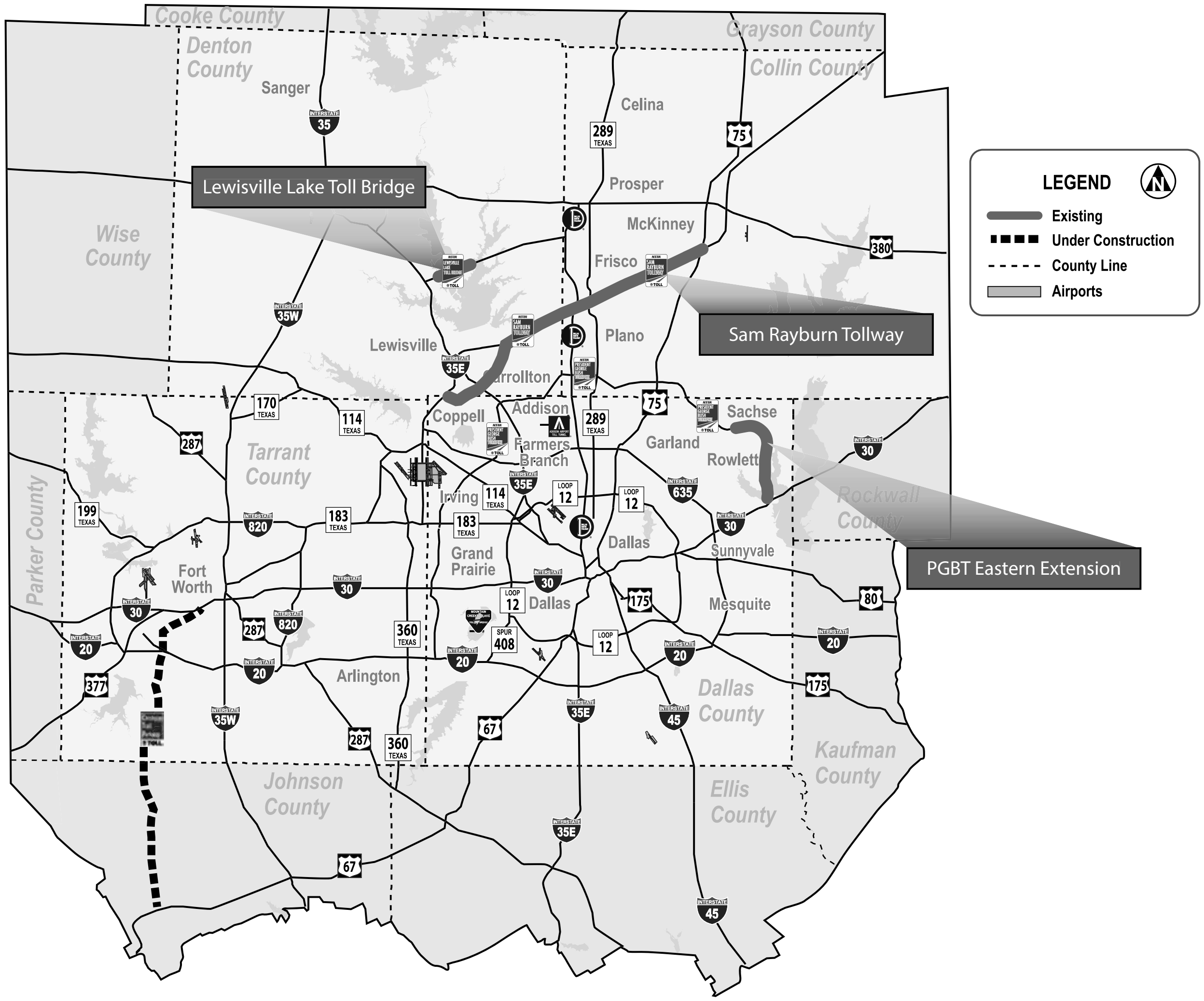
SYSTEM

December 2013

LEWISVILLE LAKE TOLL BRIDGE
SAM RAYBURN TOLLWAY
PGBT EASTERN EXTENSION

Issued February 14, 2014

ATKINS



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Atkins North America, Inc.
18383 Preston Road, Suite 500

Telephone: +1.972.818.7275
Fax: +1.972.380.2609

www.atkinsglobal.com/northamerica

February 14, 2014

Gerald Carrigan
Executive Director
North Texas Tollway Authority
5900 W. Plano Parkway
Plano, Texas 75093

Dear Mr. Carrigan:

As described in the requirements set forth in the Amended and Restated Trust Agreement Section 411, the Consulting Engineers prepare a progress report at least once every 6 months during the construction of a project financed by public bonds. As defined in the Trust Agreement Section 704, Atkins North America, Inc. (Atkins) was selected as the North Texas Tollway Authority's (NTTA) Consulting Engineer at the December 2012 board meeting. Projects included in the NTTA's System that are subject to this requirement include the Lewisville Lake Toll Bridge (LLTB), Sam Rayburn Tollway (SRT), and the President George Bush Turnpike Eastern Extension (PGBT EE) toll projects.

The NTTA adheres to the requirements outlined in a comprehensive Trust Agreement which governs the affairs of the projects financed with public bonds. As specified in the agreement, this report includes:

(i) The date each project will be open to traffic

(ii) The expected date that construction of each project will be completed

(iii) The cost of each project, excluding any bond obligation discounts and interest during construction and for one year after completion of construction

(iv) The amount of funds required every 6 months during the remaining estimated period of construction, including comparisons between the actual time elapsed and the actual costs, and the original estimates (budget) of such times and costs.

This information, as well as other items relevant to each corridor, is presented in greater detail within this report.

