October 15, 2010

Ms. Janice Davis
Chief Financial Officer
North Texas Tollway Authority
5900 West Plano Parkway, Suite 100
Plano, TX 75093

Re: North Texas Tollway Authority System Traffic and Revenue Update

Dear Ms. Davis:

Pursuant to your recent request, Wilbur Smith Associates (WSA) is pleased to provide you with a letter update of the traffic and toll revenue estimates for the North Texas Tollway Authority System (NTTAS). It is our understanding that this letter update is intended to support the upcoming issuance of NTTAS bonds in late 2010. Currently, the NTTAS consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT), the President George Bush Turnpike Eastern Extension (PGBT EE), the Sam Rayburn Tollway (SRT), the Addison Airport Toll Tunnel (AATT), the Mountain Creek Lake Toll Bridge (MCLB) and the Lewisville Lake Toll Bridge (LLTB).

BACKGROUND AND ASSUMPTIONS

In July 2009, WSA prepared the North Texas Tollway Authority System Investment Grade Traffic and Toll Revenue Study (the "July 2009 Report"). The July 2009 Report incorporated the following:

- Revised economic outlook as a result of the recent recession
- Toll rate policy changes
  - Adoption of a new toll rate policy by the NTTA Board in July 2009
  - Alignment of scheduled toll increases across all facilities
- Changes to NTTA project schedules
  - NTTAS roadway openings
  - All Electronic Toll Collection ("All-ETC") implementation
  - Capital improvements
  - Roadway expansions
- Adoption of a new regional Mobility Plan by the North Central Texas Council of Governments (NCTCOG)
  - An update in 2009 to the Mobility 2030 Plan ("MTP 2030–2009 Amendment")
- Validated travel demand models to take into account the traffic and revenue recovery trends on the NTTAS through mid-2009

4925 Greenville Avenue, Suite 1300, Dallas, Texas 75206-4085
P 214-890-4460, *F* 214-890-7521 www.WilburSmith.com

Since the completion of the July 2009 Report, there have been no changes in assumptions related to NTTA's toll rate policy and the regional Mobility Plan. It should be noted that NCTCOG is currently in the process of developing a new regional Mobility Plan, which is expected to be adopted in the spring of 2011. However, the following material events have occurred, and the following new information is available:

- Opening of the LLTB on August 1, 2009
- Opening of the President George Bush Turnpike Western Extension (PGBT WE) Phase 2 mainlanes between SH 183 and Egyptian Way on August 2, 2009
- Increase in speed limits across various sections of the NTTAS starting late August 2009
- System-wide increase of toll rates was implemented on September 1, 2009
- Opening of SRT Segment 3S on September 1, 2009 and SRT Segment 3N on September 29, 2009
- Opening of PGBT WE Phase 3 mainlanes beginning April 10, 2010
- TollTag/ZipCash transaction distribution assumption changes
- Revenue recovery assumption changes
- Audited NTTA comprehensive annual financial report for the 2009 fiscal year
- Traffic and revenue forecasting model validation adjustments related to opening of new facilities, toll rate increases in 2009 and recent trends
- All-ETC schedule changes
    - Conversion of DNT (except Wycliff mainlane gantry), MCLB and AATT to all-ETC starting December 11, 2010 as opposed to July 1, 2011
- Expected delay in opening of PGBT EE mainlanes in late December 2011 as opposed to early December 2011
- Expected delay in opening of Valwood Parkway toll ramps on PGBT from January 2012 to January 2018
- Completion of LLTB approach roadway expansions is expected to be delayed from December 2012 to December 2013
- Improvements along DNT between SRT and PGBT starting December 31, 2015 instead of January 1, 2015
- Plano Parkway ramps on DNT are assumed to be tolled starting July 1, 2015 as opposed to January 1, 2015
- Expected delay in opening of the DNT Phase 4A mainlanes between US 380 and FM 428 from January 1, 2015 to January 1, 2020
- Opening of County Road 24 toll ramps on DNT is expected to be delayed from January 1, 2015 to January 1, 2020

In April 2010, WSA provided NTTA with a letter update (the "April 2010 Update") relating to the traffic and toll revenue of the NTTAS. Based upon the review of all pertinent assumptions supporting the July 2009 Report, it was concluded in the April 2010 Update that the July 2009 Report was still valid. In addition, the April 2010 Update concluded that the net effect of the changes to various input assumptions would not cause any material impact to the NTTAS traffic and revenue estimates included in the July 2009 Report.