Respectfully submitted,

R. Keith Jackson, PE
General Engineering Consultant
Project Director

Contents

1.0 Lewisville Lake Toll Bridge, 15th Progress Update

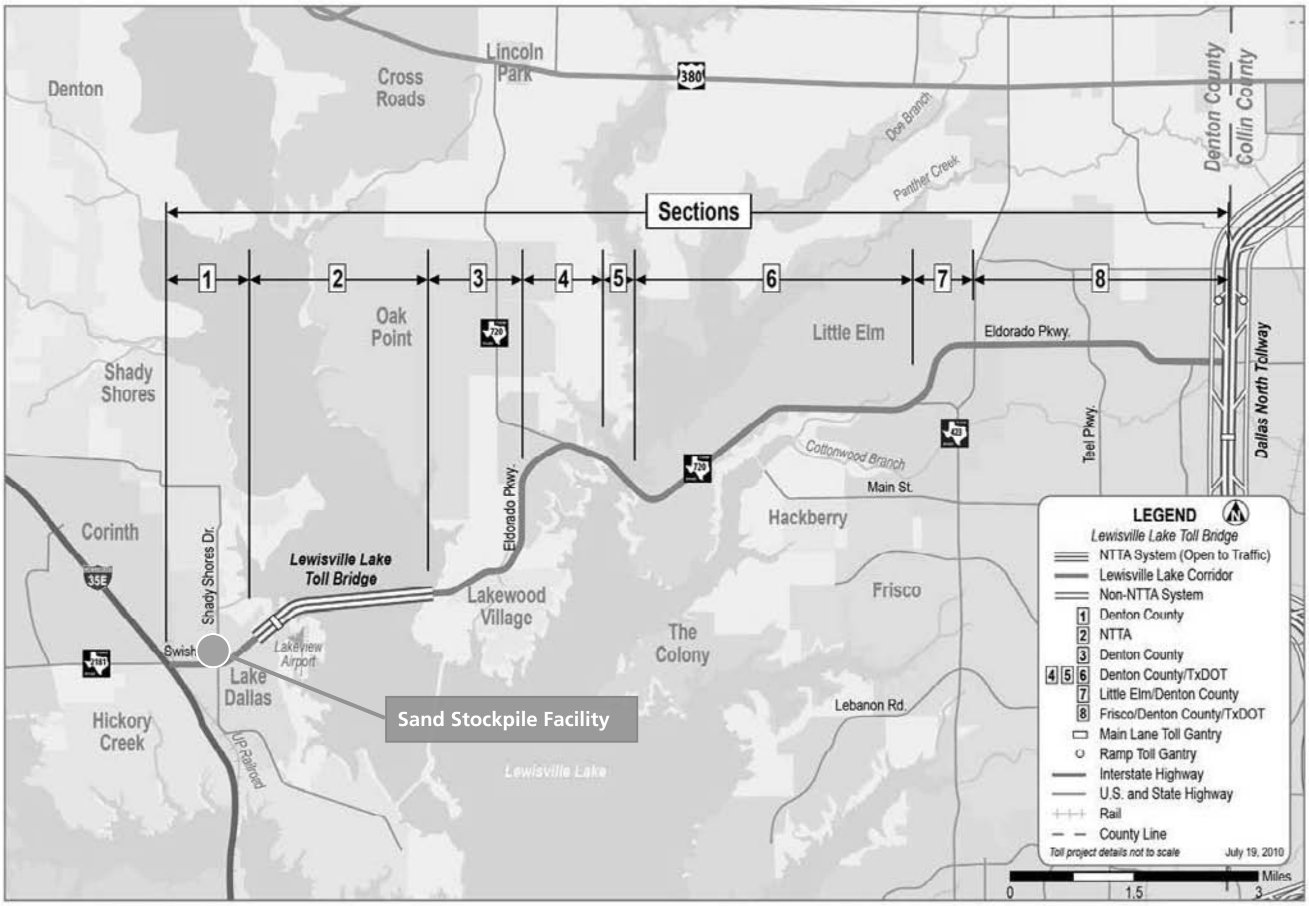
1.1 Description

The Lewisville Lake Toll Bridge (LLTB) serves as a visually unique landmark. The four-lane 1.7-mile toll bridge is part of a larger corridor that connects I-35E at Swisher Road to the Dallas North Tollway at Eldorado Parkway. The Lewisville Lake Corridor is 13.8 miles long and is divided into eight sections, as shown in **Figure 1** on the following page. The LLTB opened to traffic on August 1, 2009.

The LLTB project was NTTA's only responsibility in the overall Lewisville Lake Corridor. The project consisted 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 the LLTB project was 2.04 miles.

The remaining projects to be funded by the project's bond proceeds include completion of the aesthetic lighting for the main bridge and construction of a sand stockpile facility on a remnant parcel.

Figure 1: LLTB Project Corridor Location and Sections Map



1.2 Financial

As required by Trust Agreement, this section provides the cost of the project and draw schedule by 6-month increments. The current total estimated cost for all NTTA deliverables for LLTB, exclusive of interest and financing costs, but including a contingency allocation, is $116,000,000. **Table 1** shows all expenditures through December 2013. For purposes of preparing this report, the cutoff date for all financial information is December 31, 2013, while information in the narrative may include details as current as the report release date, February 14, 2014.

Table 1 also shows a summary of the engineer's estimate as of March 2006, as well as the current estimated cost at completion. The current estimate at completion cost for LLTB is less than the engineer's estimate at $116,000,000. This estimate also includes the sand stockpile facility and the completion of the aesthetic lighting.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages, or 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 Atkins' professional judgment of the construction industry. It is our belief that LLTB, including the active projects, can be constructed within the limits described for the estimated cost given herein. However, due to the nature of the construction industry, Atkins cannot 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, material, or equipment costs; contractors' methods of determining bid prices; competitive bidding; and market or negotiating conditions. The estimate of construction costs given in this progress report will be monitored as work progresses.

The estimated semi-annual amount of funds (Draw Schedule) required for the projected period of construction necessary to meet the cost of the LLTB Project, including funds allocated for project contingencies, is shown in **Table 2**.