VALIDITY OF THE JULY 2009 REPORT

Underlying Demographic Forecasts

- The underlying demographic forecasts remain the same as presented in the July 2009 Report. Three independent economists were retained by WSA to review and revise NCTCOG's official demographic forecasts approved in 2003 along various DFW toll road corridors. The July 2009 Report utilized a "revised-lag" set of demographics encompassing revisions from prior analyses as well as employing a lagging effect of some of the projected population and employment growth due to the recent recession. WSA feels that no additional modifications are required to the "revised-lag" forecasts, and thus they are deemed valid for continued use.

Underlying Economic Climate

- Recently the National Bureau of Economic Research (NBER) announced that the nation-wide recession that started in December 2007 ended in June 2009 and that recovery began in that month. Economic conditions appear to be improving after a noticeable stabilization in the latter part of 2009. As can be seen in Figure 1, the actual annualized percentage change in the national Gross Domestic Product (GDP) was positive in the third quarter of 2009 through the second quarter of 2010. WSA tracks the monthly Economic Forecasting Surveys published by The Wall Street Journal (WSJ), and shown in Figure 1 are the average GDP change forecasts made in the WSJ Economic Forecasting Surveys dated January, March, May, July and September 2010. Positive growth in GDP is forecasted for the last two quarters of 2010 and the first two quarters of 2011. However, it should be noted that these near-term forecasts have been progressively revised slightly downwards starting from the WSJ Economic Forecasting Survey released in May 2010.
- Texas continues to experience a relatively smaller impact from the recent recession and seems to be on a faster track for recovery than many other parts of the country. Economists have referred to this as the "last in-first out" effect. Within Texas, the DFW area remains one of the strongest regional economies continuing to show modest recovery in areas such as job growth and home prices.
- Figures 2 and 3 show that the DFW area is performing much better than the rest of the nation in terms of unemployment rates and employment growth. Signs that the DFW economy is under recovery have provided assurance that the lagging effect of the growth assumed in the July 2009 Report remains a valid assumption.

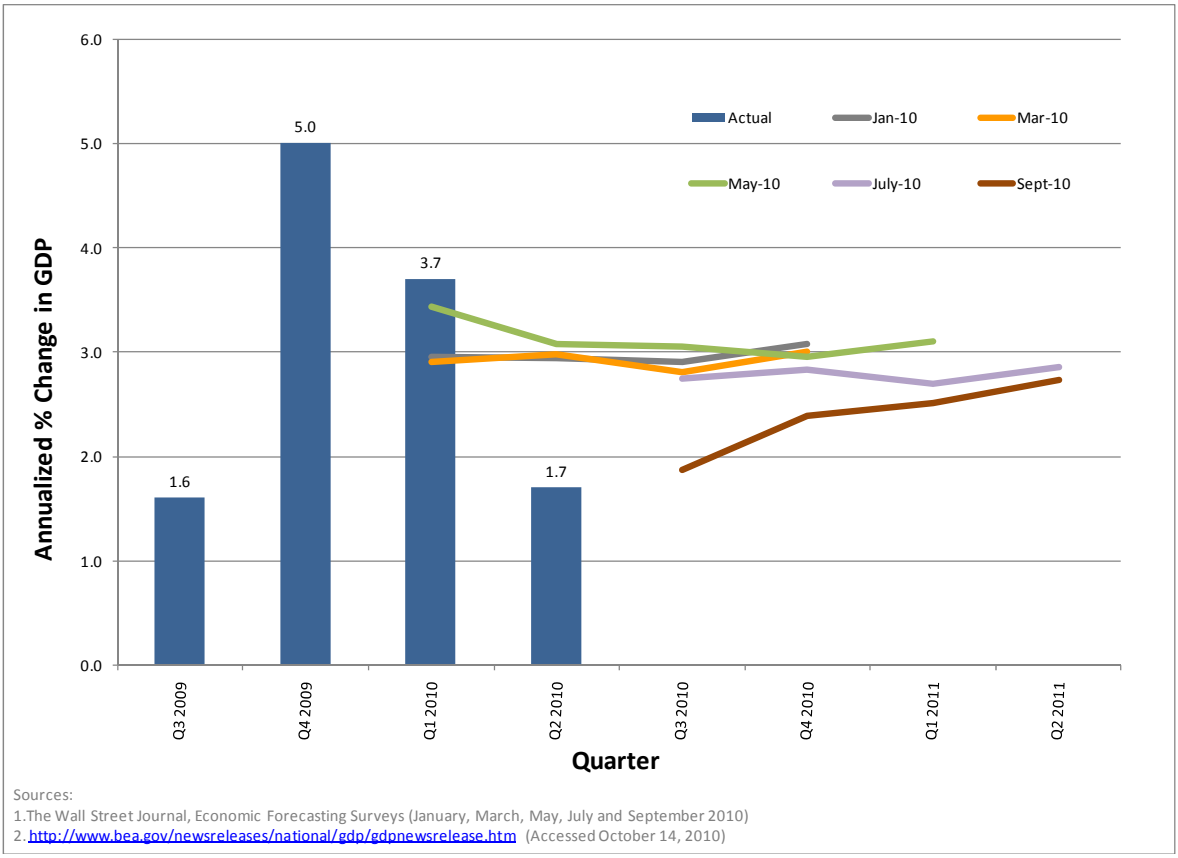


Figure 1: GDP Growth Comparisons

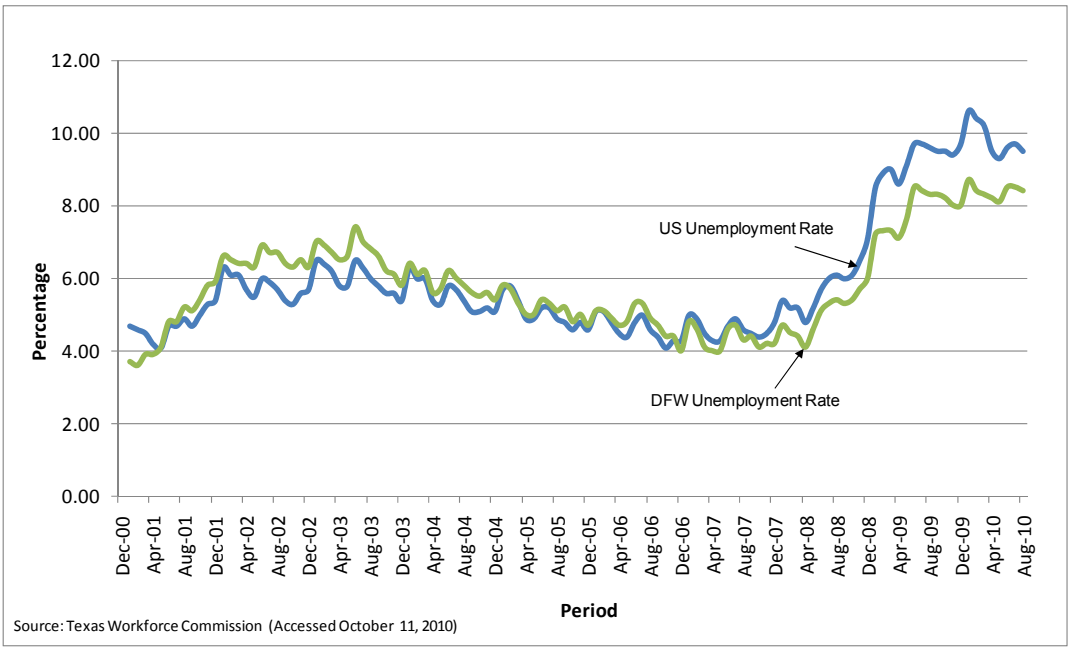


Figure 2: Unemployment Rate Comparisons

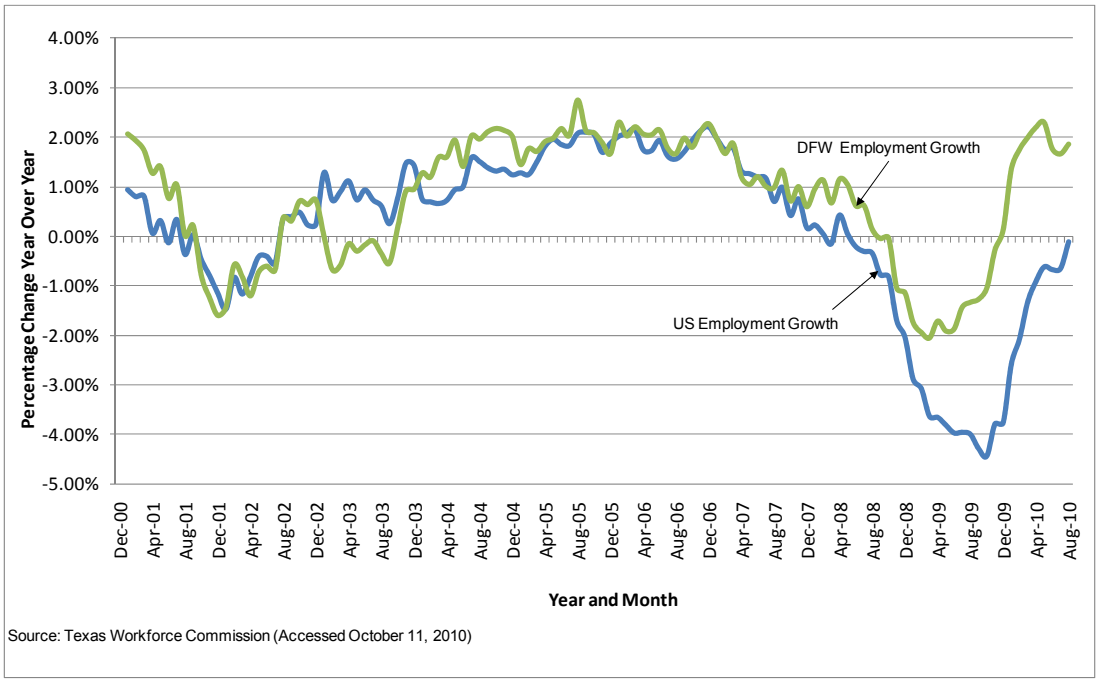


Figure 3: Employment Growth Comparisons

Recent Traffic Patterns and Characteristics

- Table 1 shows the monthly transactions for the DNT, PGBT, SRT and NTTAS from January 2006 through September 2010. SRT transactions are included from September 2008. As can be seen, the drop in DNT transactions in early 2009 is mostly due to the recent economic downturn. The reduction in transactions seen in the latter part of 2009 is attributable to the NTTAS toll rate increases that went into effect in September 2009. There was a decrease in PGBT transactions starting in mid-2008 through mid-2009 mostly attributable to the recent economic downturn and the opening in late 2008 of the SRT Segment 2 mainlanes, which compete with sections of the PGBT. The opening in August 2009 of the PGBT WE Phase 2 mainlanes is helping the growth of PGBT transactions, especially in the western-most sections. The drop in transactions seen in January and February 2010 is attributable to the unusually severe weather events in those months. DNT transactions in 2010 through September were lower than the corresponding transactions in 2009 by 0.6 percent, while PGBT transactions through September 2010 have exceeded corresponding transactions in 2009 by 3.1 percent. Transactions on the SRT continue to show ramp-up, with 2010 transactions being 33.4 percent greater than transactions in 2009. NTTAS transactions in 2010 are 6.2 percent greater than transactions in 2009.