Table 1: LLTB Estimate of Project Costs at Completion

No.	Description	Engineering Report Estimate, March 2006	Estimate at Completion Cost, as of December 2013	Actual Expenditures, as of December 2013
1	Construction of Section 2	$92,900,000	$97,351,075	$97,299,672
2	Toll Plaza[1]	$6,100,000	$ -	$ -
3	ITS and Toll Gantry Equipment	$500,000	$616,847	$616,847
4	Construction Management	$5,900,000	$6,226,779	$6,226,779
Subtotal (1-4) Construction		$105,400,000	$104,194,701	$104,143,298
5	Plans, Specifications & Estimates	$3,600,000	$3,672,105	$3,609,059
6	Other Agency Costs	$2,100,000	$5,139,758	$5,139,758
Subtotal (5-6) Engineering		$5,700,000	$8,811,863	$8,748,817
7	Project Contingency	$11,100,000	$820,436	$ -
Original Project Total (1-7)[3]		$122,200,000	$113,827,000	$112,892,115
8	Sand Stockpile Design & Construction	$ -	$173,000	$ -
9	Bridge Aesthetic Lighting[3]	$ -	$2,000,000	$ -
New Project Total (1-9)[4]		$122,200,000	$116,000,000	$112,892,115

Notes:

[1] Section 2 construction cost includes the cost of landscaping and the toll plaza.

[2] The amount shown above does not include bond discounts, interest during and after construction, and other financing costs.

[3] Project completes the aesthetic bridge arch and monument lighting.

Source: NTTA Project Delivery

Table 2: LLTB Draw Schedule

Period Ending	Original Semi-Annual Estimate, Dec. 2006	Original Cumulative Estimate, Dec. 2006	Semi-Annual Actual, Dec. 2013	Cumulative Actual, Dec. 2013	Semi-Annual Estimate, Dec. 2013[1]	Cumulative Estimate, Dec. 2013[1]
12/31/2006	$2,841,920	$2,841,920	$2,788,043	$2,788,043		
6/30/2007	$28,314,850	$31,156,771	$13,586,152	$16,374,195		
12/31/2007	$32,746,912	$63,903,683	$17,088,688	$33,462,883		
6/30/2008	$22,751,837	$86,655,520	$22,564,326	$56,027,209		
12/31/2008	$21,085,311	$107,740,831	$26,039,551	$82,066,760		
6/30/2009	$9,548,177	$117,289,009	$15,989,796	$98,056,556		
12/31/2009			$8,406,326	$106,462,882		
6/30/2010			$5,993,338	$112,456,220		
12/31/2010			$147,889	$112,604,109		
6/30/2011			$67,175	$112,671,284		
12/31/2011			$64,193	$112,735,477		
6/30/2012			$58,119	$112,793,596		
12/31/2012			$11,389	$112,804,985		
6/30/2013			$47,138	$112,852,123		
12/31/2013			$39,992	$112,892,115		
6/30/2014					$555,974	$113,448,089
12/31/2014					$29,898	$113,477,987
6/30/2015[1]					$2,522,013[1]	$116,000,000[1]

Notes: [1] Includes contingency that may or may not be expended.
Source: NTTA Project Delivery

1.3 Summary

The LLTB project opened to traffic on August 1, 2009. There are two post-open-to-traffic projects to be funded with this project's bond proceeds and are planned for completion in 2014 as shown in **Figure 2**. These projects have an estimated cost of $2,173,000.

Figure 2: LLTB Post-Open-to-Traffic Project Schedules

		2013				2014			
Project	Estimated Cost	Jan-Mar	Apr - Jun	Jul - Sep	Oct-Dec	Jan-Mar	Apr - Jun	Jul - Sep	Oct-Dec
Bridge Aesthetic Lighting	$2,000,000								
Sand Stockpile Facility	$173,000								

Design Construction

2.0 Sam Rayburn Tollway, 13th Progress Update

2.1 Description

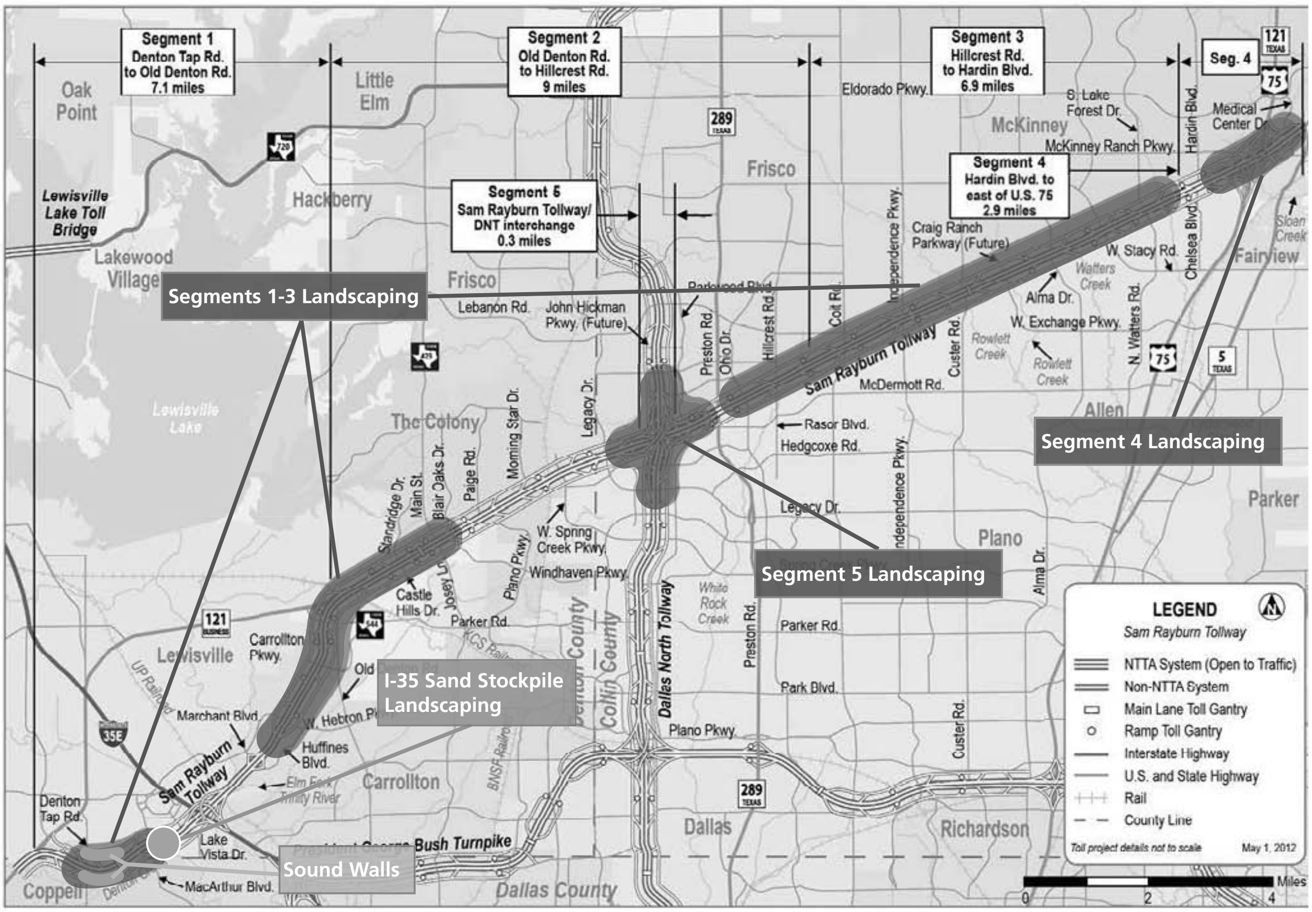
The Sam Rayburn Tollway project (SRT), extends about 26 miles from Business State Highway 121 (SH-121) in Denton County to U.S. Highway 75 (US 75) in Collin County. SRT became part of the NTTA system on September 1, 2008.

SRT is an all electronic toll collection facility consisting of six-lane controlled-access main lanes with frontage roads for nearly the entire roadway except between I-35W and Hebron Parkway.

SRT was divided into five sections for purposes of phasing, managing, and expediting the design and construction (refer to **Figure 3**). TxDOT was responsible for the design and construction of Segments 1 and 2. NTTA was responsible for the design and construction of Segments 3, 4 and 5.

The remaining projects to be funded by the project's bond proceeds include landscaping for segments 1–3, 4, and 5; the Woodland Mitigation Site; I-35 Sand Stockpile Landscaping; and Sound Wall completion. The locations of the walls are on SRT over Denton Creek.

Figure 3: SRT Project Location and Segments



Note: Woodland Mitigation Site not shown as it is located on surplus right-of-way near PGBT EE.

2.2 Financial

As required by Trust Agreement, this section provides the cost of the project and the draw schedule by 6-month increments. The current total estimated cost for all NTTA deliverables for SRT, exclusive of interest, financing, and an upfront acquisition payment, but including a contingency allocation, is $638,810,700. **Table 3** shows all expenditures through December 2013.

For purposes of assembling this report, the cutoff date for all financial information is December 31, 2013, while information in the narrative may include details as current as the report release date, February 14, 2014.

Table 3: Sam Rayburn Tollway Estimate of Project Costs at Completion

No.	Description	Engineer's Report Estimate, November 2007	Estimate at Completion Cost, as of December 2013	Actual Expenditures, as of December 2013
1	Segments 1 and 2	$14,163,718	$18,868,250	$18,868,250
2	Segment 3N[1]	$72,575,945	$64,011,520	$64,011,520
3	Segment 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	$208,600,549	$208,600,549
6	Segment 5	$92,843,188	$79,329,016	$79,329,016
7	Toll Gantries, Equipment[2]	$17,626,759	$12,545,051	$12,545,051
8	Construction Management	$33,138,619	$34,287,777	$34,285,724
9	Miscellaneous Construction[3]	$21,172,724	$56,309,812	$55,776,974
-	Reimbursement[4]	$-	$(14,080,104)	$(14,080,104)
Subtotal (1-9) Construction[5]		$464,458,346	$528,267,716	$527,732,825
10	Plans, Specifications, & Estimates[1]	$37,213,460	$57,167,364	$57,167,364
11	Administrative	$11,437,618	$31,877,384	$31,058,734
12	Other Agency Costs	$150,000	$450,215	$450,215
Subtotal (10-12) Engineering		$48,801,078	$89,494,964	$86,676,314
13	Project Contingency	$125,551,276	$21,048,021	See footnote 6
Project Total (1-13)[5]		$638,810,700	$638,810,700	$616,409,138

Notes: [1] An Interlocal Agreement (ILA) with the City of McKinney, City of Allen, and Collin County was approved to fund a change to the Exchange Parkway intersection to improve access to the SRT. A deductive change order was executed in the amount of $5.6M to remove the prior Exchange Parkway scope from the Segment 3N contract. A separate contract was create to address the revised requirements for the Exchange Parkway improvements; [2] The NTTA toll gantry standard was implemented in Segments 3-5 as per the NTTA Board of Directors Resolution dated November 2007; [3] The estimated miscellaneous construction costs include material testing, utility relocations, proposed right-of-way and easements, landscape and fiber optic cable installation. This cost also included $11.3M in right-of-way purchases reimbursed by TxDOT; [4] Includes the reimbursements from the City of McKinney, City of Allen, and Collin County for the Exchange Parkway improvements, reimbursement from City of Coppell for Segment 2 sound wall coatings, and reimbursements from Segment 4 third-party damages and TxDOT right-of-way reimbursements; [5] The amount shown above does not include bond discounts, interest during and after construction, and other financing costs and future capacity improvements for Segments 1-5 are not included; [6] Project contingency use above in items 1-12.