Dallas North Tollway

Month	2006 Transactions (in millions)	Percent Change	2007 Transactions (in millions)	Percent Change	2008 Transactions (in millions)	Percent Change	2009 Transactions (in millions)	Percent Change	2010 Transactions (in millions)
January	15.8	*(7.0)*	14.7	*16.2*	17.1	*(3.7)*	16.5	*(1.5)*	16.2
February	14.5	*1.0*	14.7	*14.3*	16.8	*(3.7)*	16.2	*(4.9)*	15.4
March	16.7	*(0.3)*	16.7	*3.9*	17.3	*0.9*	17.5	*1.5*	17.8
April	15.9	*0.6*	16.0	*10.8*	17.8	*(1.0)*	17.6	*0.2*	17.6
May	16.6	*1.3*	16.8	*6.6*	17.9	*(1.1)*	17.7	*(1.0)*	17.5
June	16.2	*(0.7)*	16.1	*6.9*	17.2	*2.6*	17.6	*(1.0)*	17.4
July	15.4	*4.5*	16.1	*8.4*	17.4	*0.2*	17.5	*(1.5)*	17.2
August	16.4	*3.3*	16.9	*2.8*	17.4	*0.4*	17.5	*0.3*	17.5
September	15.4	*1.5*	15.7	*7.1*	16.8	*(1.8)*	16.5	*2.0*	16.8
October	16.2	*10.9*	17.9	*1.2*	18.1	*(4.2)*	17.4	--	--
November	15.1	*10.8*	16.8	*(3.4)*	16.2	*(0.3)*	16.2	--	--
December	15.7	*8.1*	17.0	*1.5*	17.3	*(1.5)*	17.0	--	--
Total	190.0	*2.8*	195.4	*6.1*	207.3	*(1.1)*	205.0	--	--
Jan.-Sep. (2009-2010)							154.5	*(0.6)*	153.5

President George Bush Turnpike

Month	2006 Transactions (in millions)	Percent Change	2007 Transactions (in millions)	Percent Change	2008 Transactions (in millions)	Percent Change	2009 Transactions (in millions)	Percent Change	2010 Transactions (in millions)
January	14.0	*(1.2)*	13.9	*8.6*	15.1	*(8.4)*	13.8	*0.7*	13.9
February	13.1	*5.3*	13.8	*7.5*	14.8	*(8.8)*	13.5	*(2.2)*	13.2
March	15.2	*2.8*	15.7	*(2.7)*	15.2	*(2.9)*	14.8	*4.8*	15.5
April	14.6	*4.4*	15.3	*3.2*	15.7	*(5.8)*	14.8	*4.4*	15.5
May	15.4	*4.4*	16.1	*(1.4)*	15.8	*(5.8)*	14.9	*4.4*	15.6
June	15.1	*3.5*	15.6	*(2.3)*	15.2	*(1.3)*	15.0	*3.1*	15.5
July	14.4	*7.5*	15.5	*(0.9)*	15.4	*(2.9)*	15.0	*2.7*	15.4
August	15.4	*7.3*	16.5	*(7.7)*	15.3	*(0.7)*	15.1	*4.3*	15.8
September	14.5	*4.0*	15.1	*(3.1)*	14.6	*(0.8)*	14.5	*4.8*	15.2
October	15.1	*5.9*	16.0	*(3.8)*	15.4	*(1.3)*	15.2	--	--
November	14.2	*4.9*	14.9	*(7.9)*	13.7	*3.2*	14.2	--	--
December	14.4	*1.8*	14.7	*(1.9)*	14.4	*0.4*	14.5	--	--
Total	175.5	*4.2*	182.9	*(1.2)*	180.7	*(3.0)*	175.3	--	--
Jan.-Sep. (2009-2010)							131.4	*3.1*	135.5