Source: NTTA Project Delivery

Table 3 also shows a summary of the engineer's estimate as of November 2007 as well as the current estimated cost at completion. The total project cost includes engineering, legal and administrative, materials testing, and utility relocation costs that are the NTTA's responsibility.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages, or 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 Atkins' professional judgment of the construction industry; it is our belief that the SRT including the active projects can be constructed within the limits described for the estimated cost given herein.

However, due to the nature of the construction industry, Atkins cannot 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, material or equipment costs, contractors' methods of determining bid prices, competitive bidding, market or negotiating conditions. The estimate of construction costs given in this progress report will be monitored as work progresses.

The estimated semi-annual amount of funds (Draw Schedule) required for the projected period of construction necessary to meet the cost of the SRT Project, including funds allocated for project contingencies, is shown in **Table 4.**

Table 4: SRT Draw Schedule

Period Ending	Original Semi-Annual Estimate, Dec. 2007	Original Cumulative Estimate, Dec. 2007	Semi-Annual Actual, Dec. 2013	Cumulative Actual, Dec. 2013	Semi-Annual Estimate, Dec. 2013[1]	Cumulative Estimate, Dec. 2013[1]
12/31/2007	$12,804,925	$12,804,925	$12,804,925	$12,804,925		
6/30/2008	$66,689,438	$79,494,363	$41,070,815	$53,875,740		
12/31/2008	$84,918,350	$164,412,713	$102,075,318	$155,951,059		
6/30/2009	$103,636,169	$268,048,882	$128,276,304	$284,227,363		
12/31/2009	$106,341,227	$374,390,109	$74,454,634	$358,681,997		
6/30/2010	$125,468,501	$499,858,610	$55,111,412	$413,793,409		
12/31/2010	$56,476,173	$556,334,783	$86,008,900	$499,802,309		
6/30/2011	$31,527,887	$587,862,670	$44,459,339	$544,261,648		
12/31/2011	$25,383,916	$613,246,586	$36,136,206	$580,397,854		
6/30/2012	$11,432,366	$624,678,952	$10,018,852	$590,416,706		
12/31/2012	$8,041,313	$632,720,265	$17,753,349	$608,170,055		
6/30/2013	$6,090,435	$638,810,700	$3,718,894	$611,888,949		
12/31/2013			$4,520,190	$616,409,139		
6/30/2014					$738,223	$617,147,362
12/31/2014					$214,846	$617,362,208
6/30/2015[1]					$21,448,492[1]	$638,810,700[1]

Notes: [1] Includes contingency that may or may not be expended.
Source: NTTA Project Delivery

2.3 Summary

The SRT project was opened to traffic in phases between July 2006 and November 2011. The NTTA service commencement on Segments 1 and 2 occurred September 2008.

There are six post-open-to-traffic projects to be funded with this project's bond proceeds. All of these projects, except the Sound Wall Completion Project, are planned to be complete in 2015 as shown in **Figure 4**. These projects have an estimated cost of $8,820,000.

Figure 4: SRT Post-Open-to-Traffic Project Schedules

		2013				2014				2015
Project	Estimated Cost	Jan-Mar	Apr - Jun	Jul - Sep	Oct-Dec	Jan-Mar	Apr - Jun	Jul - Sep	Oct-Dec	Jan-Mar
Segments 1-3 Landscaping	$4,800,000									
Segment 4 Landscaping	$1,650,000									
Segment 5 Landscaping	$1,500,000									
Woodland Mitigation Site	$275,000									
I-35 Sand Stockpile Landscaping	$95,000									
Sound Wall Construction	$500,000									

Design Construction Maintenance

3.0 President George Bush Turnpike Eastern Extension, 11th Progress Update

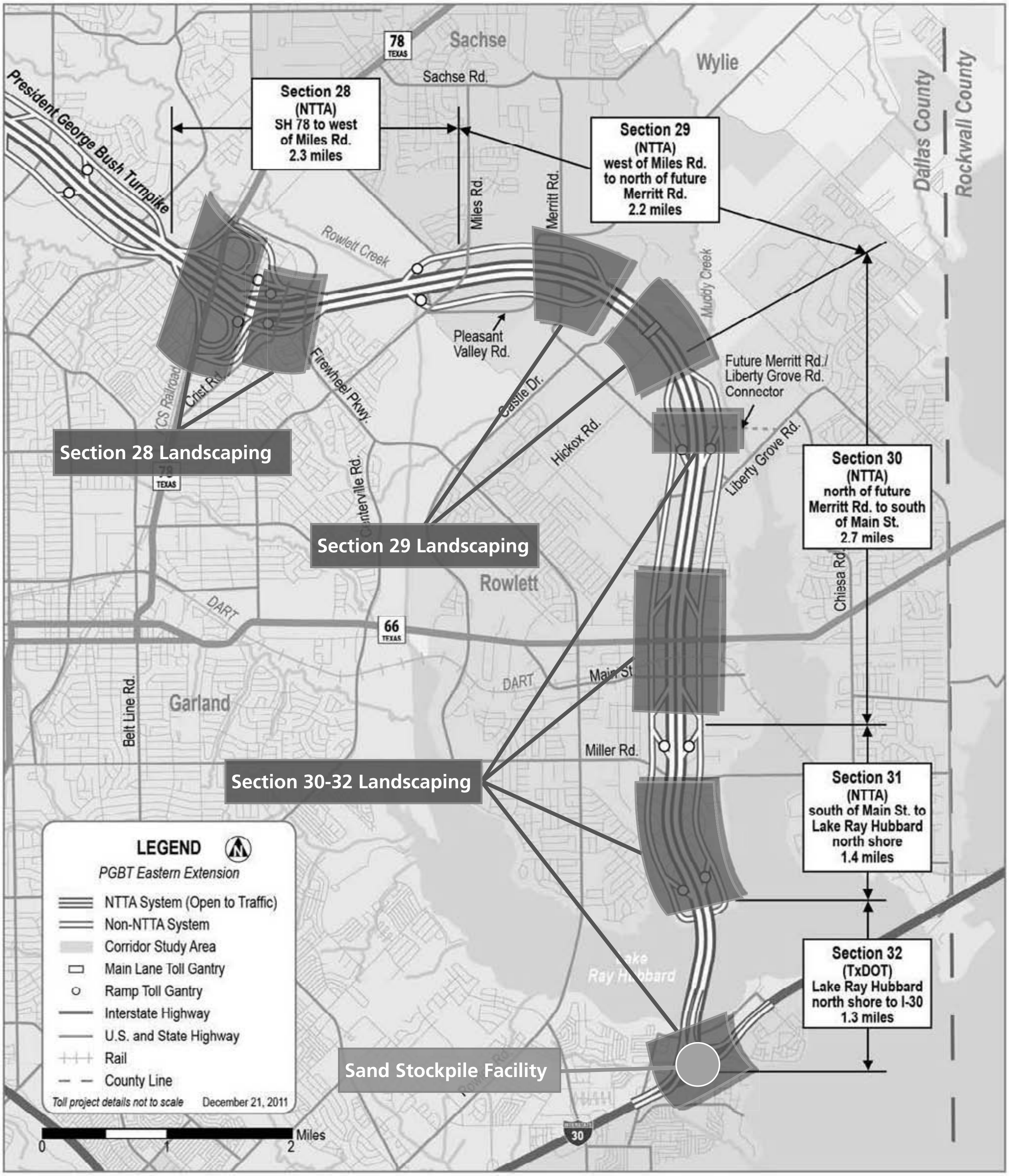
3.1 Description

The President George Bush Turnpike, Eastern Extension project (PGBT EE), extended the PGBT about 9.9 miles east from State Highway 78 (SH-78) in Garland to Interstate 30. The entire PGBT EE is located in Dallas County. PGBT EE is an all electronic toll collection facility consisting of six-lane controlled-access main lanes.

PGBT EE was divided into five sections for purposes of phasing, managing, and expediting the design and construction (refer to **Figure 5**). NTTA was responsible for the design and construction of Sections 28, 29, 30, and 31. TxDOT was responsible for the design and construction of Section 32.

The remaining projects to be funded by the project's bond proceeds include landscaping for segments 28, 29, and 30-32 and to construct a sand stockpile facility near I-30.

Figure 5: PGBT EE Project Location and Sections



3.2 Financial

As required by Trust Agreement, this section provides the cost of the project and the draw schedule by 6-month increments. The current total estimated cost for all NTTA deliverables for PGBT EE, exclusive of interest, financing, and an upfront acquisition payment, but including a contingency allocation, is $621,017,100. **Table 5** shows all expenditures through December 2013.

For purposes of assembling this report, the cutoff date for all financial information is December 31, 2013, while information in the narrative may include details as current as the report release date, February 14, 2014.

Table 5 also shows a summary of the engineer's estimate as of August 2008 as well as the current estimated cost at completion. The total project

Table 5: PGBT EE Estimate of Project Costs at Completion

No.	Description	Engineer's Report Estimate, Aug. 2008	Estimate at Completion Cost, as of Dec. 2013	Actual Expenditures, as of Dec. 2013
1	Section 28	$124,785,106	$116,136,082	$116,136,082
2	Section 29	$86,658,563	$59,698,501	$59,698,501
3	Section 30	$160,936,511	$128,093,058	$127,710,226
4	Section 31	$65,980,548	$57,978,724	$57,978,724
5	Toll and ITS Equipment[1]	$9,817,500	$3,931,154	$3,931,154
6	Construction Management	$31,371,535	$23,182,805	$23,133,644
7	Miscellaneous Construction[3]	$8,235,919	$11,263,826	$10,690,439
Subtotal (1·9) Construction		$487,785,682	$400,284,150	$399,278,770
8	Plans, Specifications & Estimates and Administration	$30,367,525	$52,363,787	$51,997,859
9	ROW Acquisition and Utility Relocations	$166,844,730	$124,492,679	$124,491,184
10	Other Agency Costs	$11,095,916	$2,842,020	$2,815,237
Subtotal (10-12) Engineering		$208,308,171	$179,698,486	$179,304,280
11	Project Contingency	$92,643,362	$25,566,074	See footnote 6
Project Subtotal (1-11)[3]		$788,737,215	$605,548,710	$578,583,050
12	Section 32 (TxDOT)[4]	$251,014,339	$228,951,290	
Project Total (1-12)[5]		$ 1,039,751,554	$834,500,000	

Notes: [1] The cost of the toll gantries and ITS infrastructure construction is included within the construction cost of each section; [2] The estimated miscellaneous construction costs include material testing and other special features; [3] A Toll Equity Grant in the amount of $160M has been supplied by TxDOT to be used primarily for right-of-way acquisitions, utility relocations, or any other costs for the Project agreed to mutually between TxDOT and the NTTA. The City of Rowlett reimbursed the NTTA for $788,000 of requested design and construction accommodations. In additional to these enhancements, the City of Rowlett requested utility betterments in the amount of $3,376,851, which are to be reimbursed to the NTTA; [4] Under the two-party agreement, TxDOT is responsible for the design, construction and construction management of Section 32; [5] The amount shown above does not include bond discounts, interest during and after construction, and other financing costs; [6] Project contingency used above in items 1-10.

Source: NTTA Project Delivery

cost includes engineering, legal and administrative, materials testing, and utility relocation costs that are the NTTA's responsibility.