Sam Rayburn Tollway

Month	2006 Transactions (in millions)	Percent Change	2007 Transactions (in millions)	Percent Change	2008 Transactions (in millions)	Percent Change	2009 Transactions (in millions)	Percent Change	2010 Transactions (in millions)
January	--	--	--	--	--	--	4.7	*37.2*	6.5
February	--	--	--	--	--	--	4.6	*32.1*	6.1
March	--	--	--	--	--	--	5.2	*38.5*	7.3
April	--	--	--	--	--	--	5.4	*35.3*	7.3
May	--	--	--	--	--	--	5.6	*38.3*	7.7
June	--	--	--	--	--	--	5.8	*32.5*	7.7
July	--	--	--	--	--	--	6.0	*30.5*	7.8
August	--	--	--	--	--	--	5.9	*33.8*	7.9
September	--	--	--	--	4.6	*30.2*	6.0	*23.9*	7.5
October	--	--	--	--	4.9	*35.2*	6.7	--	--
November	--	--	--	--	4.7	*42.2*	6.6	--	--
December	--	--	--	--	5.0	*38.4*	6.9	--	--
Total	--	--	--	--	19.2	--	69.5	--	--
Sept.-Dec. (2008-2009)					19.2	*36.5*	26.2	--	--
Jan.-Sep. (2009-2010)							49.3	*33.4*	65.8

NTTA System[9]

Month	2006 Transactions (in millions)	Percent Change	2007[1] Transactions (in millions)	Percent Change	2008[2] Transactions (in millions)	Percent Change	2009[3,4,5,6,7] Transactions (in millions)	Percent Change	2010[8] Transactions (in millions)
January	30.3	*(4.3)*	29.0	*12.3*	32.6	*8.7*	35.4	*5.0*	37.2
February	28.0	*3.0*	28.9	*10.9*	32.0	*8.5*	34.7	*1.5*	35.2
March	32.4	*1.2*	32.8	*0.5*	33.0	*15.1*	37.9	*8.4*	41.1
April	31.0	*2.5*	31.8	*7.0*	34.0	*12.7*	38.3	*7.3*	41.1
May	32.4	*2.9*	33.3	*2.6*	34.2	*12.9*	38.6	*7.2*	41.4
June	31.6	*1.5*	32.1	*2.2*	32.8	*18.5*	38.9	*6.1*	41.3
July	30.2	*6.1*	32.1	*3.7*	33.3	*16.7*	38.8	*5.6*	41.0
August	32.2	*5.2*	33.9	*(2.4)*	33.1	*18.3*	39.2	*7.0*	41.9
September	30.4	*2.5*	31.1	*17.1*	36.5	*3.1*	37.6	*6.7*	40.1
October	31.8	*8.2*	34.4	*13.3*	38.9	*2.4*	39.8	--	--
November	29.8	*7.8*	32.1	*9.1*	35.0	*7.2*	37.5	--	--
December	30.6	*4.9*	32.1	*15.5*	37.0	*5.1*	38.9	--	--
Total	370.7	*3.5*	383.5	*7.5*	412.3	*10.5*	455.7	--	--
Jan.-Sep. (2009-2010)							339.4	*6.2*	360.3

(1) DNT Phase 3 opened to traffic at the end of September 2007. Toll Rates on the NTTA System were increased at that time.
(2) Sam Rayburn Tollway Segment 2 opened to traffic on August 31, 2008.
(3) LLTB opened to traffic on August 1, 2009.
(4) PGBT WE Phase 2 mainlanes between SH 183 and Egyptian Way opened to traffic on August 2, 2009.
(5) Speed-limits increases on various sections of System were implemented starting late August 2009.
(6) System-wide toll rates increase implemented on September 1, 2009.
(7) SRT segment 3S opened to traffic on September 1, 2009 and SRT segment 3N opened to traffic on September 29, 2009.
(8) Opening of PGBT WE Phase 3 mainlanes beginning April 10, 2010.
(9) NTTA System transactions include transactions on DNT, PGBT, SRT, AATT, MCLB and LLTB.
SOURCE: North Texas Tollway Authority (unaudited numbers)

Table 1: Monthly Transaction Trends

- Figure 4 shows the recorded NTTAS monthly transactions in comparison to the estimates in the July 2009 Report. As mentioned earlier, NTTAS transactions were negatively impacted due to extreme weather events in January and February 2010. Since then, the transactions have tracked closely with the projections. The actual number of transactions from July 2009 through September 2010 recorded on the NTTAS were greater than the forecasts made in the July 2009 Report by about 1.6 percent. The actual number of transactions from January through September 2010 recorded on the NTTAS were lower than the forecasts made in the July 2009 Report by about 0.8 percent.