Several factors, including unforeseen escalation of prices and wages, labor or material shortages, or 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 Atkins' professional judgment of the construction industry; it is our belief that the PGBT EE including the active and planned projects can be constructed within the limits described, for the estimated cost given herein. However, due to the nature of the construction industry, Atkins cannot 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, material or equipment costs, contractors' methods of determining bid prices, competitive bidding, market or negotiating conditions. The estimate of construction costs given in this progress report will be monitored as work progresses.

The estimated semi-annual amount of funds (Draw Schedule) required for the projected period of construction necessary to meet the cost of the PGBT EE Project, including funds allocated for project contingencies, is shown in **Table 6**.

Table 6: PGBT EE Draw Schedule

Period Ending	Original Semi-Annual Estimate, Dec 2008	Original Cumulative Estimate, Dec 2008	Semi-Annual Actual, Dec. 2013	Cumulative Actual, Dec. 2013	Semi-Annual Estimate, Dec. 2013[2]	Cumulative Estimate, Dec. 2013[2]
6/30/2005[1]	$4,582,276	$ 4,582,276	$4,582,276	$4,582,276		
12/31/2005[1]	$9,708,328	$14,290,604	$9,708,328	$14,290,604		
6/30/2006[1]	$2,043,202	$16,333,806	$2,043,202	$16,333,806		
12/31/2006[1]	$164,407	$16,498,212	$164,407	$16,498,212		
6/30/2007[1]	$298,728	$16,796,941	$298,728	$16,796,941		
12/31/2007[1]	$39,736	$16,836,677	$39,736	$16,836,677		
6/30/2008[1]	$0	$16,836,677	$0	$16,836,677		
12/31/2008	$124,031,352	$140,868,029	$124,031,352	$140,868,029		
6/30/2009	$120,169,173	$261,037,203	$106,566,929	$247,434,959		
12/31/2009	$ 77,128,238	$338,165,441	$56,003,487	$303,438,446		
6/30/2010	$127,802,395	$465,967,836	$65,227,194	$368,665,639		
12/31/2010	$56,109,695	$522,077,531	$65,204,966	$433,870,604		
6/30/2011	$51,948,261	$574,025,791	$43,065,165	$476,935,769		
12/31/2011	$47,803,671	$621,829,462	$69,367,404	$546,303,173		
6/30/2012	$166,907,753	$788,737,215	$20,093,906	$566,397,080		
12/31/2012			$6,527,971	$572,925,051		
6/30/2013			$2,709,286	$575,634,337		
12/31/2013			$2,948,713	$578,583,050		
6/30/2014					$9,998,086	$588,581,136
12/31/2014					$2,422,695	$591,003,831
6/30/2015[2]					$14,544,880[2]	$605,548,710[2]

Notes: [1] In 2005, the NTTA initiated the construction of the frontage roads from SH 78 to Firewheel Parkway. Construction was completed by June 30, 2008; [2] Includes contingency that may or may not be expended.

Source: NTTA Project Delivery

3.3 Summary

The PGBT EE project was opened to traffic on December 21, 2011. There are four post-open-to-traffic projects to be funded with this project's bond proceeds and planned to be complete in 2015 as shown in **Figure 6**. These projects have an estimated cost of $4,150,000.

Figure 6: PGBT EE Post-Open-to-Traffic Project Schedules

		2013				2014				2015	
Project	Estimated Cost	Jan-Mar	Apr - Jun	Jul - Sep	Oct-Dec	Jan-Mar	Apr - Jun	Jul - Sep	Oct-Dec	Jan-Mar	Apr-Jun
Section 28 Landscaping	$800,000										
Section 29 Landscaping	$750,000										
Sections 30-32 Landscaping	$1,400,000										
Sand Stockpile Facility	$1,200,000										

Design Construction Maintenance

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE TRUST AGREEMENT

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 to date (the "*Trust Agreement*"). This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Resolution and the Trust Agreement. Copies of the Resolution and the Trust Agreement are available for examination at the offices of 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 Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq., in such securities is created for the benefit of the Trustee,

(4) the repurchase agreement has a term of six months or less, or 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, the Series 2008F Bonds, and the Additional 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;

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

"*Consulting Engineers*" – the consulting civil engineer or engineering firm or corporation employed by 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

(1) 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;

"*Daily Mode*" – the mode in which the interest rate on any Series 2011A Bonds is set at the Daily Rate pursuant to Section 203(B) of the resolution;

"*Daily Rate*" – the rate of interest that is set on any Series 2011A Bonds by the Remarketing Agent while the Series 2011A Bonds are in the Daily Mode;

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

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

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

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

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

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

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

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

"*Effective Date*" – with respect to a bond in the Daily, Flexible, Weekly, Monthly, Quarterly, Semiannual, and Multiannual Modes, the date on which a new Interest Rate Period for that bond takes effect;

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

"*Existing Bonds*" – As of the 2014 Conversion Date, the 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 Amended and Restated Letter of Credit and Reimbursement Agreement entered into between the Authority and JPMorgan Chase Bank, National Association relating to the Series 2009D Bonds, and the Payment Obligations of the Authority under the ISDA Master Agreements entered into between the Authority and each of JPMorgan Chase Bank, N.A. and Citibank N.A., New York, with an aggregate notional amount of $178,290,000;

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

"*First Tier Bonds*" – unless otherwise specifically stated, all Existing Bonds, including the related Credit Agreements, and any bond, bonds, note, notes, other obligation or obligations, including any First Tier Credit Agreement, issued, incurred or entered into pursuant to the 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;

"*Fixed Rate Conversion Date*" – with respect to Series 2011A Bonds, the date upon which the Fixed Rate first becomes effective for the Series 2011A Bonds;

"*Fixed Rate Mode*" – the mode in which the interest rate on any Series 2011A Bonds is fixed from the Fixed Rate Conversion Date until the maturity date of the Series 2011A Bonds;

"*Flexible Mode*" – the mode in which the interest rate on any Series 2011A Bonds is set at the Flexible Rate;