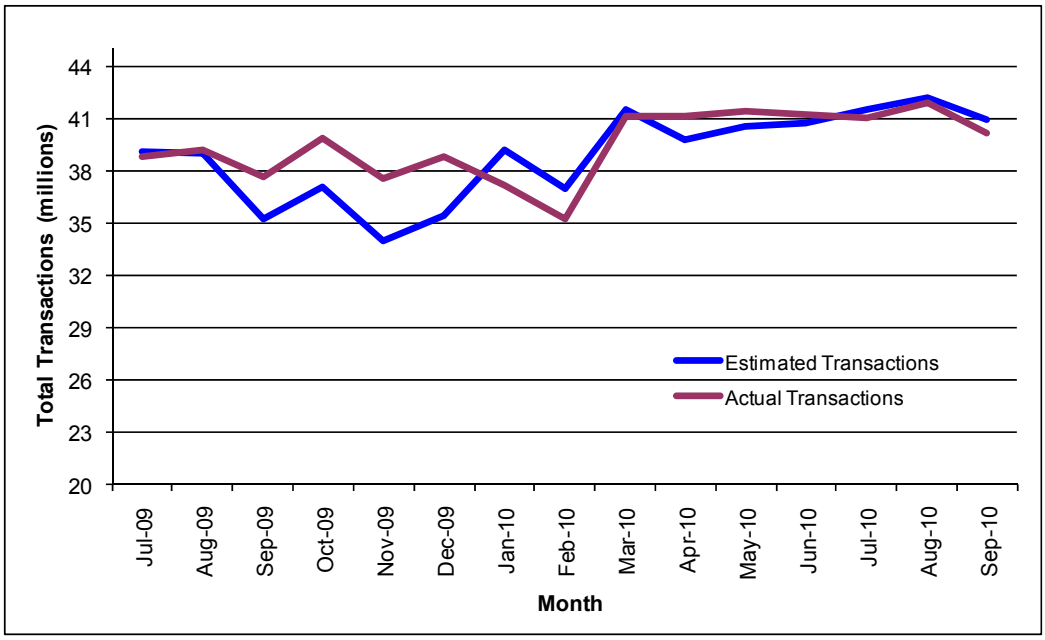


Figure 4: Actual vs. Estimated NTTAS Transactions

UPDATED NTTAS TRAFFIC AND REVENUE ESTIMATES

Based upon the review of all pertinent assumptions supporting the July 2009 Report and the analysis based on the new information available to date and as described earlier in this letter, minor adjustments to the NTTAS T&R estimates were made. Table 2 shows the updated NTTAS T&R estimates from 2010 through 2062. The updated transaction estimates for 2010, 2011, 2015, and 2020 are lower than the corresponding year estimates in the July 2009 Report by 0.5 percent, 0.8 percent, 2.1 percent and 0.3 percent respectively. The updated revenue estimates for 2010, 2011, 2015 and 2020 are lower than the corresponding year estimates in the July 2009 Report by 1.9 percent, 1.8 percent, 1.2 percent and 0.4 percent respectively. The updated transaction estimates beyond 2025 shown in Table 2 are the same as those included in the July 2009 Report. However, the revenue estimates beyond 2025 are within 0.1 percent of the revenue estimates in the July 2009 report due to updates to the TollTag transaction share and revenue recovery assumptions.

Year	Toll Transactions	Toll Revenue
2010	485,898,100	$369,889,800
2011	521,992,000	$410,749,700
2012	571,415,700	$470,534,300
2013	598,794,600	$514,377,400
2014	623,519,000	$553,563,000
2015	642,990,800	$588,927,900
2016	672,611,800	$631,795,300
2017	695,623,200	$671,708,100
2018	720,082,800	$716,010,300
2019	757,875,100	$784,105,600
2020	775,259,400	$837,503,300
2021	792,917,000	$882,189,600
2022	811,327,300	$931,003,500
2023	830,529,500	$979,846,800
2024	850,496,100	$1,033,036,500
2025	872,935,200	$1,091,688,400
2026	884,939,400	$1,140,026,300
2027	897,183,700	$1,187,924,000
2028	909,784,200	$1,239,509,000
2029	922,756,700	$1,291,411,200
2030	936,119,200	$1,347,740,700
2031	949,700,700	$1,406,009,600
2032	963,638,200	$1,468,584,500
2033	977,950,200	$1,531,048,300
2034	992,602,600	$1,598,154,500
2035	1,007,649,100	$1,668,443,600
2036	1,019,873,100	$1,739,286,500
2037	1,032,271,400	$1,807,605,800
2038	1,044,846,400	$1,880,879,900
2039	1,057,601,700	$1,956,856,900
2040	1,070,491,000	$2,037,727,300
2041	1,082,339,500	$2,117,228,300
2042	1,093,935,800	$2,201,408,100
2043	1,105,272,500	$2,285,293,100
2044	1,116,658,200	$2,375,011,700
2045	1,128,164,500	$2,465,386,700
2046	1,139,125,100	$2,561,137,000
2047	1,150,217,300	$2,657,940,500
2048	1,161,377,000	$2,761,183,000
2049	1,172,611,700	$2,863,835,700
2050	1,183,981,700	$2,973,915,100
2051	1,195,488,900	$3,085,145,400
2052	1,207,134,800	$3,204,638,700
2053	1,218,921,600	$3,324,831,500
2054	1,230,850,700	$3,453,431,400
2055	1,242,823,200	$3,583,411,600
2056	1,254,887,700	$3,722,292,200
2057	1,266,378,700	$3,857,562,800
2058	1,157,956,900	$3,559,934,300
2059	926,790,900	$2,745,669,200
2060	932,946,500	$2,843,440,300
2061	939,165,300	$2,939,203,700
2062	945,448,200	$3,041,358,100
Total	**50,744,151,900**	**$99,391,396,000**

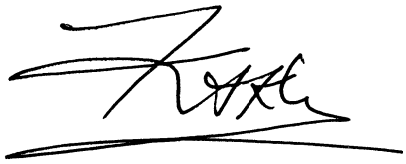
Key Assumptions:
1. Background transportation networks based on MTP 2030-2009 Amendment.
2. "Revised-lag" demographics.
3. System-wide toll rate increases on July 1 of every odd year starting July 1, 2011.
4. PGBT EE mainlanes open to traffic by end of December 2011.
5. Improvements on DNT between PGBT and SRT by Dec. 31, 2015.
6. Expansion of SRT between Bus-121 and US 75 from three to four lanes per direction by January 1, 2019. Congestion pricing on SRT is assumed to start in 2019.
7. Expansion of PGBT between IH 35E and SH 78 from three to four lanes per direction by January 1, 2019.

Table 2: Estimated NTTAS Annual Toll Transactions and Revenue

We hope this summary meets your needs. Please do not hesitate to call if you have any questions or if any additional information is required.

Sincerely,

WILBUR SMITH ASSOCIATES



Kamran Khan
Senior Vice President

DISCLAIMER

Results, findings, conclusions and recommendations found in this letter are the direct result of the application of current state-of-the-practice processes and procedures in traffic and toll revenue forecasting. WSA believes that projections and other forward-looking statements contained within this letter are based on reasonable assumptions as of the date of this letter. However, there is considerable uncertainty inherent in forecasting traffic and revenue for any toll facility. There may sometimes be differences between forecasted and actual results caused by events and circumstances beyond the control of the forecasters. These differences could be material. Also, it should be recognized that traffic and revenue forecasts in this letter reflect the overall estimated long-term trend. Actual experience in any given year may vary due to changing economic conditions or other factors.

In developing these forecasts, WSA has reasonably relied upon the accuracy and completeness of information provided (both written and oral) by North Texas Tollway Authority staff and consultants, other local and state agencies. WSA has also relied upon the reasonable assurances of some independent parties and is not aware of any facts that would make such information misleading. Determination of several key variables impacting the traffic and revenue forecasts are the result of WSA's professional qualitative judgment based upon years of industry experience. These variables must be considered together as a whole rather than as discrete variables. Misleading or inaccurate conclusions could result without appropriate consideration of the intent or application of these variables or the underlying methodologies used to obtain the results.