"*Flexible Rate*" – a rate of interest on any Series 2011A Bonds in the Flexible Mode set by the Remarketing Agent pursuant to Section 203(A) of the Resolution for periods from 1 to 270 days;

"*Monthly Mode*" – the mode in which the interest rate on any Series 2011A Bonds is set at the Monthly Rate pursuant to Section 203(D) of the Resolution;

"*Monthly Rate*" – the rate of interest that is set on any Series 2011A Bonds while the Series 2011A Bonds are in the Monthly Mode pursuant to Section 203(A) of the Resolution;

"*Multiannual Mode*" – the mode in which the interest rate on any Series 2011A Bonds is fixed for periods of one year or whole multiples thereof designated by the Board Representative;

"*Multiannual Rate*" – the rate of interest that is set on any Series 2011A Bonds while the Series 2011A Bonds are in the Multiannual Mode pursuant to Section 203(G) of the Resolution;

"*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;

"*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;

"*Quarterly Mode*" – the mode in which the interest rate on any Series 2011A Bonds is set at the Quarterly Rate;

"*Quarterly Rate*" – the rate of interest that is set on any bonds while the Series 2011A Bonds are in the Quarterly Mode pursuant to Section 203(E) of the Resolution;

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

"*Registrar*" – the Trustee;

"Remarketing Agent" – the remarketing agent or remarketing agents designated by the Board Representative in accordance with the resolution.

"*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;

"*Semiannual Mode*" – the mode in which the interest rate on any Series 2011A Bonds is set at the Semiannual Rate;

"*Semiannual Rate*" – the rate of interest that is set on any Series 2011A Bonds while the Series 2011A Bonds are in the Semiannual Mode pursuant to Section 203(F) of the Resolution;

"*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 Index*" or "*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;

"*Variable Rate Demand Bonds*" – bonds in the in the Daily Mode, the Flexible Mode, the Weekly Mode, the Monthly Mode, the Quarterly Mode, the Semiannual Mode or the Multiannual Mode;

"*Weekly Mode*" – the mode in which the interest rate on any Series 2011A Bonds is set at the Weekly Rate; and

"*Weekly Rate*" – the rate of interest that is set on any Series 2011A Bonds while the Series 2011A Bonds are in the Weekly Mode pursuant to Section 203(C) of the Resolution.

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 has covenanted that all payments for maintenance, repair and operation in any Fiscal Year will not exceed the reasonable and necessary amount required therefor, and that it will not expend any amount or incur any obligations for maintenance, repair, and operation in excess of the amounts provided for Current Expenses in the Annual Budget, or amended or supplemental Annual Budget, except as provided in the Trust Agreement and except amounts payable from the Reserve Maintenance Fund and Capital Improvement Fund. Nothing described herein limits the amount which 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.

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).

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 Tier Bond or Third Tier Bond will not constitute an Event of Default with respect to First Tier Bonds. A payment default under paragraphs (a) or (b) above with respect to a Third Tier Bond will not constitute an Event of Default with respect to Second Tier Bonds.

Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified under the caption "*Events of Default*," then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty percent (20%) in principal amount of the bonds then Outstanding is required to proceed (subject to receiving adequate indemnity), to protect and enforce its rights and the rights of the bondholders under the Turnpike Act and under the Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained in the Trust Agreement or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights. Acceleration of the principal of or interest on the bonds upon the occurrence of an Event of Default is not a remedy available under the Trust Agreement and in no event may the Trustee, the owners or other parties have the ability, upon the occurrence of an Event of Default, to declare the principal of or interest on the bonds immediately due and payable.

In enforcing any remedy under the Trust Agreement the Trustee is entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from 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 2011A REMARKETED 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)]
2014	$ 113,518,839	$ 8,000,000	$ 105,518,839
2015	116,509,859	8,000,000	108,509,859
2016	128,908,096	8,000,000	120,908,096
2017	156,737,796	8,000,000	148,737,796
2018	142,117,969	9,000,000	133,117,969
2019	166,614,493	10,500,000	156,114,493
2020	195,167,945	12,250,000	182,917,945
2021	201,457,522	15,322,396	186,135,126
2022	237,768,618	15,322,396	222,446,222
2023	262,331,846	15,322,396	247,009,450
2024	288,798,885	15,322,396	273,476,489
2025	303,436,235	15,322,396	288,113,839
2026	335,951,772	15,322,396	320,629,376
2027	348,718,931	15,322,396	333,396,535
2028	370,531,044	15,322,396	355,208,648
2029	430,235,989	15,322,396	414,913,593

(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 Outstanding under the Trust Agreement less amounts, if any, deposited in Reserve Maintenance Fund and the Debt Service Reserve Accounts.

(3) See **"SOURCES OF PAYMENT AND SECURITY FOR THE 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 2011A

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 2014 Conversion Date for the Series 2011A Bonds, assuming no material changes in facts or law.

_____________, 2014

NORTH TEXAS TOLLWAY AUTHORITY SYSTEM
FIRST TIER VARIABLE RATE REVENUE REFUNDING BONDS, SERIES 2011A,
DATED JULY 7, 2011
$100,000,000

WE HAVE ACTED AS CO-BOND COUNSEL for the North Texas Tollway Authority (the "*Authority*") in connection with the remarketing of the Bonds described above (the "*Bonds*") following the initial variable rate mode. In our capacity as Co-Bond Counsel, we have examined (i) the resolution dated June 15, 2011 of the Board of Directors of the Authority (the "*Board*") authorizing the issuance and sale of the Bonds, as amended and supplemented by the resolution dated March 19, 2014 of the Board (as so amended and supplemented, the "*Bond Resolution*"), (ii) other pertinent instruments relating to the authorization, issuance, delivery, conversion and remarketing of the Bonds and (iii) 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. Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

IT IS 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. 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 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,

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NTTA

NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY AUTHORITY • SYSTEM FIRST TIER VARIABLE RATE REVENUE REFUNDING BONDS, SERIES 2011A